# Performance Enhancement Quotient

## “PEQ” Workshop

**Transcript Index***

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEQ Introduction</td>
<td>1</td>
</tr>
<tr>
<td>How to Create Growth Through Training</td>
<td>20</td>
</tr>
<tr>
<td>How Strategy Makes Every Tactic Work At Least 5 Times Harder</td>
<td>44</td>
</tr>
<tr>
<td>Strategy versus Tactics Workshop</td>
<td>77</td>
</tr>
<tr>
<td>Participant’s Insights</td>
<td>90</td>
</tr>
<tr>
<td>Summary of Day One &amp; Participant’s Insights</td>
<td>128</td>
</tr>
<tr>
<td>How The Brain Works</td>
<td>151</td>
</tr>
<tr>
<td>The Six Steps to Time Management</td>
<td>163</td>
</tr>
<tr>
<td>Strategies for Gaining Customers - Part 1, 2 and 3</td>
<td>177</td>
</tr>
<tr>
<td>Referral Systems</td>
<td>278</td>
</tr>
<tr>
<td>The Ultimate Preemptive Marketing Approach/Participant’s Insights</td>
<td>310</td>
</tr>
<tr>
<td>Review of Procedure Implementation</td>
<td>324</td>
</tr>
<tr>
<td>Piggyback, Parties, Public Relations</td>
<td>332</td>
</tr>
<tr>
<td>How to Hire Superstars</td>
<td>397</td>
</tr>
<tr>
<td>Effective Presentation Skills</td>
<td>430</td>
</tr>
<tr>
<td>Getting Past the Gatekeeper</td>
<td>444</td>
</tr>
<tr>
<td>The Seven Steps to Every Sale: Mastering the Sales Process</td>
<td>459</td>
</tr>
<tr>
<td>Ten Follow-up Steps for Bonding with Clients</td>
<td>474</td>
</tr>
<tr>
<td>Traits of Overachievers</td>
<td>483</td>
</tr>
<tr>
<td>Action Plan</td>
<td>500</td>
</tr>
<tr>
<td>Mastering the Telephone</td>
<td>534</td>
</tr>
<tr>
<td>Twelve Steps to Get an Appointment with Anyone/Insights</td>
<td>553</td>
</tr>
<tr>
<td>Final Workshop and Conclusion</td>
<td>561</td>
</tr>
</tbody>
</table>

*Note: “What’s Your Story parts 1, 2 and 3” (Tapes 1-4) are not included in this transcript, as they dealt with the information about the needs of the specific companies who attended the PEQ Workshop.*
Jay: First of all, welcome – hello. I’m delighted and impressed by the broad spectrum of types of individuals and companies represented here. Anybody who’s ever been exposed to my body of work, which is hopefully all of you, and knows how we conducted seminars, training programs in the past will be in for a very stimulating treat. This is going to be totally different than about any event I have ever conducted – different in two very critical and very important areas.

Number one – the format it’s going to address is going to be very integrated, very sequential, very systematic, very procedurally oriented.

Number two – it’s objective is totally different than any program that I have ever held, in that all the past programs I’ve held have been designed, basically, to open your mind to broad strategic awareness; to present you with a potpourri, a panoply of choices, alternatives, possibilities… in hopes that you would choose the combination that was most appealing to you, incorporate them into your enterprise, and have at it and decimate and dominate your marketplace. In reality, what has happened, and what has precipitated this program is an interesting phenomenon. Out of the 200,000 companies around the world that have been exposed to my body of work, about 10,000 that I know of did something with it, and generated something in the vicinity of $5.5 or $6 billion (when I stopped counting about five years ago) in increases – profit increases, revenue improvements – and it doesn’t translate to the multiples of that in asset value.

However, a vast majority of those people accepted a fraction of the results that the power of what I was trying to teach them produced, or could produce. They didn’t really know how to systematically integrate and systematize and strategically, really, forge an operating system that would sustain and generate for them continuous improvements, both incrementally in all their areas, but what I focus on is exponential, geometric-type growth.

And over the last few years I’ve been troubled. Most of you who have been loyal clients of mine (and I hope that’s the vast majority) know that I toy around with things, but I’ve done virtually no major training programs other than an Internet program that I did, frankly, for my own awareness because I couldn’t comprehend the models everybody said were viable on the Internet and turned out not to be. And I wanted to bring the supposed top experts in the field together and listened to them, and advocate and champion what I thought you would want to know. And I wanted to learn from them, and it was pretty neat.
But since then I’ve done very little because I’ve been trying to figure out the missing link – the piece of the puzzle that wasn’t really there for you. And I realized a couple of things. I am very proud of the philosophical, of the strategic, and of the economic impact I’ve had on companies for the last 15 or 20 years. I think I’ve changed mindsets. I’ve changed operating philosophies. I’ve changed the levels of fulfillment, impact and dominance of tons and tons of companies. But I don’t think I’ve ever been, by my nature, tightly systems-oriented, procedures-oriented, process-oriented. I’ve been basically – I’ve always been somebody they call in to make the big changes… to come up with the breakthroughs... to look at everything in a non-linear mindset. And I always tried to translate and teach the same kinds of mindset thinking to everybody that I’ve ever trained. I’m proud of it, but I think that I’ve made it difficult for you to really maximize or optimize the real power, the profitability, and the preemptive advantages in the body of my past works, because I didn’t give you a system to put it through – an operating system.

So I’ve been struggling and struggling with that, and I’ve been struggling with some other frustrations that – you get to a point of doing something all your life, you get tired of it, and you start trying to evolve yourself to higher and more powerful leverage, intellectually and transactionally. You want to look at what really works better. Where is there more power? Where is there more performance in things?

And so I started struggling with a concept that I evolved called the “PEQ,” and it’s a corollary, which is called the QPE. And it’s basically – it stands for basically, “Performance Enhancement Quotient,” or “Quantum Performance Equation.” And I started saying, “Well, what is it about a business that could instantaneously get them a lot more performance? What is it about a business that would get them extraordinarily greater results for the same effort... the same investment... the same time... the same people, etc., etc.” And I started struggling with it.

And about that time I had had a relationship with the gentleman to my left. And we’d been impressed by a number of the products that he’d sold, and I’d sold them to my marketplace successfully – very successfully. And I started having discussion with him, because I went through a three year sabbatical where I started working very ardently, and meeting and interacting with all kinds of top people in all kinds of disciplines – from multivariable testing to psychological and sociological profiling of the the buying habits and the attitudinal mores of different consumers in different environments. Because I wanted to learn what in the heck was working today... what in the heck was the dynamic that drove today’s new marketplace, mindset, etc., etc.

And Chet and I started really talking a lot. And Chet is a very brilliant guy in his discipline. He’s a very strategic-minded person, but his even stronger suit is figuring out the systems, the process, the procedures that drive, sustain, maintain and replicate a system so that it can grow and become what I think is missing in most entrepreneurial companies. And part of the process of awareness that I went through was recognizing the difference between what made a Fortune 1000-type company great, grow, sustain, endure
– and what was, not necessarily wrong, but what was lacking in the smaller and medium-sized companies that I had worked with, that I had looked at.

And the couple of things that came to mind, as I was having these dialogues with Chet, were that, #1, a Fortune 1000 company sees their business as an enduring asset. They see it as an institution. They see the people involved as being very valuable, but they see the functions being more valuable. They see it being a system that is replicated, sustained, perpetuated. Most – not all, but most entrepreneurs tend to be reactive, non-strategic, they are systematic in the way they stock or buy their inventory. They are systematic, to some degree, in the way they come in in the morning and turn on the lights, and turn the register on, and at the end of the day do a reading, or if they’re a retailer, whatever they do procedure-wise. They are absolutely, by and large, (no disrespect intended if you’re not this way) they are not systematic. And they are absolutely anti-strategic in the way they market, and the way they generate revenue and sustain or don’t sustain. They tend to be intermittent. They tend to be promotion. They tend to be reactive. They tend to be non-strategic. They’re tactical.

And in trying to figure – they also, most of the entrepreneurial companies that I’ve looked at are set up as lifestyle service for the owner. It’s designed to sustain and pay your lifestyle and fulfill your standard of living. It’s not designed to be an asset that grows and thrives and survives, and ends up being worth a lot more to you when you’re tired of it, or when you want to retire, than it is when you’re there. And I thought that was really tragic.

So Chet and I started spending a lot of time over the last couple of years trying to talk about how I could fill an unintended void that I think I may have totally unintentionally created in trying to really transform the entrepreneurial high performers in the world, because I never gave you this system. We started saying, “How could we combine the two of us?” Chet said, “Jay, I’ve talked to a lot of the Abraham-trained people. They love you. Their minds are stretched. Their spirits are animated. Their sense of possibility is great. They’ve got really great chunks of strategic insight, but they don’t know how to put it together. They can’t figure it out. They grope, and they find a few techniques that they’ll apply. And they’ll get windfalls, but they don’t know how to turn windfalls into ongoing, sustaining, perpetuated revenue streams that will grow and thrive for them.” And he said, “I know how to do that.”

And we started experimenting. And we experimented on a number of different, collaborative manners. And the first thing we did was we took out a bunch of small companies, and worked with them for a couple of days on a weekend. And then we gave them my breakthroughs - my sweeping, non-linear breakthroughs, coupled with Chet’s take on the breakthroughs, but Chet’s developing their system and strategy. And every one of them that followed our recommendations has and is soaring, or is poised for explosive growth.
Then we took four – not huge companies, but companies in the $5-10 million range and worked with them on a more sustaining basis using a more sophisticated version of this collaborative process – me coming up with the breakthroughs, Chet refining them, but also coming up with the processes, the policies, the procedures, the systematic approach, the discipline and perpetual operating philosophies that would govern the real sustaining of this enterprise into an asset that would endure and thrive. And our goal was to get them to be able to dominate their market.

And we’ve got great, great, great successes to report, where everyone that’s really followed the plan – and the plan has been easy to follow, because it’s been very integrated, very pragmatic… the opposite, probably, of what I’ve taught you. Although my intent was to give you a real simple plan. They’re in the biggest months of their careers in business now, in a very difficult time.

And we said, “That’s powerful. Let’s try to take what we’ve learned in our collaborative result and turn it into a program that would be a mindblower for companies who really were either at the point that they knew they couldn’t get past an impasse – or smaller companies that wanted to really be large, or large companies that wanted to be giants.” And we came up with this concept of the PEQ Process.

The whole purpose of this is the opposite of the typical programs that were data-dumps in the past. What we’re going to do in the next four days is very exciting. I’m going to give you a very quick reminder of the key elements that I’ve always stood for, just so that they are indelibly embedded in your mind. We are going to systematically, then, go through a process, going from strategic revisement and refinement, to tactical understanding. And we’re going to construct the systems, the policies, the procedures. We’re going to work on twelve core competencies that unless you can master them, refine them, define them, and systematically integrate them as ongoing policies, procedures and operating systems in your business, you’ll never have a shot at getting where I think you deserve to get, or deserve to be.

I have a very simple philosophy on life. You shouldn’t steal from yourself. If you’re going to get up in the morning… if you’re going to commit your life to an enterprise, your wealth creation, the security and the financial well-being and future of your family… if other people are going to commit their lives - your staff, your team, your employees, your vendors – to you… you owe it to yourself and to everyone else who I’ll call, for lack of a better word, a stakeholder to get the highest and best sustaining result to optimize… to never accept a fraction of the yield when in the same effort or less… the same people or less… the same time or less… the same capital or less… the same opportunity cost or less… can deliver so much more to you currently, and compound it, and perpetually…

But you obviously know that, but you don’t know how to get there. And that’s what we’re going to do today. Rather than going through a long litany, all I will say to
you now is I’m going to go through about a 15-minute review of what I’m all about, just so it’s there.

Chet and I are different. I’m basically here to do two things. Chet’s going to walk you through, over the next 3½ days, the key core competencies. In between that, I’m going to basically distinguish key connectors or bridges that are invaluably essential for you to know. I’m going to – after Chet does a session with you, I’m going to do what I do best, which is basically slice it, dice it, probe it, penetrate it, CAT scan analyze it, assail it in a constructive way from every vantage point possible, and put spin on it so that I can then come back to you with the kind of spins that I think will animate your spirit, move you to the kind of passionate action and commitment I think is necessary for you guys to be able to really harvest what’s possible.

Point of reference: there’s a good case for thinking the economy could be in a real precarious position in the next couple of months or year. Truthfully speaking, with the right strategic attitude… with the right operating system… with the right mindset and the right real motives… you can use this environment to grow your business beyond any level that you’ve ever comprehended. Because even if a market is dwindling a bit… even if people are struggling, the person, the entity, the organization that is proactive and sees it as a growth opportunity and knows how to realize it can amass incredible ground. And that’s what we want to teach you to do – to dominate your market in good times or bad… to use - almost like jujitsu – to use the force and the power of your competition and the environment to your absolute, maximum advantage.

Before I go through a litany of my things, do you have anything to add to that, Chet? This is Chet, and I would introduce him formally, but you guys all know about his background. This is Chet. He’s going to bedazzle you with his systematic, integrated brilliance throughout the next four days. But before I go into sort of an overview of me, do you have anything that you think I either didn’t say, or said wrong?

Chet: No, I think you did a great job. The only thing I would say is that when I would go into a Fortune 500 company and start to do things, it took probably three months just to get the vision down into the company. And the really rewarding thing about working with the smaller companies that Jay’s gotten me involved in is the impact is almost immediate. So four weeks from today you should be having a really great impact. And then four weeks later you’ll have a monster impact. And that’s what we’re seeing with the smaller companies. Now smaller – I’m saying these are $5-10 million companies, and that makes up the majority of you here in the room.

So you guys can fix it yourself, vs. with a Fortune 500, it’s ten layers from the CEO to where I might be implementing something. With you guys, if you get some breakthroughs here and some methodologies, then, to institute those breakthroughs, you just go pshew! You’re right there fixing it in your own organization. So that’s why we’ve had – as Jay said, these companies are having the biggest months of their career
because the entrepreneur puts his hand on the thing and fixes it himself. But now he knows how, and he’s got the methodologies. So that’s the only thing.

Jay: Good. Yeah, and I’ve only got one other thing to say about what I’ve learned from Chet, which I’ve always inherently believed, but it was much clarified. Chet’s discipline is grounded – or founded – in a lot of his life experiences. And Chet’s a - I don’t know how many degree, but he’s a martial arts master. And he’s built his whole philosophy on a very simple distinction.

There’s a big, big difference in the impact between event training and process training. Event training is what I always tried to do with great intention, which is to bring you into a room… to dissect and reconstruct your paradigm, your passion, your sense of possibility, your strategic awareness… send you out into the world a transformed person, never to see you again, never follow up again – maybe to sell you something else, or a service, but really, to not interact and hope that I transformed your world forever and installed in you the capability of doing everything you needed to do forever. And all this was nestled there in that potpourri of information.

And the mind doesn’t work that way, number one. Your retention isn’t anywhere close to that capable, number two. Number three, because of the dynamics of two things: when you get a brilliant insight you don’t hear half the things that are explained thereafter, because your mind is traipsing out on tangents of sugar plum fairies and excitement. Number two, you’re at different points on the continuum when a Jay Abraham talks to you on this day. And something that will be very profound, perhaps three levels forward when you get something in place, you don’t even comprehend and you don’t go back and remember it, because most people are not – even though you give them the tapes and tell them, “Listen to it over and over again” they don’t do it.

Chet comes from a really interesting distinction, which I have always believed, but never had really crystallized it in my mind at this depth. His analogy – and he’ll probably do it better, but I’m going to do it for him. It’s the difference between a first day, white belt beginning martial arts student and a 29th degree grand master. They all work on the same 20 or 30 principles, just one has taken it to such a science – not art form, but science - science is key here – that he or she has gotten so proficient they keep repeating it… refining it… repeating it… refining it. Everything that Chet’s going to teach you is based on an assumption that, you’d better take good notes. You’d better comprehend it, but it’s something that’s going to be over and over and over again revisited and advanced, revisited and advanced.

And the analogies that I give are the military, the army, and – there’s one other profession that’s really good – and medical. Are there any doctors here in the room? Medical doctor? Well, when you started in a school, they didn’t give you an intensive weekend in Gray’s Anatomy, and then give you a bunch of surgical tools and then send you in to perform a heart bypass, did they? You basically – you learned, the first day you go through the anatomy. Then you work a little bit more on it. Then you get to see
cadavers. Then you basically get to watch in the operating theater. Then you get to put your hand in, and maybe help sew up, or whatever you do. But it’s a very processional type of slow, repeat, advance, review, advance – isn’t it? Until at such a time way, way, way in the future you’ve got this unconscious competency and you still keep having to have an advanced, continuing education to keep your skill and proficiency up, right? 30, 40, 50 – it’s funny. Every other field has advanced continuing education except for entrepreneurs. And all these professions – it’s true. How many hours a year do you need just to keep your license?

**Participant:** About 50 hours.

**Jay:** 50 hours of advanced training *after* he’s already put – how many years in training did you have? Eight? Nine? Yeah, so – OK.

Military – anybody in the Army, ever? Or Air Force, Marines, anything? I wasn’t either. But if you were…

**Chet:** Somebody was. I remember reading –

**Jay:** You would have gone through a boot camp. But boot camp is running you through the same exercises over and over and over again. From basic to more advanced, to where you become so skilled at it that naturally you’re doing it matter-of-fact, and it becomes a disciplined process.

Chet and I were talking about a gentleman in business that we’re doing a venture with who’s militarily trained, and how systematic and process-oriented he is. Pilots – anybody here a pilot? Commercial? Private? Well, pilots basically spend all this time… first thing they do is they read the book. Then they listen to the classroom. Then they sit for hours in front of a simulator. Then they get to ride in the back and look over the shoulder. Then they get to ride up front, and maybe if they’re lucky, put their hand on the stick a little bit. Then they get the stick for a little while. Then they get the stick for a little longer. But it’s a long-going, repetitive procedure to get proficiency.

I think I may be doing you a little disservice, but isn’t that pretty much analogous to what you believe? And there’s a big distinction between that and perhaps what I’ve ever taught you, and definitely what most entrepreneurs that I’ve seen follow. And if we can get you to slow down enough and embrace that, it’s going to transform your life.

Also, just because I don’t believe that you should worry about what’s in store, all I’ll tell you is here’s what each day is going to entail. Chet’s going to do, each day, approximately three deep segments on three different core competencies you’ve got to master and integrate into your operations. They’ll take between an hour and an hour and a half each. They will be rich with exercises and what Chet calls workshops. And workshops are the process that translate it from theory to application… the “torque conversion” element that will make it come alive and be actionable by you in your
enterprise when you go home. Each time he’s done with one of those I will make my comments, and I will add some appropriate transaction or bridging device. At the end of every day we will look and see what each company got out of it from that day. Because you seeing what he got… him seeing what she got… she seeing what he got… will make the whole thing more expanded, and it will dimensionalize it, and it will connect dots for you with such an extraordinary sense of rapidity and dimension, it will be unbelievable.

We will do that for three days, and we’ll just keep layering and layering and layering, as I said. Out of systematic and strategic necessity, the first days will be strategic. Because if we don’t set your strategy and foundation, all the tactics in the world won’t work as you’ve found by juggling a lot of the things that I’ve taught you. Then we’ll build the pillars of strategy and the skin for it.

Then on the last day, we will take approximately half of that day and we’re going to work through two things. You’re going to systematically put it all on paper. You’re going to be building it as we go. You’re going to deliver to yourself and your colleagues and to all the people around your tables, literally, the new game plan. And then you’re going to come up and present it. And we’re going to refine it. We’re going to reshape it. We’re going to constructively help you improve it. And we’re going to basically work it through. So you’ve got basically, when you go home, what you’ve always needed, but it’s going to be at a much higher elevation than anything I’ve ever done before. So that’s what’s going to happen.

That stated, let me just go through for a few minutes a little quick review – no slides, nothing – of “Jay Abraham 101,” and also the market drivers, and I’ve added another one to it. Just so that we’re in place. Now you can make notes. You’ll have the tapes of all this. If it’s so profound that at the end you think it would be good I’ll actually have it typed up and sent to you also.

But just, first of all, let’s look at the eight – and now nine – drivers that I keep evolving. And I looked at what are the key elements that give you optimal leverage and enhanced performance on a sustained basis in your business? They are: Marketing – change your marketing, change your results. Enormous leverage, up to 2100% leverage in each improved activity you do if you put a system together that’s not only operational, but also continually tests, monitors, measures.

Second (not necessarily in order) – Strategy. Change of strategy, the fastest, easiest, most powerful way to change your results.

Next – your Capital... human, intellectual, financial. Human is basically the people working for you. Intellectual capital is the intellectual property. It could be the proprietary systems, the procedures that are unique and distinctive to you. And financial capital – how you deploy it. Enormous upside leverage in all three of those.
Next – your **Business Model**. And the business model as Chet will distinguish in a little while is decisively different than your strategy. You can have a big, sweeping strategy, but the model may be wrong, and the strategy will perform OK, but not maximum or optimal for you.

Next – the **Relationships** you have. The business relationships, the professional relationships, the collegial relationships, the mastermind relationships.

Next – your **Distribution Channels** - and that’s a very sweeping concept that describes all the different means you have of impacting the market, from the advertising you do… the selling organization you do… the network of associations you’ve got – it’s a very broad and sweeping area.

Next – **Products and Services**. The different products and services you have or you create will give you enormously greater or less leverage… frequency of purchase… profit. It will give you enormously renewed ability to get far greater yield and sustained income from the relationships that you breed with clients.

The next one (and this is where Chet will go crazy with, and you’re going to just have an almost “intellectual orgasm,” because it’s going to just open you up to areas you can’t imagine.) It’s **Procedures and Processes**.

And the last one, which is nine, that I just added to it the other day, is **Ideology**. The whole thinking that you’re basing your operating system around. It’s different than your strategy.

Now, Jay Abraham 101. Quick. I just want to make sure that you understand. I’ve been obsessed for all of my life with the question of why some companies are 100, 1000 times more successful than others… why a Fortune 1000 company is so different than a small- or medium-sized entrepreneurial one… and how to turn reactive, tactically-oriented, non-systematic business people into very much the opposite. Into supremely sophisticated, supremely strategic, supremely proactive organizations.

So here’s what I really define myself as being all about – just for those of you who haven’t taken out your Jay Abraham material for a long time, and you say you know it, but you probably don’t remember the key distinctions. So let’s go through them real, real quick.

Number one: I’m all about **Upside Leverage**. Almost everything you do has infinitely greater upside leverage, and you can control or eliminate the downside. If you can make the same action, the same activity, the same person, the same capital, the same client - everything produce more yield, more performance and then sustain it – the combined effect is geometric growth. I’m all about working on the geometry of your business. I’m all about optimizing. Maximum result, minimum effort, minimum expense, minimum time, minimum risk.
I’m all about – the two greatest levers you’ve got are **Marketing and Innovation**. Innovation is also the ability to engineer breakthroughs – because I spent a lot of time studying the most successful-performing companies in their category, and what I found out in analyzing them was that they tended to be the companies that engineered and introduced the most consistent amount of quality breakthroughs on a continuous basis in the four areas of strategy, marketing, innovation and management. So you’ve got to be committed to engineering breakthroughs.

In order to do all this, the first thing you have to do is **maximize what you’re already doing**. Whether Jay Abraham is in your life or not, you’ve got what I call “critical mass and velocity” in motion. You’ve got all these activities going on. You’ve got sales people. You’ve got ads running. You’ve got people calling. You’ve got word of mouth. You’ve got phone calls. You’ve got customer service. You’ve got all these contact and impact points.

And you’ve got to first of all maximize what you’re currently doing before you can even go out and rebuild your organization. And you can’t maximize what you’re currently doing - if you don’t break it down to its core processes... Because only when you do that can you measure, can you quantify, can you improve. So you’ve got to figure out what you’re doing right now, and break it down to its core driver. And that means, like if you’re doing selling, you’ve got to realize how well you’re doing at opening accounts. How well are you doing at targeting the media? How well are you doing at the average hour? How well are you doing at different kinds of categories? How well are you doing at different product sales? How well are you doing at different geographies? Because until you know how you’re doing you can’t maximize your performance.

Speaking of which, you can’t maximize the performance of the methodologies behind all of those categories you’re going to now measure and monitor until you first **examine and evaluate** all the higher-performing options and opportunities out there. And you can’t do that unless you decide you’re going to travel outside of your industry, and you’re going to carefully evaluate and borrow the success processes and thinking and approaches from all kinds of other industries other than yours. Because if all you do is try to monitor and emulate what people in your industry are doing, you’re going to be limited to incremental and linear growth.

So you’ve got to go and borrow the success processes from outside your industry. And that requires a process I call **“funnel vision vs. tunnel vision”**. Most people spend their whole time in one field, and the most they try to do is emulate or plagiarize what their slightly or somewhat more aggressive or successful competitor does - and that’s funnel vision. Tunnel vision is saying, “Screw that stuff! I want to know better ways, not just to sell, but if our goal is to find new prospects, and our method of doing that is to run an ad in the trade publications, what are 20 other industries doing to ‘find new prospects’ other than running an ad in trade publications?” And you ask those kind of questions over and over and over again.
OK. You’ve got to be resigned and committed to engineering breakthroughs. And I talked about innovation – innovation to me is not necessarily high tech, although it can be. **Innovation is bringing greater advantage to the client that the client perceives and values.** It can be the simplest, most mundane, most non-technical value added imaginable, but you’ve got to realize that value is in the eyes of the beholder. What you think is valuable does not necessarily translate to your client.

You’ve got to change your philosophical strategy and move to what I call a **“Strategy of Preeminence.”** For those of you who have been exposed to me in the last four or five years, I’ve started talking about the strategy of preeminence. I didn’t before. Simply speaking in a shortened, one-minute soliloquy, the strategy of preeminence is a whole new way of looking at the relationship you have with your marketplace. It’s seeing yourselves, and your company, and everyone in your organization as the ultimate fiduciary… as an advisor… as a trusted… as a respected… as an expert advisor with the responsibility and the obligation to counsel those people in what’s in their best interest to give them the best short- and long-term outcome. And when you start advising them with their best interest at heart, you no longer will accept or allow them to buy less than they should… less combinations than they should… less quality of products or services than they should… less frequently than they should… and for less reasons. You’ll not just, ever again, take the order just because they’re willing to buy. You will never again ever be struggling with how to manipulate… what kind of things to say or do because you’ll always be focused on the fact that the more value you add that is perceived, the more success you will have. You will start thinking of your relationship with them all as clients, and if you talk to them all as customers today, you’ll probably change – and I’ll tell you why. In a world that is trying to knock you down… slam you down to commodity and marginalized status, you can’t help it. You’ve got to draw a line in the sand and distinguish yourself. And the way to do that is to start thinking of your relationship as an advisor, as a fiduciary, and the people you’re dealing with as clients.

Look up the word when you get home “customer.” Look up the word “client” in Webster’s Dictionary. Customer is defined as somebody who buys a commodity or a service. Client is defined as somebody who’s under the care, the protection, the well-being of another. You want to move the whole relationship that you have with that client to one of where they are someone you see as under your care, your protection, your well-being.

The biggest problem that I’ve studied with most companies that I have served, and most companies that I have observed is they fall in love with the wrong thing. They want their company to be the fastest growing, the biggest, the best, the Inc. 100, the Inc. One, Fortune 500. They fall in love with the mega-organization… the worldwide impact.

The way to greatness today is to transfer your passion from your product, your service, your company, and instead, fall in love with your client. If they’re at the top of your awareness all the time, and if all your focus is on constantly getting them the very
richest… the very best… the very most productive… the very most profitable… the very most enjoyable… the very most enriching… the very greatest protection in whatever your product or service provides… you will so dominate and predominate everybody else in your business sector, because they don’t look at it that way. They’re in love with having the biggest company. They’re in love with –

You also have to fall with your three tiers of clients. The people who pay you, and the two tiers of people you pay. You’ve got to fall in love with your team members, and you’ve got to want greatness for them. And you’ve got to basically see them and their family, and that you are the vehicle to their richness and their security. And you’ve got to envision the fact that kids are going to go to college because of you, and lives are going to be enriched because of you. Just like your clients, you’ve got to see their businesses or their personal lives thrive, and secure, and their prosperity grow, and their security enhanced, and their health, depending on the application of your product. If you can’t visualize that you’re going to lose torque.

You need, as I just said, a Strategy of Preeminence. And it’s the most liberating, and it’s the most animating, and it’s the most passionate, and it’s the most transformational single thing you’ll ever embrace. You’ve got to change over to that. After you’ve done all that, then, then you’re ready multiply your performance by then borrowing all kinds of higher-performing methods and approaches from outside the industry. But those are only to be added after you’ve first maximized what you’ve currently done. And maximizing means a very sobering, and very, very analytical assessment of how every process in your system is performing. Because if it’s not delivering the results it should, you’ve got to either fortify it, you’ve got to purge it, you’ve got to replace it, or you’ve got to improve it pretty darn fast or it’s going to basically lose your torque.

Always, when you start multiplying, that’s when you get the real geometric gains, but it’s the same way. You do it by borrowing success processes from outside your market. It saves you the learning curve. It saves you the capital investment. And it also has the impact of an atom bomb. If you are the first and the only company to introduce selling approaches, strategic distinctions, and operating systems into your field that are matter-of-fact to other industries (as Chet will teach you stuff that are matter-of-fact to the biggest Fortune 500) but no one else in your industry has ever seen it before or experienced it, it will knock your competitors for a loop, and it will distinguish you in such a powerful and preeminent way in your marketplace that you will own it. You will literally own it.

The other things I’m all about – very quickly – the Three Ways To Grow A Business model. Most people grow their business incrementally and linear, because they fix in on growing more clients. If you grow clients and you focus on the size of the transaction and increasing that ethically… and you grow in getting more frequency or utility out of the relationship – meaning if you’re only a one-product or service company
right now, you’ve got to figure other additional products or services you can either create – and this is one of our drivers, Products and Services – you can either create, or you can joint venture, or you can acquire so that you can get more utility, more residual value, out of your client.

If you work on all three ways to grow a business at the same time, and all you did was improve all three ways by a mere 10%, it brings the power of geometry to bear. And I have this exercise I used to put people through, and it took about a half an hour. But it shows that if you had 1,000 active customers – clients, excuse me – and if you had an average order of $100 for each time they were coming in, if they bought two times a year, and all you did was increase those across the board by a mere 10% (a modest little increase) it would increase your revenue by 33%. And if you seriously increased all those categories at the same time by 25%, it would almost triple your performance.

If you don’t focus on geometric growth… if you don’t work on the geometry of your business… then you’re going to always work harder for your company than your company will work for you. Your goal, and our goal for the next four days is to teach you how to get your company working harder and harder for you in a perpetual manner so that you’ve got systems in place that will sustain, thrive and survive so you’re building an asset – an asset that will be worth so many times more than the mere increases in income… in earnings… in salary… or in dividends we can stimulate for you. This is a wealth-building play of the highest magnitude, if you understand it.

The next thing I’m all about is the **Power Parthenon of Geometric Business Growth**. And it’s basically predicated on the very, very simple assumption that 99% of all companies today, and 99% of all companies ten years ago, generate the vast majority of their revenue, their stability, their income from one primary revenue activity. And it’s the dumbest thing in the world, because with one pillar that’s supporting this entire revenue stream – and it looks to me like a diving board, which is very, very, very precarious. And a diving board has never been a means for propelling anyone upward to growth on a sustaining basis. You do go up for a minute in time in the process of plummeting down. I try to get everybody I ever work with to build pillars and pillars and pillars – not unlike the Parthenon in Greece – of additional complimentary revenue and income-generating approaches borrowed from outside their industry. And if each one only adds 10% more… 15% more… 20% more… the combined geometric effects are hundreds and hundreds of percent growth. And everyone thinks that my press and my track records are almost hyperbolically ludicrous. They’re not. I’m just one of the few people who understands how much more you can get out of an opportunity, out of an effort, out of a day. And that’s what we’re teaching you today in a systematic manner.

The other two things that I want to share (and then I’m done and Chet will take over) is a new distinction which is called “**The Force Multiplier Effect**.” And it’s a military term, but I’m going to define it. It’s a capability that, when added to and employed by a combat force, significantly increases the combat potential of that force and thus enhances the probability of successful mission accomplishments. It’s the
militaristic discipline of creating multiple avenues of penetration at the same time. Going by land, going by sea, funnel attack, side attack, surprise attack, missiles, going ahead to penetrate and soften the market, air attack, land attack, sea attack, stealth attack. And it’s a proven process of dominating your enemy in military terms. It’s a proven process of dominating and preeminently owning your market in commercial, in entrepreneurial, in business terms, and it all ties together. It’s letting the full force of lots of different factors carry you to greatness without you having to lug it and push it.

The final thing I’m going to do is to share with you 12 Strategic Pillar of Strategy that I’m all about, and they complement, but they’re a little bit different than Chet… 14 Mindset Pillars, and then I am done. And then it’s all yours.

OK. These are what I think are twelve of the strategy pillars you’ve got to incorporate into your business philosophy from today forward. Number one: Continually identifying and discovering hidden assets in your business. Every business has hidden assets, overlooked opportunities, underperforming activities, undervalued relationships, untapped resources and intellectual capital, and until you commit on a continuous basis, to monitor, to examine, to mine those on a continuous basis, you’ll never do it.

Next: Mining cash windfalls each and every month out of your business. It is very important, psychologically, to produce for yourself short term wins. It’s more important to get them to validate that the course you’re on is correct. They don’t have to be big ones, although they tend to in combination be extraordinarily substantial ones when the exponential impact applies. But you’ve got to be committed that every month you want a windfall. It could be a market windfall, a strategy windfall, a sales windfall… but you’ve got to be committed that that’s got to be an objective… an objective goal that you’ve got to fulfill every month.

Next: Engineering success into every action you take or decision you make. This is amazing, but so many people are not only reactive, but they’re not pragmatic. They’re not logical. They’re reactively tactical, and it’s the worst thing in the world. You’ve got to learn to take a deep breath and reflect, and be much more systematic and much more global in the way you look at all the integration of what’s going on in your world.

Next: Building your business on a foundation of multiple profit sources instead of depending on one single revenue source. Remember: Jay Abraham 101 - Why grow incrementally or linear if you can grow geometrically and exponentially with the same time, effort and capital. You can’t grow geometrically if you don’t let geometry work for you! Geometry is not 1 + 1. It’s 1 + 1 + 1. It’s basically bringing three different factors or more together. You’ve got to bring continuous processes to work for you – a foundation of multiple profit sources.
Next: **Being different, distinctive, special, unique, advantageous in the eyes of your clients.** And today I’ve taken the concept of Unique Selling Proposition to a higher level of distinction. I no longer believe it’s merely being able to have an advantage over your competitors. I think today it’s got to be being seen as the only viable solution or strategy or opportunity for the problem or desire that your marketplace is trying to address. And you’ve got to be much more refined in it, because there’s too many choices. Needs today may be singular, but means to fill them are so vast it’s scary.

Next: **Creating real value based on what your clients define value to be for clients and employees for maximum loyalty, results, and sustaining relationship.**

Next: **Getting the maximum personal leverage from every action, investment, time or energy commitment you ever make.** These are simple, but I guarantee you you don’t have these indelibly embedded anywhere, and you don’t adhere to these. Just by bringing those to bear and putting them through the crucible of what Chet will teach you, it’s going to rock your world.

Next: **Networking, masterminding, brainstorming with like-minded, success-driven people from outside your industry who can share perspectives, real life experiences and recommendations with you.** If you look at all the great achievers, they’ve got brain trusts. They’ve got kitchen cabinets. They’ve got mastermind alliances. They’ve got advisory boards galore. If you’re a lonely entrepreneur out trying to knock it alone, and you’re not trying to get perspective from people…

It’s like the reason we’ve got you around this room – and by the way, every break that is doable… and Carl, are you in the room? We’ve got to make sure we can change the waters over. I insist that you come back and don’t sit with the same people you’re sitting with now. In other words, if your three people from your company… I guess for your exercises, they must – do they need to stay together for the exercises? OK, if you’re with people you’ve got to stay with people from your company, but don’t be sitting with the same people because you want different perspectives. You want to share different paradigms. You want to be able to discuss your breakthroughs, or your struggles, or your confusions, or your insights with other people who will give you context… who will give you dimension… who will help you see a more expansive, global, worldly experiential global insight. And you’ve got even in this room of 30 people spending 20 years on average in their field, you’ve got 600 years of experience to tap. You’ve got probably, cumulatively, if you spend in salaries and marketing and research, $300,000 – let’s say you’re a small business - $300,000 a year times 30, you’ve got $9 million times 20 years, you’ve got $180 million worth of investment and research that you can tap into. You’ve got people who have been where you’re trying to go to. People that have a perspective that you’ll never have. It’s like I’ll never be a day-to-day business manager. Chet’s got a different attitude. Well, it’s the dumbest thing in the world not to pull and tap into that today. But that should be a commitment the rest of your life.
Next: **Turning yourself into an idea generator, and recognized innovator within your industry or market.** I wrote this about three years ago before I really was refined in my belief system about engineering breakthroughs.

Next: **Making growth thinking a natural part of your everyday business philosophy.** I mean, you can just give lip service to say, “Yeah, we want to grow.” But it must – everything you do is driven through the screen and the filter and the lens of saying, “Everything is based on our growth thinking. Is this going to facilitate, and is this going to contribute, and is this going to bring about our growth or not?”

Next: **Reversing the risk for both you and your clients in everything you do so the downside is almost zero and the upside potentially nearly infinite.**

Next: **Using safe, small tests to eliminate the dangerous risks and adopting this funnel vision instead of tunnel vision in your thinking about what is possible, so you’ll be inspired and spiritually animated to enthusiastically, continually test, experiment, try.** What you don’t want to ever do is go down looking at the ball (using a baseball analogy.) You want to swing for it, but you don’t want to swing for it like Casey at the bat. Getting a lot of singles and never striking out will win the game more predictably than anything else you can do.

Last thing, there’s the mindset factors that I believe are very important for you to reflect on. The first is you’ve got to be able to set and achieve your own lofty goals, and you’ve got to be able to recognize the process to achieve them. Lots of people have goals, but very few people reverse engineer the systematic sequence of simple actions necessary to occur to get them to that outcome. Chet’s going to give you enormous insight on that.

The next is, you’ve got to develop a process to effectively overcome obstacles. The struggling with challenges is a waste. Overcoming them, resolving them, circumventing them is a mindset that you’ve got to install. And I think, Chet, you’re going to work on that a lot, aren’t you?

Chet: Mm hm.

**Jay: OK.** Next – it’s simple. But you really do. We talk about negative self-talk. You can’t let your glass ceiling… you can’t let the economy thwart you. You’ve got to basically have the attitude, and you can’t basically think in negative terms. It’s simple, it’s axiomatic, it’s infantilly, like, Logic 101, but you’ve got to basically – when you get the passion and the vision for what’s possible… when you get the system, the policy and the procedures, and you see how predictably, how pragmatically, how sequentially and how quickly you can do it, your whole mindset is going to change. But there are going to be challenges. The truth of the matter is adversity is opportunity for people in this room. And unless you believe that with every filament of your being, you’re going to minimize instead of maximize or optimize what we’re going to teach you this weekend.
You’ve got to basically be committed to persistence. Persistence is like the military. They hope that their frontal attack works, but they’re not going to leave the war and put up the white flag if they’re confronted with resistance. They’re going to go from the side, from above, from underneath if there’s water. They’re going to go by night stealth. They’re going to send unmanned missiles. And they’re going to do everything, because they want to just win the war. And it would be great if they could do it in one death-fell swoop, and just clean up – nobody gets hurt – and go back. But they’re prepared to do whatever it takes to be victorious. If you are not prepared to do that, you may not be victorious.

Ethics. Throughout all of this, you’ve got to distinguish yourself and operate at the highest end of ethics, of integrity, of veracity. If you lower yourself to the level of a lot of the people in the world today, you won’t be distinctive. You won’t be preeminent. You won’t stand out. If you operate at this high level, you will win over people and they will stay with you - when you have the right systems and strategy in place. Your belief and commitment’s got to be unbridled. It’s got to be invincible. It’s got to be so real, because the vision you paint, you can see exactly the sequence of events, and that’s where Chet will make such a big difference. And I think I may have – not failed you, but not sustained you with the right capability. Having a vision is very difficult if you don’t have the process to get there. Just holding this big vision out there and believing it is wonderful, but if you see each step of the way, and when you take one, you knock that off, and you’re getting closer... It’s like I know that I want to go there, but I can count off and say, “It’s 23 steps.” And starting, you say, “I want to get to the end,” but I say, “OK, one, two – now it’s only 21 steps. Three, four – now it’s only 19 steps. Five, six – now it’s only 17 steps.” And it’s closer and closer. And that’s what we’re going to try to build for you. (I’m almost done.)

You’ve got to be willing to, not take dangerous risks, but take calculated investments in your future. And one of the biggest disappointments I ever had – and it makes me cry – when I’ll look at businesses that won’t reinvest a portion of their increased revenue. They’ll get a windfall that I would help them stimulate of 2-, 3-, $400,000, and instead of taking 50% of that and putting it into new people, or more marketing, or more selling systems, or buying more leads, or more starts in clients – they’ll just put it in their pocket and walk away, and they won’t reinvest back. And parlaying on your successes by taking calculated risks and investing strategically and systematically in the future is critical to your success.

Fearlessness – the sky won’t fall. The world’s not going to collapse. You won’t go broke or look stupid. Quite the opposite is the case once you adapt this philosophy. Really, doom and failure only go to those who stay stuck in the status quo. This is very important. You’ve got to be resigned and resolved to learn from the mistakes of others. It’ll save you millions. It’ll save you years. It’ll save you emotional hardship. And it will catapult and propel you so many levels and rungs higher so fast, if you’re committed to do it.
**Daily motivation** – you really do have to review and revisit this belief system every day, because I don’t care how great your mind and your memory is - you retain about 7% of the boring things you learn. If it’s more exciting and more diverse, you retain about 3%. Chet believes in process training. I do too, and part of the first thing in process training is reviewing on a continuous basis what your vision is, what your goal is, what you’re going after, what your system is. Because if you don’t, you’ll forget it.

**How you handle your newfound success as you build it is very critical.** And it’s a very different change from the way you may have managed mediocrity or a plateau that you’re on today.

Then **giving back.** You’ve got to give back to others, just the way, hopefully, people are giving back to you. And we’re – yeah, you’re paying us in fees a lot of money, but we’re not going to hold anything back. And we’re going to try to give you $50,000 or $100,000 worth of education, information, systems and strategies. And you’re going to find Chet’s going to give you an $80,000 bonus at the end, as long as you do your part and work through the exercises collaboratively.

And finally, what I call “succession.” It’s the idea – it’s really powerful. It’s the process of getting other massively successful individuals to pass on their best-kept success secrets, strategies and philosophies to you so you can, again, shorten the timeline.

That’s more than enough from me. Chet, are we ready now to do it?

**Chet:** We are.

**Jay:** OK, go ahead.

**Chet:** I just want to add one thing - that Jay practices everything he preaches, and working with him on this event and on probably about 15 or 16 other initiatives that we’re doing, everything he said there – which some of you are going, “Yeah, that’s a good idea…” but you might not be applying it, he has absolutely applied in all the endeavors that we’ve done. And it’s not even like I think he’s looking through a text book and saying, “Hey, what else haven’t I thought of?” It’s these are his gut instincts. And so we’ve had this massive success in all these endeavors that we’ve done.

And he just – again, you have to understand where I’ve come from. Top producer, every place I ever worked when I was a sales guy. Then I got into a management position and doubled the sales of every organization I ran. Then I started a consulting firm and got 15 Fortune 500 clients. I mean, I have this track record. I feel pretty good about myself when I walk into a room.

And then I get with Jay, and every day you make me feel like a child. Because he just slices and dices, and – just last night we were talking about something that we were
trying, and I’m like, “Yeah, that’s not working.” And he goes, “Well, why don’t we just deploy it this way?” And I went, “Wow.” I was ready to abandon it, and he just completely –

So, what I’m going to force Jay to do over these four days by forcing all of you to drill down on those twelve competencies and get deep into your business is to put his brain power to work at a detail level that you’ve never had before. So it really is – and that’s what we’re doing with clients. We’re just blowing them right through the roof.

Now, the next part of this is to have you come up here and tell your story –

Jay: For two reasons. Number one, we want everyone to learn about each person in this room. And number two, we want to get a good fast track start and see how well you’re prepared for this, and how well you really are focused on your drivers and what – I added one driver, so – the ideology you don’t have to talk about, but tell them what they’re going to do.

Chet: And then, number three I’ll add, is we want to get you on this board. So we’re going to have each one of you, we’re going to write name, and just in parentheses, the type of company. So that as we go through this massive amount of information, we can continually – Jay and I – go and say, “OK, for you, the lesson here is this. For you, the lesson here is that.” And we can summarize very quickly massive amounts of information and put it into your business. And some of the things will be huge breakthroughs for these five guys, but these three people over here, it’ll be something else.

So I’m going to get you up there. So what we’re going to do is since they gave us the list in order of name of people, rather than in order of names of companies –

(chatter)

[Individual company presentations follow (tapes 2-4) – not included in this transcript]
Jay: We are ready to begin, now, the good stuff. Now we know who everybody is. We know what their challenges are. (chatter)

OK, we’re ready. And again, the format of the next few days: Chet’s going to do really intensive sessions on each of these twelve competencies. I’m going to basically make transitional, interpretive comments and connections afterwards, and we’re going to build on it. So let the games begin!

Chet: So, let me ask how many people have seen the main video that was at…? OK. And has anybody here seen my entire series of videos that Jay sold about three or four years ago? OK.

Could I have you all stand up? The worst thing you can do is go on after lunch. It’s like the death of a speaker, you know? I normally insist I never will go on after lunch. But what we can do, is it turns out that the movement of the spine actually is what generates fluid to the brain. So by you moving around, every now and then I’m going to have you get up, and if I see somebody dozing I’m going to have you all stand up. And so, I’m going to literally have you twist around the body, because when you move the spine you actually generate electricity into the brain. You can bend forward, touch your toes… How many people can touch their toes, still?

Jay: Wow, that’s good! I can’t do that.

Chet: A few of us, right? OK, all right. Have a seat.

All right. So this is like, kind of just an overview of what we want to cover, and it is a massive experience for most of us here. Because as I look through the audits that you all filled out, I noticed that almost nobody had a formalized training program within their company on a consistent and weekly basis. Does anybody have that? OK, almost nobody – well, nobody, then.

So that’s one of the key ingredients to how to absolutely, positively grow revenues. And what I’m about to show you over the next four days is 20 years and $20 million in research and development. The program is built on extensive trial and error, and by seeing what works, and using the brainpower of many executives like yourself. In some cases I’m going to show you research that culminated - in one panel I’ll show you something that’s worth $400,000 on a learning curve that you’re not going to have to pay for, because I’m going to share it with you for free.
It says over 800 four-color panels. I recently had them all turned into PowerPoints, and so it turned into like, 4,000 panels. And so it’s a huge investment on my part. …A dazzling mixture of scientific study combined with brilliant insight and passionate creating by some of the finest corporations in the world. And you may find little pieces of this information in hundreds – maybe thousands – of places, but you will not find it all in one place like you will in the next four days.

So the objectives of the session are to change your life by introducing you to the most powerful ways to improvement in yourself and in your company. And this first session is like a righteous setup for half of the problems that you’re all facing, so… We’re going to preview all the material necessary in order to help almost any company with legitimate and honorable products double revenue to sell. Any company that has listened to these twelve modules that I’m going to introduce you to and implemented them with effectiveness will double sales within 12 to 18 months. And I’ve seen it happen again, and again, and again, and again.

So the only thing you can really do wrong is to not follow the learning curve that I’m going to share with you. To get you committed to really following the program with constant improvement, I’m going to make it really easy for you – teach you to work on the business and not just in the business, which is a theme for this campaign.

And then proactive vs. reactive – unless you are just starting a new business (and there are a few of you here) most of you are probably in a reactive mode, most of the time. You come in, and you react to your business, particularly anybody who’s in business over, like, five years. How many people are in business over five years? How many in ten? How many in 20? A lot of people in business a long time.

So when executives are mostly proactive, their productivity and results increase exponentially. And so we’re going to try and reverse that curve, and we’re going to do that today. When you’re proactive your problems get solved quickly. The company constantly finds better, smarter, faster ways to do everything. That must have come up in half the companies here – you need better, smarter, faster ways to do everything. So you’re going to get that. You are going to get that so big time, you won’t even believe it. And all – in the next hour you’re going to understand that.

The owner and the staff work on the business making it better vs. working in the business, which is what most people do. And all it’s going to take from you is a commitment of one hour per week. So if you could double your business in the next 12 to 18 months, and all you have to do is spend one hour per week, is there anybody here that can’t do that? I just want to start off by knowing that in advance. OK.

So that one hour is going to be spent on improving the company, the personal productivity, the sales motivation, the sales performance, market positioning, marketing strategies, and marketing and sales effectiveness. And it is my recommendation that you
spend that one hour per week with the entire staff for most of you, because most of you are small enough that you can do that. And you’re going to have a profound impact by doing that. And I’m going to give you an entire year’s worth of one-hour meetings at the end of this, which I have never given before. I created it just for this event. Jay called it “The $80,000 Bonus” and that’s what it is. I’m going to give you the subjects, and the training, and the methodologies, and what you need to cover in your business every hour, once a week, for the next 52 weeks. And then I’m going to give you the second year’s worth of things to work on, and you will not believe the impact. I mean, I am telling you – you will not believe it. And I’m going to give you many examples so you will understand.

The time management module – we’ll show you how to radically improve your personal or company productivity on a daily basis. For now all we ask is that you commit to work toward improvement on at least a weekly basis. So in other words, I’m going to cover the time management module. You saw that right before you came here. Did anybody else see that? OK. It’s pretty good, wouldn’t you say?

Well, what we’re going to do here is we’re going to customize it for your particular organization and get you to work through it. But it’s – again, almost everything that you’re going to see is a culmination of twenty years as a top producer, twelve years as a Fortune 500 consultant having at my disposal massive research organizations, the human resource department of the largest companies in the world, the training resources of the largest companies in the world… So it’s a lot of data.

Self-study one-on-one…team training… I’m going to teach you how to do it all. So there are some of you that are literally one-man armies…three or four of you who are one-man armies. Everything that you would do if you had ten people, you need to do the same if you have one person.

So you’re going to work on your business even if you’re one person. If I give you a workshop of a subject matter that you need to look at to improve in your organization, if you’re one person you’re going to sit down and you’re going to do the same exercise you would have done if you were ten. But the difference is you’re going to be thinking about your business vs. just working in it. And that’s what I’m going to force you to do. That’s a huge, huge bonus.

So – areas covered: Why companies need to train. The best will… always the best ways to train, once you decide to institute it. I’m going to teach you every single way you need to know in order to institute effective training in your company. Getting down to it, you know, how do we actually implement it? And then maximizing the effort.

Now, most companies use what I call the “tribal” method of training. Information is passed from person to person in company. And that’s how most companies train, and most of us are guilty from that. And that method of training leaves too much up to speculation, and the entrepreneur is not setting the standards – or the CEO is not setting the standards, so every person comes in at a different level of integration into the
organization vs. you deciding as the entrepreneur how exactly you want the company set up right from the beginning.

So it says here, the better your training, the better the *everything*, OK. So you’re going to see that. Your view of the future depends on how much training you do in order to prepare yourself for the future vs. no training – that’s where you can end up. So your compliments to you, is you are here to get some training, and you are here to force yourself for four days to really work on the business. The most successful companies are constantly training their staff, preparing them. The most successful publishing company that I know of (and my background is primarily in publishing. I brought ten different newspapers and magazines.) The number one company in publishing spends about 1/3 of their time training, and they just kick everybody’s butt, because they’re constantly working on the business.

So everything works better with training. It saves time. When offered the choice between trial and error method of training and the training and trial method, employees and bosses unanimously vote for the training and trial method, yet most entrepreneurs have the trial and error method, vs. the training and trial method. And your results – you can just see trial and error is going to be like this, but training and trial, it’s going to be a lot more. You’re going to get a lot more results for the same amount of energy.

Deliberate and constant training radically improves employees’ understanding of company objectives. Training helps set standards of performance. And true or false – and again, if you’re a one-man army, this is the future you want to create. So this is just as important to a one-man army as it is to people who have a real organization. (You guys can’t read that, can you, from back there?) It says, “All employees perform -” this is true or false – “All employees perform each aspect of their job with a high degree of excellence and consistency, true or false? Results are somewhat predictable because training and skills are consistent. Each supervisor will give a similar answer for each question or problem. Each employee would give a similar answer for each question or problem. Customer treatment is similar no matter who the customer deals with.” That’s a big one. And again, I adapt Jay’s definition of customer as client, and if I had heard that one, these would all say client instead of customer, because that’s exactly how I believe and how I function.

All staff members know what’s considered good performance or attitude. How do you establish all that? Again, you just have to have tremendous training. So you set the standards, meaning that everything that happens in the organization - *you have sat down as the boss*, as the entrepreneur, as the new entrepreneur, just starting off – and set up the standards by which everything is going to be done. And that’s going to make a big difference in how the company functions. Or, it says, “Is employee activity intermittent, moody, or maybe even indifferent or rude because you have not set the standards through training?” Do we want it up to the individual to decide how they’re going to operate, or do we want to tell them in advance, “This is how we operate. This is how we do it.”?
So do you guys want to seriously want to grow really highly profitable or highly skilled businesses that - half of you said you want it to run without you? Well you can’t make that happen if you’re not setting the standards by which you want it to run. And that means in every single area of the business. But it’s not that hard. It’s going to take an hour a week. And you’re going to get the people involved who are already in those positions to help create those standards. And that’s going to make all the difference about you being able to implement it. If I get to help you create it, it’s a lot easier to engage me, and to reinforce it, and to even reprimand me if I’m not following the rules that I helped you create, OK?

So it’s what’s ideal procedure. What are the six questions you would ask every customer? (You’re going to have to write these down, because I’m going to work you over so hard in the next four days, you’re going to have the answers to all these questions. And I’ll let you know when you need to start writing stuff down.)

But that’s the point. It’s like, if you engage with any team that I’ve ever trained, I mean, these guys are like the military. They could fire off the six questions they ask every single person. They could tell you the ideal procedures just because they helped create it, and I worked them over. And you’re going to learn how to do all that.

Three follow-up procedures you will absolutely insist upon. Does anybody have those? OK. So those are the standards by which you’re going to be able to build a strong infrastructure, a powerful organization.

The more proactive training, the better the everything. Again, consistent quality – it saves customers. By having constant training, are you going to save customers? It’s going to save you sales that you might have otherwise lost – again, because you’re getting to think about and create the structure in every one of those areas. It improves the sales effort - wouldn’t it, if you spent some time working on it, OK? It speeds the sales process. It improves customer relations. It reduces employee turnover. Training reduces stress. It sets a clear path for performance. It lets employees know when they’re on track. Supervisors clarify the standards by which employees will be trained. Again, - by which they will be judged. So when you know how you’re going to be judged, you know how you’re going to perform.

These are just simple things that I take for granted, that Jay said, “You know, a lot of these entrepreneurial companies really need this kind of information in order to move forward.” Employees know where they stand, how they’ll be judged. Customer relationships improve.

Here’s an employee quote after three months. This is a great story. We took on a client - large newspaper company, largest in the world, I think. And we went into their national sales office, and they were in a foreign country so they didn’t even get sales like we would all completely understand. And after three months of training, it says, “Oh, I get it now. I’m supposed to be building relationships with my customers.” And we had been teaching this for three months!
So one of the things that you’re going to learn is that repetition is the mother of skill, and I’m going to cover that. So keep training, no matter what. Supervisors have many jobs. All are important, but none of them are as important as training.

An ounce of prevention is worth a pound of cure. How do you get that? Again, you’ve got to set the standards in your organization. Do you want to learn the Heimlich maneuver when someone is choking to death, or do you want to know it in advance? That’s called “crisis intervention training.”

So it’s proactive vs. reactive. Some managers view training as an interference with the work to be done. So you have to dispel that. Some people are like, “Oh, this training isn’t the way.” And I’ve dealt with that as a trainer.

And here’s just - a woodcutter story. Two woodcutters start off at the same time. This guy cuts all the darn day. This guy keeps stopping every 15 minutes. At the end of the day he’s cut twice as much wood. And this guy says, “Well how could – I saw you resting.” He said, “I wasn’t resting. I was sharpening my saw.” So you’ve got to take the time to stop and sharpen your saw, is the moral to this story.

If you’re not working on the business, nobody’s surprised you’ve gone out of business. I’ve studied a lot of karate. This is actually me at 25 years old – look at that waistline! 32 – I mean, it’s like ten inches bigger now. I’m getting –

But anyway, it says, “Karate requires tremendous discipline before any skill accumulates, but then it gets exciting.” So I could teach you a karate move very easily, and that doesn’t – and you can even understand it intellectually. (This one’s a really cool move, actually.) I have a really – who’s tall? Who’s like over 6 foot? You’re a pretty big guy. Come on up here. I won’t hurt you. OK, wait, I need a knife. Come on up, come on up.

OK, so let’s pretend this is a knife. I just want to prove a point. This is a knife. OK, you come up behind me. He is tall! Geez! You’re holding this at my throat. OK? I’ve got my arm like this, and he’s – whatever. He wants me to cooperate, or whatever, OK? So the first thing you do is you just hold this tight like this. You don’t try to pull it away, because he could struggle and I’d get my throat cut, like this. And then you’re – this hand is fundamentally free. The groin here, right? Solar plexus are here. Eyes here, like this. That’ll weaken him. Then you just step out like this, and you kick the back leg like this, and he’ll fall right down, OK? You can see that’s fairly easy, right? Thank you. Want to try it?

That’s a real easy move, and that’s what’s going on here, actually. This is a five-foot-two person who collapsed me in stages doing it for real, and they’ve got a picture of her at the last part where she’s kicking my back leg out from under me. But if somebody walks up to you tomorrow, intellectually, you’ve got that already, right? But how are you
going to make it part of your skill? How are you going to make it part of – so it’s something that you don’t have to even think about?

So obtaining master level skills – karate, golf, tennis, sales, time management, telephone skills, interview skills, closing skills – all skills require repetition in order to reach master levels. So that’s one of the things that we’re here to do.

In the beginning, acquiring a new skill can often seem boring, meaning that I’ll tell you right now, with the companies that Jay and I are taking on together, it’s like six things that have made the big improvements. We just identified the six things, that if they just did these consistently, their sales would continue to accelerate. Now some of those were easy things, and some of them were hard things. And I’m going to explain them all to you over the next four days. I’m going to take you through many different examples.

And that was a powerful learning curve for me. Again, I said before, coming from the Fortune 500 where it takes me six months to begin to impact something, and then a year to actually see it start to work… to working in an entrepreneurial company your size and watch almost immediately the impact of something that I helped create is very rewarding.

But the rewards can be very exciting as you approach master level, and so, again, this is in my other video but let’s reiterate it here. Let’s say that you wanted to become a master of time management just as an example. This is lowest level of skills. That’s highest level of skills. (I’ve got the clicker in this hand and the laser pointer in this hand, OK?) And here’s most people with most skills, right? In other words, if you’re a master of something, it’s not something that you just woke up one day and you were great at. Training occurs, and the skill improves.

So in time management’s a great example. I actually, after being very frustrated running all these companies – and at the time that I started taking time management courses I was running nine companies for one of the richest men in the world. And just in complete reactive mode, all the time. I never did any work at the office, because it was impossible. I just went in to react all day, and then the real work got done at night and on the weekends, and that’s when I did all the hard work.

And so I developed this time management course out of my own personal need, and taught it on a Monday. And it was – it’s just six things, where you’re going to learn it today. And if you do them you’ll see your productivity double and you’ll be astonished. And on Friday, we go back and we find out that there’s been a fall-off of skill. In fact, I taught it on a Monday. Everybody tried it on Tuesday. People even came to me and said, “Wow! I swear to God, I got more done than I’ve ever gotten done in a single day!” And that was on a Tuesday. By Friday, nobody’s using any of it. So what happens?

Well, people were thinking about some of it sometimes. So me, karate guy, I go, “OK, well let’s just teach that again.” And then the fall-off came – it wasn’t as dramatic.
Some more permanent skill remained. And then I taught it again. And then more fall-off, and more permanent skill. And little by little, I got this staff to where these guys were all \textit{really good} at time management. And the whole program really developed – my whole twelve modules in consistencies really developed because it was just sort of this karate discipline applied continually to try and see improvement of skills in the people that I had. And wow! What results! I am telling you…

If you’ve ever worked for a crackerjack team… Like my father was a Marine combat instructor. And when you work for a crackerjack team, like where you’ve really built them, it is a great feeling. So if you have a super-powerful team, and everybody’s highly trained in every single area that you want them to be trained in, and everybody has the same consistent opinion about stuff – I can say one thing to you and this huge amount of information transfers between us because we’ve spent time working on that. \textit{We know} what that means, OK?

So what makes the best? And we’re talking about peak performers now. What makes the best? And if you look at the entrepreneurs in this room who have built very successful companies, and the people who are going to build very successful companies, and if you want to look at also what kind of people do you want to hire to grow your organization - this is the psychological profile I’m about to take you through. I’m going to cover this really well in terms of how you attract these people… how you recruit them… how you engage them in your vision… how they will work for nothing as long as the reward is big enough, etc., etc., etc. So I’m going to show you how to attract a top team of people.

But what you have to know is what makes the best – it’s a combination of ego and empathy. Ego – studies of all overachievers show that they take rejection as a personal challenge. Resistance excites them, challenges them, and makes them even more determined. A healthy ego, a sense of self and ambition is essential if you want a top performer. Does that make sense? A healthy sense of self is what makes a top performer.

OK, can I have everybody stand up? Come on. And let’s twist that body. Go ahead and touch your toes. Bend that spine, seriously. Bend over, again, touch your toes. Let’s pump some energy into the brain. That’s what we’re going to do every time I see somebody snoozing. After awhile you’ll be looking around - !!

All right guys, let’s keep going. So what you want in a performer – and most people tend to hire really nice guys. You know, “I want to hire a nice guy.” And yes – so that’s the empathy. You’re looking for this part here. But without this, you don’t have anybody that’s ever going to attach themselves to success, you understand? If we previewed you entrepreneurs in this room and we took a hard look at you, we would find there’s plenty of self-esteem there. And that’s why you took on the challenge. Because it takes some nerve to start a company. That takes a – you might not have even thought about it, and it’s because you’ve got plenty. You’ve got \textit{bags} of self-esteem.
But, self esteem without ego – that’s how you get a jerk. I mean, ego – I’m sorry – too much ego and not enough empathy, and that’s how you get a jerk.

So top salespeople have an uncanny ability to bond with others to truly help their clients succeed. This is actually part of their psychological profile, and again, I’m going to explain this a little better. So if you want star salespeople, or stars in your organization - and all of you need them, by the sounds of it – even those of you who don’t think you do, you actually do. Because you take a person who is a performer and put them on your team, and you will see – they’ll create stuff.

I’m bragging here, again, but I had no clue – I actually had (as the psychological profile goes) almost the perfect balance of these two things. I am sincerely – my psychological need is to help other people, to serve other people. And yet I have a very strong self of myself. Tremendous ego strength is rejection armor, meaning when that client says, “I told you I’m not interested!” and hangs up, you go, “Oh yeah? I don’t think you were listening!” And then you go at it a different way. It’s like Jay says, you go from over the top. You go from the side. You go stealth. You go whatever you have to do.

And then ego drive is personal ambition. And isn’t it wonderful when you hire somebody that brings their own ambition to the job? Those of you who’ve hired people, it’s just a wonderful thing to find.

So you should hope to God that you could hire – and I’m just going to use myself as an example because at 21 I had this exact psychological profile. And at 19 I got a job in a furniture store, and the quota (this is 23 years ago) for a furniture store salesman was $20,000. And there were five other salespeople, and these guys were struggling. One or two of them would maybe hit the quota. My first month on the job I did $66,000. The owner went, “What is this guy?” It was just pure, natural, love to bond, attach myself to the individual situation, just sell like a champion race horse… And so I started – and I thought the only reason I was top producer every place I ever worked – never #2, always the #1 guy – is because for some reason I happened to get hired in companies where they didn’t hire other top producers, and I couldn’t understand that. Why doesn’t everybody just hire top producers? Ruddy, what do you think? Why doesn’t everybody – why haven’t you just hired nothing but top producers? Tell the audience.

Ruddy: I don’t know.

Chet: Well, actually, it’s very hard to find them. That’s the worst part, is that it’s very, very difficult to find them, but I’m going to give you a whole system for that. And I’ll give you an ad that will attract them like a magnet. I’ll give you the technique to find out if they’re real. I’ll show you how to find out while you’re interviewing them what their weaknesses are. And again, this is 20 years. I mean, that module alone, by itself – if you want to hire salespeople…
But my point is this: What would happen if you took a mature business like yours, Chris, or the Jost Manufacturing, and you put a hungry, innovative, creative, one of these superstars in the business, and gave him an upside where he could make some money and dirt to get started, but he’s got the stuff and he wants to build an empire - and you can take advantage of that for a little while? Because you’ve got to understand, there’s a certain type, a certain profile that they picture themselves as empire builders.

Same thing for you in the fencing and the swimming pool builder. You need to put a top producer in there. Boy, it’ll just change everything. Give him a way where they can make some money. Get them while they’re young. They have no idea they’re going to be a rich guy later on. Half of them don’t have any idea. They just don’t even realize what they have. But I’m going to show you how to spot those guys, how to pick them out, and then how to manage them and motivate them. They have superior skill sets. They’re highly productive. They have market knowledge beyond product knowledge. Market knowledge increases influence. And I’m going to beat that horse so many times – I’m not going to cover it here.

Training – they are constantly improving. If you are an overachiever, according to studies, and you’re in the top 4% of people who achieve in any situation that they go into, we can open the trunk of your car and we will find some training tapes in there. OK? You are constantly looking to improve, OK?

So Sun Tzu – Art of War – anybody not know who Sun Tzu is? So number one essential of victory, he says, “He will win - ” (because they didn’t have female generals in 4,000 B.C., or whenever it was) - “He will win whose army is animated with the same spirit throughout all his rank.” So how do you do that? How do you, as an entrepreneur, set it up so that the whole organization is singing in harmony, moving in the same direction like a choir, with tremendous stealth? How do you do that? (I just asked that question, so I’ll skip that part.)

Standard core communication tools – that’s number one, OK? And we’re going to talk about that, so I’m not going to go over it here. Develop simple rules, strategies and skills to be repeated again and again until your people rise to master level skill. Because if I take anyone in your business and I ask you, “OK, what would make the perfect production person, or the perfect recruiter, or the perfect teacher, or trainer, you know, depending, or estimator? What would make the perfect estimator?” We could force you – and you would actually write that down. You could tell me what that is, right? For your business? What would make the perfect of each level person that you want? You can pretty much tell me. I’m going to impact that over the next several days.

Well then, all we have to do is develop the rules and the standards and the strategies and the skills behind that person so that you can set it up as the way you want them to perform.

OK. So – most of the better sales training programs come in and blitz the organization. So you guys have all seen my video. You’ve heard this story.
So what we’re going to do is help you rotate the core material, and not 4,000 things. I’m just going to give you twelve things. But the best part – and this is again, something I’ve never offered. It has never been available – is I sat down and for five solid days designed a year’s worth of internal workshops for you and your staff on every area of competency using these twelve modules so when you come up with a breakthrough you’ll have the technology to implement it.

OK, so let’s go through the twelve modules. This is on strategy vs. tactics – that’s the next thing we’re going to cover. Again, if you see my video you know I’m big on that. But in this particular module I’m going to work you through it and you’re going to really understand the difference between being tactical and being strategic, OK?

For example, most of you do not have a core story that you could tell. How many people were on that $239 call we did? The mass conference call? A couple of people. OK. On there I did an exercise not as well as I would like to have, but I said, “What would happen if you were to be in front of your entire audience all at once? Every potential buyer that you have… all of a sudden, I have the ability to put you into a stadium, and you could present to them all at once.” How many people are ready for that right now? A couple of you? I would challenge you. I would say that there’s probably a lot more you can do there than just make a sale. And yet if you ask the average executive, “What do you want to do when you’re with a customer? What’s the ultimate thing you want to achieve?” “I want to make a sale.”

So I would say to you, you need to think of what’s your big story? What is the ultimate goal, and is what you’re going to say in front of that audience going to support that ultimate goal? Or is what you’re going to say in front of that audience just going to make a sale for the day? OK? And then when you have that story – and I’m telling you, what I want you to build is a corporate story. And here’s how, by the way, you take someone who has no experience in your area and you quickly present – like Chris tried to do with his overheads when he showed us what his kind of a company is. That’s a great idea. Every one of you should have one of those that you can sit me down, and even if you’re one person right now, you should have a core story that you can sit me down and say, “Here’s our story. Here’s what we are. Here’s what we do. Here’s how we do it.”

And that’s how I took Immuno Labs, which I’m going to mention again and again – this is a lab that does food toxicity testing (really cool – I’ll tell you about it a little later) - but they are a company that it used to take six months for somebody to learn how to sell that. I could teach you – I will teach you in five minutes, just as an example. I’ll teach you in five minutes, and you will be able to sell that in five minutes. It used to take them six months. Because I forced them to really build their story, then to develop their strategic position. Because if I force you to build your story that you’re going to do in front of that whole audience, then you’re going to come up with your strategic position.

Then you need to crystallize it, OK? How many people have a slogan? I would challenge you that by the time you’re done here, your slogan’s going to mean a lot more
than you think it does. And it will be a better slogan if you follow some of the rules that we’re going to teach you.

Then your business philosophy – because if you have a big story that you want to tell and it includes your entire vision, and it accomplishes all the things you would ever want your story to accomplish… I mean, you think you just wanted to get customers, or get clients. I’m going to tell you you wanted to do a lot of other things. (And I’m not going to say it now because I’m going to go over it.) And then you’ve crystallized it. Now, this will dictate a different approach to your market when you start to look at the ultimate objective that you want to achieve, OK?

And then you want to set the buying criteria. This is a big concept. I covered it heavily in the video, but I’m going to walk you through it and you’re going to set up the buying criteria in your marketplace by the time we’re done.

So these are what I call the “Super Strategies.” This is like the thinking you need to do before you even think about getting a customer, and now you’re ready to go get the customer, and then you’re going to have sub-strategies of how you’re going to get that customer. And then you’re going to have the actual implementation process, where we go down and we pick some marketing weapons, and then we go a little deeper and we actually start to design all of them. And you’re going to be set up.

So this is what we’re going to do. This is four days on one page. There you go, right there. Your Super Strategies, your sub-strategies. You’re going to pick how you go in and get those customers. Then we’re going to get down into which vehicles you’re going to use. And we’re going to design some of them. You’re going to leave with finished product, ready to go after your market with better stuff than you probably could have ever imagined you’d come out of in four days. And you get this guy here working you over, and that’s worth the price of admission, right there. OK.

So that’s the next thing. This is the sub-strategies, so I have a big module on this and it includes all of Jay’s core concepts, because like every other marketing executive in the world, I ripped it off the minute I heard it. And as – we’ve got two guys in here I’m sure have done the same. Conducting outstanding training sessions…and we’re going to talk about that. Time management, because the biggest thing most of you have – especially the guys working 16, 17 hours – you’re just not managing your time. It’s managing you. And I’m going to change all that for you.

How the brain works – this is fascinating. OK, everybody stand up. Come on, we’ve got a dozer in the audience! Let’s twist around. You can jump up and down. That’ll really get the blood circulating, OK? But really, movement of the spine is a big thing. OK, thank you.

Next – how to hire superstars. So we’re going to go into that very heavily. Effective presentation skills…you know, most people don’t know how to present. There
are ten common mistakes that every presenter I’ve ever seen makes, and I’m going to show you what they are. (That’s moving a little too fast.)

Then the sales process – if you can’t identify it and break it down, you can’t improve it. So you need to really analyze the sales process. Let’s break it down. What is the first thing? So this does, you know, full psychological profile of what a sales process is. Now we’re going to take that information and have you – force you – to customize your sales situation, so when you leave here you’re going to have all the standards down for what that sales process is. Anybody who makes a decision about anything goes through these seven steps. And you need to know what they are. I’m going to give them to you. But better than that, I’m going to force you to work through how you perfect them for your organization, OK? So that’s going to be great.

Mastering the telephone – I mean, this is - the gatekeeper is the biggest thing stopping us from getting to the people we need to sell to today, right? Somebody said that up here. They said, “Oh, getting through the gatekeepers is just really getting hard.”

And then, how to get appointments with anybody, because I think you’ll find that – there was a couple people, especially in the manufacturing - they’re not dealing with the ultimate decision-maker. And if I create something important enough, or I help you create something that can get to that ultimate decision-maker, how are you going to get to them? Meaning that if we found a reason that – I’ll just use you as an example, Chris. Because didn’t you say that buying is becoming centralized now? And so the person you’re dealing with doesn’t have the authority to approve it. And same thing with Jost Manufacturing, right? The person you’re dealing with does not have the authority. It goes up to someone else. That person sends it out for bid, and then it’s lowest bidder gets it, and so you’re not in control of that situation. So I say to you, if you elevate what you’re doing and go to the higher buyer… Well first of all, you need a reason to get to them. So that’s a strategy, OK? And then at the tactical level, how do you get to them? Well this is going to show you how to get an appointment with anyone.

Now I got most of my clients – I got Wells Fargo Bank, which is $100 billion company – by personally getting to Carl Reichardt, the Chairman of Wells Fargo Bank, presenting to him over the phone, getting myself a meeting, getting in there, pitching him, and getting that as an account. I got Dean Whitter the same way – CEO and Chairman Phil Purcell. I got George Zimmer of The Men’s Warehouse – I got the Men’s Warehouse same way.

So most of the clients that I’ve had I got from getting to the CEO of a Fortune 500 company, and totally shifting his buying criteria. So I’m telling you, it’s just not that hard. You really could get to just about anybody you want to in the world, and I’m going to show you how.

And then follow-up – you know, most people, it’s up to the individual. What about having it structured into your organization where you know the individual’s going to do a good job? And then this is all psychological profile, because I’ll tell you, having
the technical skills is one thing, but having the emotional impact behind it is really going to make a difference. So this is all about – this is the top 4% of, it says salespeople, but even entrepreneurs, really, all share ten common traits. So we’re going to put you through a test. It shows this skier because often overachievers have other areas of accomplishment. If you are an overachiever in one area, you generally are an overachiever in other areas.

So what happens is – what I designed is - I wanted to have these stars. I wanted a superstar sales force, and I found that they needed this, and they needed that, and they needed this… So I started building the support modules that would support what would make a star salesperson, and then when I found after I taught it that it actually worked, then the only other thing left to do was to actually make them study it again and again and again.

The design of the program forces better internal communication. So we’re going to have you working on your business with your whole staff once a week. And that fellow who said, “Well, you know, it’s 18 people and I don’t want to leave anybody out. So I feel like we should have even the other people.” Hey, the more the merrier! You never know where the big ideas are going to come from. The difference is that how are you running that one hour? Are you proactively saying, “Here’s something. Let’s improve it.” Are you proactively saying, “Here’s another area that we should get a great yield from. What’s everybody’s idea on this?” And watch what happens. It’s amazing. You will be astonished at how the receptionist comes up with something you never even thought of, and she deals with it every single day, and it’s going to totally, profoundly affect your organization.

And again, if you’re only a one-man army – the same thing. You sit there and think about something where you’re specifically trying to improve some aspect or area of your business, you’re going to do great.

Now Ray Watson, who built IBM – he never worked in the business. He’ll tell you, “I never worked in the business. I worked on the business. I worked on how the salespeople were going to sell. I worked on how the technology was going to be improved. I worked on how the procedures were going to be done in the office.” He never did the procedures. He never did the sales. He never - he worked on how it was all going to be done.

So if you’re serious, and you really want to become a star in your field or your endeavor… or you really want to change things around… or you really don’t want to be working for the business, and have the business working for you – then you need to work on the business. So what I’m going to give you is the technology.

It says here, “The best ideas become shared vs. only being used by the person who thought of the idea.” So what happens is if you’re not having weekly meetings where you’re putting things on the board and saying, “What are your ideas here?” -
you’re not getting the best ideas. You could have one person outperforming everybody else six to one, and it’s because they’re doing something you never thought of doing.

And when you force *them*, you’re going to get better ideas. It forces the manager to be more proactive, to think more, plan more, prioritize better, etc., etc. The entire company begins to sing in harmony. The team spirit and internal confidence improves. That’s a really nice benefit, by the way. Don’t take if for granted. It’s a really – two people, ten people, even one person - when you’re sitting there planning your business and working it out like that.

So the goal is that a year from now you have perfect sales attitude. You will have developed great time management skills. You will be a strategic thinker in every single area, because when you put strategy on a tactic, the results of the tactic improve. (And again, I’m not going to explain that now, because I’ve got a whole session on it.)

Telephone skills, sales skills, follow-up skills – the goal is for you – presentation skills – you want to make master level in all these areas. And the only way you’re going to get that is by… *hoping* for it? Or by actually working on it? What do you think?

So this could be your staff, with an idea here, a good concept there… pick the good one over here. Or *this* could be your staff, who’s had 52 hours of training on improving every single aspect of the business. So which do you want to be? Do you want to be this guy, or do you want to be this guy? Because if you want to be this guy, then you came to the right place because that’s the guy we’re going to help you be. (I’m using guy as an asexual term.)

OK. Now what happens is, also, these modules start to cross-reference. So we go into the one on “Seven Steps to Every Sale” and we’ve got a section on benefits, right? Because you know - features tell, benefits sell. And we’re going to teach you in benefits. And then we go into this section on “How to Get An Appointment” and you say, “Well I need a great promo piece to communicate this idea.” And then we go into this section on “Effective Presenting,” and that shows you that visuals can communicate massive amounts of things. I mean, you see me using it here – a great extra tool for you. And then we go to the “Follow-up Steps,” and you need a great letter… and so this all starts to cross reference up and down and back and forth and sideways… And so by only picking twelve areas of competency you get this massive improvement in the organization.

This is for new employees. Again, if you don’t have any but you’re going to look to grow, you’ve got to think about this. When you hire your first person, a new employee’s first impressions are the most powerful. They say it impacts the lifetime of their employment. They come in with bad habits and then you try to change them – it’s way harder than getting them started with the right.

So what kind of first impression are you making on your new employees? And again, those of you poised for fast growth, what kind of first impression are you making? Is it, “OK, here – here’s your desk…Uh, you’re…you’re…listen to him!” OK? How
many people have done that, right? Are you setting the tone of excellence? Are you stressing the importance of customer?

So here’s the guy meeting a new guy, and this fellow says to the new person, “No, we say the customer comes first but it’s a lot of hot air.” And you see this guy’s reaction is, “What have I done?” And you know that happens! You know that happens, where the CEO sells them in on some big vision, he gets in there, and the receptionist says, “Ah, that’s a load of crap. We don’t do any such thing.” Is that what you want to have happen in your organization?

So first impressions, new employee. Here is the orientation process you will go through. This is what you will learn, and this is how much time you will spend learning it. This is what you need to have. Nearly all conceivable questions and concerns will be addressed. You are encouraged to ask questions and make suggestions.

Now again, in Japan it is mandatory for every employee to make two suggestions a month in order to keep their job, and in this country you get in trouble for it. Am I right? How many of you are in your own company now, because you got sick and tired of nobody listening to your ideas when you worked for them, right? All of us.

Notes to supervisor: Be prepared. Be sharp. Be in control. Explain ongoing training. Have other employees introduce themselves in a friendly and helpful manner – that’s part of your recruiting process. That’s part of your introduction. You want to make sure that when they come into your organization, you turn to every person and you say, “Now, let’s talk about what our new employee orientation is going to be here.” Remember, first impressions guide the employee for the entire term of their employment. You cannot do too much to make a good impression.

Training must be fun. It should not be something that you do not look forward to. So, I’ve seen where I’ve helped companies start a weekly training, and somebody will say, “Well I have an idea. Why don’t we do this?” And the boss says, “Well that’s a stupid idea!” Now when’s the next time you think the employee’s going to raise their hand? So you need to make the environment fun. Nobody has a stupid idea, ever. You say, “Thank you for sharing,” and you move on.

OK, everybody stand up. It’s like I said – I’m coming after lunch. This is the least you guys can do for me! Twist that spine around, touch the floor. Ah, feels good. It’s still too warm in here though, isn’t it?

Jay: They said it’s coming down slowly. I’m sorry.

Chet: OK. It is your fault Jay, so I’m glad you’re apologizing. All right.

Harvard - oh, this is very interesting. Only 10% of the population are natural learners. Most people only learn when they’re forced to. So there’s two types in this room. There’s those of you who are here because you’re in pain - otherwise you would
not be here. And there’s those of you who are here because you love to learn. That’s only 10% of the population. 90% of the population would not learn unless they have to as part of their requirements. That is why, as Jay mentioned, they have mandatory continuing education in almost every professional field.

**Jay:** Except entrepreneurs.

**Chet:** Except entrepreneurs, exactly. But doctors, lawyers, accountants – you know why they have mandatory continuing education? Because 90% of them would not go and get any unless they had to in order to keep their licenses.

So since 90% of your staff are reluctant to take time to train, you must make training fun, interesting, stimulating, and even an exciting experience – and you must make it mandatory. It’s not negotiable. Let me tell you right now folks, you’re going to put in your calendar, if you just look at the employee and you go, “You couldn’t come to the training? You do not understand. It’s every Monday at 9 o’clock. You know that. You made a dental appointment when you knew 52 weeks ago that we have this every Monday at 9 o’clock? It is unacceptable.” So, unacceptable – you set that tone right up front. It is mandatory. I mean, if your mother dies, OK. But any other excuse, you better be in that training, and that’s how you make your organization move forward.

And every single one of them should be a stimulating experience. Like I said, it should be fun so that people aren’t bored. It should be something that’s exciting to attend, and they get used to it and they start to actually look forward to it. But it doesn’t matter. It’s still going to be mandatory. You’ve got to be there. And you will move the company forward in each one. And the hardest thing you will have is trying to think of things to put up on that board. Well I did the work for you for a year, so you don’t even have to think about it, OK?

We retain 20% of what we hear, 20% of what we see - 85% if we get involved. So the height of training is involving people in the process. And there is nothing like even one-on-one by yourself, if you’re perfecting. If you would have gone by my hotel room last night you would have heard this exact speech, and thought, “Who is he talking to?” I was talking to you guys, only it was a day ago when I was rehearsing, because there’s nothing like actually doing it in order to make sure you’re good at it. I mean, I know this material. I’ve been teaching it for ten years, but let me tell you – there’s nothing like actually doing it.

So 85% if we get involved, and that means that great training programs within your company will be involving the people in the process. Well how do you do that? Well guess what? I’m going to teach it to you. At the very least, you will always use visual aids, because they nearly triple retention. In fact, one of the workshops is getting you people to think about how you can make our story more visually interesting. That’d be interesting, wouldn’t it? Since we retain almost three times as much by seeing it as well as hearing it, shouldn’t you have visual aids that help you communicate your story? And I’m going to help. That’s one of the things you’re going to work on here.
So – data dumps are OK for initial sessions where you need to relate a lot of information. But without this involvement you’re going to have a very low yield, meaning if I just stood up here for the next four days, and - data dump, data dump, data dump - you’re going to go home and nothing will have happened. That’s why we have the workshops. That’s why we stop you and make you work on the business, then, over the next four days. And then you share with the audience, and you share with us. And we get Jay and I to help tweak it up for you as we go.

The higher retention will come from practical application and involvement. That’s the last thing we’re going to do for you here. Remember, training should always be fun, so encourage questions, jokes, inside participation. Treat all questions with respect, no matter how stupid. Make it fun. However, don’t upstage yourself by answering questions, meaning that if you ask a question that I’m going to answer later, I’m just going to say, “I’m going to answer that later.” So don’t upstage yourself by giving that.

People should be told what will be covered, how long it will take, how the information will be covered, the objective of the session, and the obtained skill or knowledge, which you would hope they will gain from the process. That’s what I’m doing right now. I am laying it out for you guys, just what we’re going to do in the next four days. I am laying it out for you in detail.

Lecture format is what I’m doing right now. There is no interaction, OK? Group questions – Jay does constantly. “How many people here do this? How many people here do that?” That’s a group interaction. Group discussions is similar to above, but it’s a facilitated discussion where I might ask a question and then I will go around the room and have each person answer it, but again, you as the entrepreneur – you’re in control in that environment. And again, I’m not going to actually go over that in too much detail, because I’m going to give it to you in the next four days, and I’ll just constantly point it out. We’re going to use every method of training that I’m going to teach you here, I’m going to do to you. And so you will participate in it yourselves, and you’re going to learn it by doing it. Right? What did we say? How much do we get involved? Just wanted to see if you guys are paying attention, OK? Nobody has to stand up.

If working with four people, breaking it… this is just saying that there’s ways to get your groups. So those of you who have small staffs, it’s irrelevant. But if you have a staff of ten people, break them up into groups for some of the training. You put an idea on the board, you say, “How we communicate better visually.” So you put an idea up on the board and it says, “Improving our visual impact of our communications.” You want to be vague. You don’t want to put too much detail. You don’t want to give them a lot of structure, because you never know. Somebody will misinterpret something and come up with the biggest breakthrough you ever heard in your life! I’ve had it happen a hundred times.
And then, so now let’s say, you guys are all with the same company, so let’s say, “OK, you two work together… you two work together… you two work together. And I want you to see between the two of you, because two heads are better than one.” And now all of a sudden your people are breaking into an animated conversation and they’re in a creative mode. And they’re trying to create a better way to visually communicate your story. That’s called “workshop training.” I’m just trying to give you some… and I’m going to give you all the different things you’re going to work on.

OK – other rules: State clear objectives. Have each group select a chairperson. (That’s probably not appropriate because there’s no company here big enough for that.) Keep notes and state fixed period of times to solve problems. Usually you say, “OK everybody, you’ve got two minutes.” I’m going to say that to you a hundred times in the next four days. We’re going to give you something to work on in your company, and I’m going to say, “OK, you have two minutes.” And then you go to work. And now you’re getting involved, so it’s a higher level of learning.

Finally, lead each chairperson in the entire group in a discussion about the issue, question, problem, etc., specific examples to follow. If you have field people – how many have field people they don’t get to work with a lot, out there in the field? OK. Remote field people, I mean, where they’re not, like under your office, OK? Representatives, rep firms, etc., anybody like that. Working with them one-on-one, you take a challenge or a problem or an issue, and you put it on a piece of paper and you sit there and work with them. And if you have to do it by phone, you do it by phone. But again, I’m going to show you how to do all this, so it’s just kind of the overview.

In these cases, training becomes even more critical if people are in outlying areas because they’re not going to be in on the missions, and the statements. And if you have people in remote things and you’re having those weekly meetings, have them call in. We have, in all the training programs I’m running, for all of Jay’s and my clients, we have the people in remote locations call in. That’s the wonderful world of today, boy. You can just participate in a meeting from anywhere.

Workshop of one: assign a question or problem to the individual. Let them think through the answers on paper. And open the topic for discussion. That means when it’s you, one-on-one, with the person. In other words, you don’t say, “Hey, what do you think of this?” Let people think. Believe me, you’ll get a higher level of result. If I say to you right now, “OK, I want everyone to think of a way that they could come up with something more visual.” Now if I went around the room and I asked you – (I’m sorry, I’ve forgotten your name)

Jerry: Jerry.

Chet: Jerry. Hi, this is Jerry. “OK, Jerry, think of a way you could communicate visually.” Well, you’ve, right on the spot – you know it’s really hard to think like that.
So I say to you all, “OK, for the next two minutes I want you to think about how you can communicate your story with a greater visual impact.” Then you get to work on it. Now your brain is focused on it. So you don’t want to put people on the spot to come up with ideas off the top of their head. You want, in every single case where you’re trying to improve your company, to stop the music and let people work on stuff. You can have people working in small groups if you want some interaction, or you can have them working one-on-one. But you want to say, “Take some time and work on this” and you’ll get a higher degree of result.

Leading a group workshop – this is another example. It says, establish rapport. You want better ways to get deeper rapport with your customers. That’s a workshop, let’s say. So I say, “All right. Here’s our workshop. It’s on deeper rapport with customers, and I want you all to now work on that. And again, I’ll put that up on the board. It’s just a thing that I want you to work on. So you guys will all work on it.”

Now let’s say we’re all in the same company. This is an example on how to use this. If you’re a one-person army it’s the same process. You just do it by yourself instead of doing it with everybody else.

So the first part of any workshop – so let’s say it’s “establish rapport,” and you guys all work for me. “All right, I want to find a better way for us, and we’re Abraham Publishing. And we sell marketing programs, and you guys all know the material. And I want to find a way to build better relationships for our clients for Abraham Publishing. So what I want everybody to do is take two minutes and write down every idea that you have.” So now you all take two minutes and you write them down. And then I go around the room – I literally go around the room. And now, in a big group like this I would actually break you up into groups, and then you’d get a chairperson, and this table would have a chairperson and it would be Jerry. And Jerry would get the ideas, and he would be the spokesperson for the table. This way I could hit five tables in five minutes, vs. going to each person at each table. You understand? OK, again – this is just core training stuff. It’s stuff I’ve done in very large companies.

But I go to each person and I say, “OK Jerry, what are your ideas for establishing rapport?” And he says, “I think that such and such.” And I go, “OK, that’s a great idea.” It’s actually a really bad idea, but I only tell him it was a good idea. (I’m just kidding) But you know – and you write them down. Well what happens is four or five people into the thing, we start to get duplications, right? I mean, you know there’s going to be duplications so that’s OK. You go, “OK, yeah, that one’s covered here. Didn’t we get that when we went over challenges?” How many – by the end, almost every single challenge you guys could think of was covered by somebody else, right?

So you get duplications, and you write them down, and now we get them all down – they’re all down, everybody’s ideas on rapport. And I say, “OK, now that we’ve heard everybody’s ideas, right? And Paul had an idea that nobody else ever heard of before. And Richard had an idea nobody else ever thought of before. And Phil had an idea that nobody else ever thought of.” So you had what you thought were your good ideas, but
the minute you heard Phil’s idea, you knew it was a better idea. So now I say to you, “All right. Well now what I want you to do, now that we’ve got written down 23 ways to build relationships, I want you to pick your top 3, or your top 4. So now everybody, look at this. I’m going to give you a minute, and I want you to write down your #1 thing that you think you should do. And then your #2 thing that you think you should do. And then your #3 thing.” And you each write them all down, right? And then I say, “OK, what did this table have?” And you say, “Well, we think #1, #2, and #3.” And I put three slashes by your first choice, (understand and watch me here. This isn’t written anywhere.) two slashes by your second choice, and one slash by your third choice. So what ends up happening is – so let’s just say these are all our choices here, OK? And what – so this one got three votes here. This one got one vote here. And you start to get where one of them will become the all-time leader as the number one thing. And it’ll just be clear. This one’s number two. This one is number three. This one’s number four. And so you get the collective intelligence of the group.

Now also, by the way, if you’re the one facilitating, you’re in the most position of influence. It’s the greatest opportunity an entrepreneur has to set the tone in the company. So when you say something, and I go, “Whew, that’s a great idea!” I’m in a position to influence the rest of my team by going, “That’s a great idea! And you know why that’s a great idea? It’s a great idea because of this, and because of that, and because of…” You see what I’m saying? So you, as the entrepreneur leading the workshop, are in the position to influence your entire company. Who was it has 18 people on Mondays? Who was that? OK. That’s a killer. You can influence that whole – here we go, there’s a whole company, right there in one shot every Monday. That’s a great thing that you’re doing. What you need to do is put some things on the board that they can work on together that they can develop, and then you need to get their consensus on what they think are the procedures that will probably work best. And you’re going to come up with the top three, four, or five things that you want to do as rapport.

Now you know what you do with those things? You take those five things, and you put out a memo the next day that says, “Here, with the collective intelligence of our entire group are the five things that we want to do for rapport. And here’s what we came up with.” And that becomes a memo. Now if you do that every week, 52 weeks from now you’ve got 52 memos. And every one of them is the collective intelligence of the whole group, and the best ideas this company has to share.

So now what happens when you hire a new employee? He reads 52 pages, and he’s got the best ideas you guys have been working on for a year. And at the end of the first year you go back to the book and you start again with the same ones, and you see. “You know, this was a great idea. We implemented about half way and we never went any further.” (Because remember, repetition is the mother of skill.)

So what this is, it’s like if you’re serious about building a great company, the secret to it is going to be repetition. It’s going to be working on the business, not just in the business. And these workshops are a very powerful way for you to be able to do that. And again, if you’re one-on-one it’s the same process. When you’re by yourself, you
need to be sitting down working on rapport. Have you sat down and said, “How can I build a better relationship with my clients?” Have you, as an entrepreneur, those of you who have a one-man army? Have you sat down and said, “How can I have a better relationship with my client? Let me think of five ways.” And I’m forcing you to do that for the first time, maybe, since you got started. You might do something instinctually, but if you think about it you’re going to get a better quality of result.

Summarize findings on the easel, or on the white board. Probe for deeper understanding of each given thing. “What do you mean by that? Give me an example. Can you explain that?” You want to understand people’s suggestions, and you want to treat them with respect. So add your own input all along the way, trying to continually compliment and encourage comments. You’re the one leading the session. You’re the one with the greatest influence. So it’s a great place, where most entrepreneurs are like, “Well, I don’t want to hear their ideas. What if I don’t like them?” Well, that’s why you’re leading the session. You get to help influence it, OK?

So, training the supervisor demonstrates – this is another method of training. So we’re going to come up with some stuff that you say, “You know what? That’s what we need to do. We need to get our salespeople doing this.” Or “We need to get our reps doing this.” Or “We need to, when we’re with a client, we need to do it this way.” And I’m going to help you power through all of that.

And as you do that, here’s various ways for you to integrate that into your organization. Another way is the supervisor demonstrates. So I’m saying to you, “Well, when we greet the customer here’s the way we want to do it.” And I walk over and I go, “Nice to meet you. Da-da-da-da.” And I actually demonstrate it, and you watch me. And then I make the other person do it.

So I’ll tell you a story. We took on a company. It’s the single largest rug cleaning company in the country, but that’s not saying a lot because most carpet and rug cleaning companies are two guys and a truck. This guy’s got 20 trucks, or whatever the number is, so he’s pretty big for a carpet cleaning company. And we came up with the strategy that would accomplish lots of things (and I’ll tell you what that is later) and we came up with the tactics on how we wanted to achieve them, and etc., etc., etc. And then we started to try and institute these things in his organization, and it’s like, this is 105-year-old company. He’s got people who’ve worked for him for 40 years. He’s the fourth generation of son to own this carpet cleaning company. How do you change somebody who’s been doing something for 40 years? You know what? You make him do it. You make him actually try. You make him role play it. You role play it with them. They role play it with you. This is like supervisor as a role-playing –

OK, supervisor will then solicit questions and probe to determine a level of understanding from the employee. Again, if it’s one-on-one, or if it’s you with a big group it’s the same thing. Supervisor may then ask the employee to demonstrate back to the supervisor, etc. Here’s “role playing is a powerful way…” Again, supervisor and employee engage in a role-playing scenario, and the rest of the people watch. Or
supervisor may make observations along the way. Or two employees may role-play while the supervisor facilitates and comments. But it’s a very powerful – remember, 85% of it – get involved. So that’s the highest level you want to be, is you want people actually involved in the learning curve you want to take them through. Demonstrate how rapport is built by asking good questions, and blah, blah, blah.

OK. Case studies as a training vehicle – take some examples. You probably do this anyway, but let’s make it a formal, official thing. Think, before you show up to that meeting, of some examples that illustrate what it is that you want to try and be communicating. Some examples of where it went great…some examples of where it went wrong. Recall increases by 26% when you illustrate it by a story or case study, so you always want to illustrate your point by giving them examples.

Tests – you should have a test of every core thing you think you want to be happening in your organization – every single thing. And before you train me, you give me the test. You ever take a test before you learn the information, and then watch how, when you read it, you learn twice as good because the important things were in the test? So you should develop tests for every single thing you want your employees to be able to do with perfection, and then give them the test before you say, “This is the way we’re going to do it.” And watch how it sticks when you give them a test. Again, you want techniques to create greater organizations? These are them, guys.

Prime the pump before learning new information – great thing. I should have given you a test before we started here. I have them, actually. I should have done that. Challenges the trainee, gets them in a learning mindset. Prompts specific learning by pinpointing what to look for during the training, meaning that if I know there’s twelve things that I want you to get out of this session I just gave you and I gave you a test in those things, when I came up with the answers would you have noticed them more?

Tests after the training shows the specific gain, OK? Solidifies what was learned. Games and contests – take the three or four things… So again, this organization where I’m doing it, we’re taking some of the ideas that we want them to learn and we’re playing charades. We’re holding contests for valuable prizes – best at establishing rapport – and then you qualify and quantify what qualifying the buyer is. And what those rules are. And what establishing rapport is. What do you consider the ultimate achievement in establishing rapport? And whoever follows it gets the $50 gift certificate for Target. So now you’ve got them competing for a lousy $50, but you’re getting huge results in your organization for a $50 gift certificate, you understand? So these are methods and techniques used by the Fortune 500 that you entrepreneurs normally are never exposed to.

OK, everybody stand up. Come on. Move those bodies. You want to jog around your tables, it’s OK with me. Come on, get up, everybody. I know you weren’t sleeping, but – OK, good. All right. Thank you. Still too warm in here.
OK, hold contests for ideas. Best idea of the month gets that $50 gift certificate to Target. Best idea for getting around the gatekeeper gets the – it can be simple things. But you know what? I find that giving actual things is almost more valuable, like the top producer at this carpet cleaning thing gets a TV. You can buy today, for $239, a 21-inch remote control television. Now what happens, if you go home and you’re a salesman at a carpet cleaning company – and these guys are not, you know, making a fortune. Although some of them do really well, surprisingly. His best producers do really well. And you go home with a TV in your arms. And your wife says, “What’s that?” “Oh, I won it in a contest for being top producer.” Well that’s way better than, you get $50 or $200, you stick it in your pocket. You may not even mention that to your wife. So give them a TV. Go out and buy them a five CD-changer boom box for $89. The things are like, this big. And you go home like this, and the daughter’s like, “Oh, can I have that please? Daddy, you’re going to be top producer next week.” So incentives are a really good thing to give away, and they really motivate people.

Best idea for justification for long term relationship – is just some suggestions. Purpose for training is to train the employees to upgrade knowledge and skills that are existing, or to provide continuous professional developments, solve problems… So training improves everything.

So here’s the manager’s task. You need to plan… you need to evaluate… you need to organize… you need to motivate… you need to recruit… you need to supervise… and you need to manage. Those are the tasks that every manager has, right? Can you read them? Plan, evaluate, organize, motivate, recruit, supervise and manage. All of those will improve with training and workshops, am I right? Can you see it as clearly as the nose on your face?

The manager resources are the ideas that he has to work with; the processes that he has to implement; the time, the money, the energy, the employees, the materials and the equipment. All of this improves with you having a consistent and constant and regular training program. So training will help your company run better, faster smarter… it’ll take the time to sharpen the skills and improve knowledge in every possible area. Take the time to stop and sharpen the saw. The company conducting the best training will own the future, so train or be derailed.

Make it fun. Master level skills come only from repetition of the same material. So I’m not going to overwhelm you. I’m going to give you twelve competencies. You’re going to integrate them into your organization. But you’ll know how when we’re done here, and that’ll be the important thing. People get bored if you teach it the same way, so create many different ways. I give you a whole bunch of different ways to do it here. Train constantly. Train with enthusiasm. Train to entertain. Train or feel the pain.

OK, that’s the end of this session.
Chet: This is a big one. Now I covered this is the video that a lot of you saw but not nearly at the level that I’m about to cover it, in the difference between strategy and tactics. And Jay is big on this as well.

So this is strategy and your core concepts. These are your super-strategies that I outlined at the beginning of telling your story, and then we’ll go to your sub-strategies, all right?

So let’s start by talking about the challenges, the problems that you guys put up on that board. Because the fact is that you will get out of the next four days the way to solve – there’s not one there, really, that can’t be dealt with in an extremely positive way. Meaning I could say there’s not one there that can’t be solved. I mean, those of you who are in declining markets, that we can’t solve. But what we can do is get you whatever business is left in that market. What we can do is maybe find you a way of looking at your business in a different way, so that you might have more opportunities than you really thought you had. What we can do is improve every aspect of what you’re doing now. And those of you who have only the limitation of your skills and time and talent – well, we’re going to blow your doors off.

So if you’re serious about solving your problems, you’re going to get the ways to do that here, and we’re going to help you do that. So I want you to think of yourself like a military leader, and you have a dozen soldiers, and you’re outnumbered ten to one. And the question is, how are you going to deploy your troops? Let me tell you what a bad military leader would do. Let’s say that this is my team, and we’re going off to war, and we’re outnumbered ten to one, and that’s the enemy. And I turn to you guys and go, “Good luck. Go fight the enemy.” That’s a bad military leader. And yet, that’s how most entrepreneurs run their businesses. “OK, go get customers!” instead of - well you know what?

(All right, now, refresh my memory on the names. Your name is Bob, and Terry? Derrick, OK. Eric. I knew that. Just testing to make sure. And you are Erin? Darren. And you are Rick. OK, Rick, thanks.) But if we know that Darren is good at this, and Eric is good at that, and Rick is good at this, and Bob is good at that, then we should be looking at those as our resources. If I was a great military leader I need to look at every resource and deploy it with the maximum effectiveness that it can have. And since I only have ten, twelve soldiers and I’m outnumbered ten to one, then I’ve got to not only look at my people, but my resources that I have available to me. And I have to make that military operation really count.
So the strategist says, “All right, what’s the landscape? What are we up against? What do we need to – what’s our battle plan?” You know, they really think it through – and that’s how I want you to look at your business. What’s your battle plan? What are you up against? What’s the landscape that you’re dealing with? Because within all that are solutions, and I’m going to show them to you, and you’re going to go, “Oh my God!” Because I’m going to show you impossible situations that we completely change just by looking at them in a different way. And again, Jay’s the master of that.

So now let’s go more in-depth on this whole concept, because now I want to deal with it. Before was like an overview. So what is your story – again, I put you in that stadium – and you’re a military general and you’re going to go out there on stage. What is the maximum thing that you want to accomplish when you’re in front of that audience? Yes?

Jay:  They don’t know about the stadium ______ -

Chet:  I did talk about it earlier, didn’t I? Have you guys got the stadium thing? Does anybody not understand that? If I could take all – thank you. If I could take all of your customers – or all of your potential customers – and put them all in a stadium, and give you one opportunity to present to them…what is the ultimate accomplishment you want to achieve from that particular interaction? Because if it’s just to get them to buy today - that’s not very strategic. You’re not a good military leader. That’s just saying, “Go get business.” But if it’s to build a reputation… if it’s – well I’m going to lay it all out for you, OK? And then we’re going to develop – I’m going to do this. We’re going to do this over the next several panels.

This is the really – this is one of the biggest challenges that you have today that is not – really didn’t come up there, but it is a big challenge that you have. And that’s what we call the “clutter factor.” The average consumer receives 3,000 messages per day. Actually that’s from 1996, and I read recently it’s up to 30,000. And the Internet has not helped any. In 1995 there was only five million people on the Internet in the United States. Anybody know how many people on the Internet now in the United States? It’s 180 million. It’s like all but the 4-year-olds and the 84-year-olds are on the Web. Almost every person is on the Web.

So the commercial clutter is out of control, and for you to get noticed in that clutter is difficult. Now those of you who sell business to business, your decision makers receive even more because not only are they dealing with all that clutter, they’re dealing with all your competitors. So what’s the single, most effective way for you to rise out of the clutter? And that’s one of the things we’re going to be covering today. How can you get that attention right off the bat?

The cost has tripled. The previous cost of ten years ago – the cost of getting in front of a salesperson – is now three times more than it was just ten years ago. I mean, not to get in front of a salesperson – to get in front of a customer. The cost to get you in
front of a customer costs three times more. I actually have a movie deal with Warner Brothers – well, actually I’m a movie producer as well. And that’s a whole ‘nother story. But I have a movie deal, and they were telling me that they’re spending, to get the same amount of name recognition on a film today, they spent $15 million, and they used to spend five – just, less than ten years ago. It was like 1992, for five million bucks – they got the same amount of recognition that they’re getting today for $10 million.

So why? Because we’re so overwhelmed with so many messages, how are you going to stand out in that? How are you going to stand out in that? And the effectiveness is falling, because you’re spending three times the money to get half the result. It used to take 8.4 attempts – and again, this stat’s three or four years old – anybody think it’s gotten easier to get appointments? Or to get in front of customers? Now it takes 8.4 attempts.

So the bottom line is it costs three times more to get half the result of ten years ago. So what are you going to do about that? Are you going to work harder, or are you going to work smarter?

Now, typically when I present that problem I get to deal with three different types of executives. And this is all about working smarter, all right? There’s the strategic executive. Now these are very, very rare. The highly strategic executives – I would say there’s probably not one of you in the room that’s highly strategic – like that’s where your main mindset is. Because strategic guys can’t get stuff done. They don’t have the tactical implementation. And I’ve worked for a lot of these guys – they’re brilliant.

So here’s the problem. It says, the challenges presented to the strategic executive: “Our salespeople can’t get appointments. It’s getting really hard.” So the strategic executive says, “Well, let’s reposition our sales people as market experts.” And I’ve had these guys come up with these great ideas, and they don’t put the proper training and tools into place, and I’ve watched the programs fail. And I’ve actually participated in some of those failures myself early in my career.

A tactical executive doesn’t even understand strategy. So if you said to him, “Well, let’s reposition.” – Which is, by the way, not a bad strategy. If you position yourself as an expert in your field, as someone who can give advice – who does that? Was that you, Bob? You guys, that’s your strategy, is that you’re experts and you give tons of free insight and counsel, right? And so if your positioned in that way, it beats a path to your door and makes it easier. But if you’re not implementing that good at the tactical level then the positioning is worthless. So I’ve had – or you hire somebody who’s a shark, who has too much ego and not enough empathy, and they don’t care about educating the client. All they want to do is make the sale, and they’ll literally say to you, “What do I care about all this educational stuff?”

I worked for a legal publication when I was 27 years old, and I wanted to go after all these big accounts. And my boss said, “All you need is your circulation and your rates and your editorial story of what the magazine is about.” And we were serving a
legal market. And I snuck around, because he wouldn’t let me do it, and found out that lawyers are the largest daily producers of data. They produce more data than any other business or profession. Lawyers – it’s a business of words. They put out more words every day than all the newspapers combined.

So I was able to take that information and parlay it into some of the biggest advertisers in the world like Xerox and IBM and Data General, and get them into our publication. Because they had no idea that lawyers were the largest daily producers of words. That means they need technology more than anybody else. And at this period in history they had the money. They were doing great.

OK. So the tactical executive, he doesn’t even really understand strategy. He doesn’t want to be bothered with it. He just wants to make the sale. But the best executive – and hopefully this is some of you – is the ultimate executive is (he) develops the strategic solutions and implements them with piercing effectiveness at the tactical level. Develops the policies, procedures, and training and tools to see their ideas implemented at the tactical level. In large companies this is done by several layers of executives. And again, in your company it’s going to be done by you. So if you’re a great executive, you’re going to have a great combination of these two things.

So let’s keep defining strategy, because it’s going to make the difference of your long-term success if you want to be around in the future. It’s the long-range goal and the overall impact. What’s the strategic objective of each tactical effort? What is the ultimate accomplishment or ultimate position you want in the market, and how do your tactical efforts support that? Meaning that your salesperson is – I’ll just use you, Ruddy, because I understand your business pretty good. And you have a – you have two people you need to serve. You need to serve the getting the openings, and you need to place the physicians in those openings. All right, so those are your two customers, and that tactical interaction is very clear. I try to get an opening, and in that process there might be some opportunity to do some strategic things that position your company in the mind of the buyer, right? So you either are doing that or you aren’t doing that. And if you’re doing it on purpose, God bless you, you’re in the rare minority. If you’re doing it by accident, then you need to do it on purpose. And the same thing with those physicians, because they’re in a position to help you. So every time you deploy some tactic, you want to be sure you’re deploying the ultimate objective that you want to achieve for that tactic.

So it’s again – you’re that military leader and you’ve got a certain amount of troops, and you’ve only got a certain amount of resources – don’t you want to be maximizing every single one of them? So if you’re going to run an ad you’re going to maximize that. If you’re going to have a salesperson talk to somebody you’re going to maximize that. If anybody interacts with your company whatsoever, you want to maximize that, OK? It’s just being smart. That’s Jay’s title of his book, is “Getting Everything Out of All You’ve Got.” Great title. What it means is that there’s a lot of stuff – there’s stuff laying all around you. This carpet cleaning company – the guy has 30,000 customers who turn every three years. Well we got them to sign up for a program where they’re turning every six months. What’s that going to do to his business?
So what is the ultimate accomplishment you want to make from every tactical interaction? So if you look at your tactics and then you start – and by the way, there’s no hand-outs of these. This is my intellectual property. It is on video, but I don’t know how well it’s recorded. But as you will notice, I read every word of what’s up here. So if you – later on, you’re like, “Oh, I can’t see the slides” it won’t matter. I read every single word, or at least the content on the slide.

So long range goal, the overall impact that you want to achieve from every single tactic that you have. And the ultimate perception you would like to have – you would like to have your customers about your company. So if I ask you, “What’s the ultimate perception you would like your customers to have about your company?” Think about that for 30 seconds. Look down at your paper and think about “What is the ultimate perception I want my customer to have about my company?”

OK, stop, because I’m going to actually have you do that in full-blown splendor in a minute. Now my question to you is, does that mirror what they think? Who here can say that? Nobody. So that is a great objective, because if you know what it is you want them to think, well then let’s start at the tactical level deploying that. And how do you do that? Well, we’re going to show you, OK?

Here’s an example. We have – and this is on my video, but it’s now (it will) drive home with a lot more force. Two competing furniture stores. Salespeople sell furniture, sales are made, sales are increased by raising the prices and improving tactical effort. Sales drive strategy. So when strategy drives sales, your sales have a much bigger impact. When sales drive strategy, you’re just going to make sales. You understand? OK.

So in this store you walk in and I’m the salesman, and I come up to you and I say, “Hi sir. How are you?” “Oh, I’m just looking.” “Fine. What are you looking for?” (I know – I’ve worked in a furniture store.) And the guy says, “Oh I’m looking for couches.” “Oh, right this way, sir.” And you lead him to the couches, and you try to sell him a couch. That’s a tactical salesperson in a store that’s not even thinking about strategy.

But a strategic store says, “Oh really. OK, right this way to couches.” And on the way to the couches, you turn to the owner and you say, “First time in the store?” Yes, no - it doesn’t matter. I turn to the customer (I said the owner) I turn to the customer and I say, “Is it your first time in the store?” And they go yes, no - it doesn’t matter. You still do the strategic pitch. “Well let me tell you about the store. We’ve been in business for 47 years. We do this, we do this, we do that…” And all this is designed – it has all these strategic layers that you’re trying to accomplish.

Number one, it’s meant to preempt them ever going to anybody else. Would that be a nice objective for you with every customer that you have? How do you make it so that you preempt them ever going to anybody else? Hey, that’s a great goal. Write that
one down. “How do I make it so I can preempt my customer from ever going to anybody else?” Well the only way you can do that is you have to think through a way where you’re positioned, and I’m going to put you through six exercises that’ll help you get there. But my point is that what we started to do in this furniture store, is we sold the store so good, so hard, so smart – that in the same period of time (these both opened at the same time) in that same four year period, this ended up with six furniture stores, and this massive database of loyal followers who would not go anywhere else. Or who because I had a great experience with you, Mike, when I went in there, and you pitched the hell out of that store – “We do this, we do that, we do this, we do that…” Half of those things everybody else does. But the salesman’s never told anybody. And the other half, nobody else would have thought of doing, and it doesn’t cost you anything, but it sounds really great when you say it.

And so now, since I’ve bonded with you – and that’s a strategic objective, isn’t it? Because how many of you have, as a strategic objective, for your interactions, for bonding? That you have actually taught, thought about, worked on, and made it part of your thing? How many? We’ve got three of you. We’ve got four of you. God bless you. OK, great. The rest of you need to have that as one of your things. One of your strategic objectives for every tactic is part of bonding. Well how do you bond? You’ve got to get personal. How do you do that? You’ve got to have a workshop on it, because there’s people in your organization doing it right now. Or if you, as someone who needs to be in that, would set that now – Some of you do it naturally. There’s some of you that your emotional psychological profile has that empathy. Remember that – ego, empathy? And you so might be doing it naturally, and you take for granted that other people are going to do it. Well guess what? Other people aren’t like you.

So we need to build in standards to make it so that everybody bonds at every opportunity, and that’s another strategic objective of your tactics. You understand? So as you start to look at it – Jay calls it maximizing – it’s the same exact thing, right? Right? How do we maximize every single thing that’s going to happen, including the simple little interaction? If you say to me, “Here’s our objectives from every little interaction with the customer. We want to bond. We want to preempt them from ever going to anybody else.”

So now I go into that furniture store and the salesman does such a great job – Mike does such a great job pitching me in the store, that I’m sitting here talking to my lover, (just kidding) and I say, “You know, honey, we could use a new lamp.” You should see his expression – priceless. I say, “You know, honey, we could use a new lamp.” And he says, “Well why don’t we go down to that nice guy Mike?”

And so that’s the point, is that we just preempted it, and we go to Mike’s store because Mike took the time to educate us on why this store is a better store. In other words, most people when they needed a new lamp, now they’re going through the newspaper looking for lamps. But I just go right into the store. So what they did is they preempted the competition as one of their strategic objectives, and they started breeding
brand loyalty on purpose. You might be doing it by accident, but when you do it on purpose it works really, really well.

OK, so what’s your ultimate strategic position, and do your tactical efforts support that position? What is the ultimate strategic position? So here’s a workshop: Ultimate objectives. Here’s some that you could have. I want you to add to these. But these are really valuable. Let’s just talk about them.

Most respected. Now, that’s a lofty goal. How do you deliver that at the tactical level, that you will be the most respected company in your industry? The most popular? Let me tell you, I have been in companies where we were the most popular. We were the funnest damn company to deal with. That’s all there was to it. We threw the best parties. I’ll tell you guys, if I forget, those of you who are in a position where you’re at trade shows, where you have an opportunity to bond with your clients, I’ll show you a way to throw a party for nothing that makes it look like you spent a fortune, and it makes you the most popular. So when you walk onto that trade show floor, everybody says to you, “Hey, where’s the party this time?” Because they know you throw the best parties. And I’ll show you how to throw them.

Most sought out for information. That’s you, right Bob? Most educational, same thing. And again, how do you deliver these at the tactical level.

Other objectives – building customer loyalty as part of your tactics. Jay says it’s maximizing. You’re already doing all this…you’re already having all these interactions. What have you built in that builds customer loyalty? What is specific about that?

Then the generating of referrals. What can you do at the tactical level that increases and enhances your – and again, I don’t want you to answer these questions right now, because we’re going to help you answer them better than you could ever think of, and we’re going to get Jay’s brain involved on you answering them. He’s got more ideas on this than any ten of us. And then the preemptive positioning, again.

So now, I’m going to give you 60 seconds – I’ll give you two minutes, actually. I want you to write these down if they apply to you. Maybe you don’t care about being the most popular, and that’s not your gig. You know, I can tell you it’s a great place to be. The really popular place to go – it’s a great strategic objectives. And then there’s things you do when you want to be popular. What makes people popular? Great personalities, you know, fun, they’re interesting, they’re more…OK?

And then what do you want to add to it? What are your ultimate objectives that you want to achieve from your tactics, all right? You’ve got two minutes.

OK, so what we want to do is I’m going to give you about four or five more of these exercises, and then at the end we’re going to go around the room and see what you guys developed, and then we can add our two cents to it. And that’s when we get Jay’s brain attached to it, and that’s a great value for you.
Participant: Chet?

Chet: Yes.

Participant: Do want us to take the words _____?

Chet: Yeah, or what you think is appropriate for you.

Jay: Chet you know what? Could I make a suggestion?

Chet: Yes.

Jay: Why don’t you use all of them, because what I’ve found is most people at a certain stage don’t know what’s appropriate for them yet, and they don’t realize how different things can interrelate. In other words, I don’t know where the difference is. What’s the difference between being the most respected and being the most popular? And you know, it’s a rhetorical question because you might want to have both of them. But I think that you might want to focus on as many because what I’ve found is the more you stretch your brain to the possibilities, the more clarity you get. You don’t know what you don’t want until you first experience a broader spectrum and you evaluate it. But if you don’t even think about it…if you were to become the most popular…if you were to be the one disseminating the most information…what would happen? What would it look like? I’m sorry – go ahead.

Chet: No, that’s good. And also, Jay was saying to me…he was saying, “If you look at your current tactics now and ask, ‘What are they accomplishing strategically, I think you’re going to find that you have a lot of room there for improvement.’”

So let’s do some more workshops. I’m not going to take five to ten minutes here, but create the three to five reasons why a customer should buy from your company over one of your competitors. So now we’re getting a little more detailed. What are the three to five reasons why a customer should buy from you over any of your competitors? And these are going to get really good as we go deeper and deeper.

So again, I’ll give you two minutes – two minutes for the three to five reasons why a customer should buy from your company over one of your competitors. And if you don’t have it already developed, this is the time for you to develop it and to get our input on it. OK? Two minutes.

OK, next workshop. And then, what we’re going to do is we’re going to have you share these with each other and then pick the best ideas from each table, and then share them with the group. And so what you’re going to see is you’re going to learn from – you’re going to get different perspectives. That’s that whole cross-pollination that comes from these events that I love.
OK, what little extras will you do to create customer loyalty and to build positive word of mouth? Again, this is not generating referrals, because that is a specific workshop. What little extras will you do to create customer loyalty and to build positive word of mouth? Now, they don’t have to cost anything. In fact, Bob’s strategy I adore, because it’s free. It’s work – it’s a little more work, but if you can do something that helps your client succeed that is information or educational, that’s a nice little extra that doesn’t cost you anything, and the perceived value to them is enormous, and it accomplishes a lot of – if we go back, like five slides, a lot of those other objectives. So I’m going to give you 60 seconds on this one. What little extra will you do to create customer loyalty to build positive word of mouth? 60 seconds.

OK. Let’s go to the next one. And we’re just going to go deeper and deeper and deeper. And then we’re going to bring it all together for you. And then we’re going to get Jay involved, and we’re going to see how we can tweak it up for you guys and make it more real.

In some cases the company needs the strategic position. In other cases the product or service needs the strategic position. Sometimes it’s both. So in other words, a furniture store – what can you say about furniture? A couch is a couch is a couch. You buy this stuff from someone else. So here the strategic positioning needs to be on the store. Law firm – again, is it on the lawyers, or is it on the firm? There you could actually do both. Accounting firm – there, it could be the accountants and the way you select them, as well as the accounting firm itself. Calendar company – I had the biggest calendar company in the world as a client – calendars are usually picked – they have those wall calendars from racing cars to famous rock stars, that you buy the calendars. And you only see them in the fourth quarter, right? Because who buys calendars in July? Nobody. But they’re on the wall, and you… And you know, they came to us and they didn’t have any strategy whatsoever for positioning their calendar company. By the time I got done we tweaked that one up fantastically.

So the question is, is it the products or services that you sell that need all this work – the little extras, the strategic positioning – or is it both, or can it be both? So it’s not just the company. You guys from New Zealand, you need to position your company, because that’s part of your strategy for growth, but you also need to do each product separately needs all this stuff going for it in order for you to be successful.

So just make sure you break that out – that it’s not just the product, and it’s not just the company. It’s the company and the product, that they may both need some strategic positioning. Because again, we want to maximize every little thing that you’re doing, OK?

So – setting the market’s buying criteria. This is the killer strategy, really. And every company where I’ve made this happen, they just start taking market share. I love Jay’s little analogy when he says, “If you’re the first one to deploy a new idea that’s never been done in your industry it can have the impact of an atomic bomb.” And this is one of those things that has that impact. And in fact, when you develop it, you are so
fearful that your competition will copy it – but being strategic is so rare that most of the time your competition will make fun of you, even when you’re kicking their butt into the ground. And I’ll tell you some specific stories.

So - setting the market’s buying criteria. Now, what that means is, what is the current buying criteria for your product or service, or to choose your company for some objective? What’s the current buying criteria? Now in most cases, most buying criteria’s aren’t that strict. Meaning that Bob here, he knows that his clients don’t know what the buying criteria should be, so you’re teaching them. Or maybe you’re not on purpose. You’re doing it probably by accident, but when you’re done here you’re going to be doing it on purpose.

Because if you call up the carpet cleaning company now vs. three months ago before we got our hands on them, they were like, “Yeah, Joe Carpets. OK, $9 a foot - ” or whatever “a dollar a foot, yeah, we’ll clean your carpets. Yeah.” Done, done, they’re in, they’re out. None of that strategic stuff is going on at all, and they sure as heck weren’t setting the market’s buying criteria. So the first thing I had the owner do is I had him call ten of his competitors from the yellow pages, and he was astonished. He thought he was pretty weak in the sales department, but he was actually way better than any of his competitors.

And so now, we set up a buying criteria where those people who call in – now the salesperson says, “Have you bought with us before?” (And this might sound familiar from the furniture store.) “Yeah.” “No.” (It doesn’t matter.) Say, “OK, well let me tell you the four things that are most important about getting your carpet cleaned. Number one, you want your technicians to be ICRC certified. Number two, you want to make sure that any other carpet cleaner that you use has at least 300 hours of training for their technicians, because they can make all kinds of mistakes in cleaning your carpet. Number three, the EPA has studies on indoor air pollution now that show the importance of cleaning your carpet. You want to make sure that they’re familiar with those studies. And number four, you want to make sure that they’re going to be around because a lot of these companies are two guys and a truck, and they’re here and gone tomorrow. And they can do terrible damage to your house and you’ll have no recourse. We’ve been around for 109 years.”

Now, you know what that just did? I set up a buying criteria that no one can compete with. And it’s already working. People call in, they hear the price, they go, “Oy, God. I didn’t know it was going to cost $400 to clean my carpet.” I said, “Well, you can get those guys who advertise $19, but you can’t send two qualified technicians and all the proper equipment and all the proper solutions out to someone’s home for $19. You can’t do it.” So – oh, that’s the fifth thing, by the way. The fifth thing in setting up the buying criteria is no bait and switch. “What we quote you is what we’re actually going to charge you when we get in the house, and these other companies, what they quote you is bull because when they get in the house, if they can’t step you up to $700 for the same thing I’m going to charge you for $400, they turn around and walk away. And they’ve been investigated on TV.”
So what I just did is if you called me, I just totally disempowered all my competition. So now they have people going, “Well, I just want to check some other places.” So they get off the phone, they call some of those other places, and they go, “Are you guys familiar with the EPA standards on indoor air pollution, and da-da-da-da?” The guy’s going, “Huh?” “Well what about your technicians – do they have ICRC certification?” “Yeah, yeah, all my guys are certified.” “Who certified them?” “Oh, we certified them ourselves.” Mm hm. That’s a question that the salesperson put in their head so when that woman’s calling to check the competition – and every one of them is calling back. And that’s just setting the market’s buying criteria.

The strategic things that I’ve got them doing - in preempting the competition, in building customer loyalty, in getting referrals – I mean, this guy’s having the biggest – he’s 109 years in business, right? He’s having the biggest months of his entire career, just by being way more strategic at the tactical level.

So what is the current buying criteria for your product or service? Most companies have a very – your customer – OK, here’s the question. How sophisticated is your customer at buying your particular product or service, compared to you? John? John Jost? How sophisticated is your customer at buying your type of service compared to you?

John: 

Chet: Right. So you are in a position to set up the buying criteria in a way where you become a logical choice.

John: 

Chet: OK. I’m glad we had this discussion, because I’d challenge that and say that you can actually set up a buying criteria where that even gets eliminated.

John: You can, but 

Chet: OK. From a strategic standpoint then, he’s got a challenge where he’s not at the right level where that decision is being made. So there’s a way – in other words, if you hire me as your personal – I went in there as your sales guy, the first thing I would do – and I don’t want to drill down with you too much (which I’m happy to do with you later, but not at the…) The first thing I would do is I would design something that goes to the person who’s got the ultimate approval. Because as a strategic objective, if I’m getting this lower-level person and they’re going to this person above them, and now I’m getting out to bid – well I want to design something that scares the hell out of this person up here so that they don’t even want to go out to bid. They want to use me. Now that’s a strategic objective, and I say that off the top of my head. But I can tell you, I can guarantee you – not maybe…guarantee you – that if tomorrow I were working for you that’s what I would do. And I would make it work, and I’ve done it a hundred times.
So what can you do, as a strategic objective, that will reset the buying criteria? Let’s work on that exercise first, and then we’ll talk about who you get to see and how you get to see them. What is the current buying criteria for what it is that you sell? And if you have the chance and you were in that room with every potential buyer of yours in that stadium, and you were going to teach us, your customers, your potential customers, how to buy what you sell – how would you set up the buying criteria? What are the things I should look for? Here’s the question – write it down. What you should look for when you’re buying – and then fill in your type of company or product. Here’s what you should – the five things you want to look for when you are buying, blank – fill in your company. So let’s come up with five at least. What are the five things you want to look for?

Let me give you a couple of examples. (Again, this is on my video so I don’t want to be redundant, but it works so well that I just have to use it as an example.) I go out to buy a car. I’m looking at the top of the line Mercedes. It’s $100,000. I’m about to buy it, and the sales rep does not return my phone call. Two phone calls, he does not return. So I’m insulted. I’m complaining to a neighbor of mine. He says, “Hey, have you checked out the new Cadillac?” You know, Cadillac has this image of not – it’s not like a cool car, or whatever. So that was – my buying criteria for buying a car was, big car. I need a fast car, not because I’m a madman – I used to be, but I still have a little bit of that in me, and every now and then I just gotta have it, you know? I’ve got to have a car that if I want to step on it, I have a little power. And because of my position where I could be picking up the Chairman of Wells Fargo Bank, I need a car that’s not embarrassing. I can’t show up in a Taurus. No slam on a Taurus, but it’s not what you would expect from a Fortune 500 consultant. I have to have a car with a certain panache to it. So a big, fast luxury car – that’s my buying criteria. Beyond that, I could care less.

Now, most car salespeople are so weak, they’re not resetting anybody’s buying criteria. They leave that up to the ads. They leave it up to the television commercials. They leave it up to Car & Driver. But I can tell you right now, if I own a car dealership, every salesperson I have would be a master at resetting the buying criteria. And when you walk in my car dealership, you are not leaving there ever to think any car would outperform the car that I sell. Because I’ll find the ways to communicate that.

So let me give you an example. So I go down to the Cadillac dealership – no real intention to buy. I just thought I’d check them out. The guy opens up the hood. He says, “Have you heard about the North Star drive train?” I go, “No, I haven’t.” He said, “Well you see those platinum spark plugs?” I go, “Yeah.” He says, “Well it cost us plenty, but they won’t cost you a dime. Because this car won’t need a tune up for 100,000 miles.” “Really?!” “And you know, that Mercedes you’re looking at, you’ve got to have that thing tuned up. It cost $3,000 every 30,000 miles, did you know that?” “Well no, I didn’t really know that.” And so – next thing I know… So this guy takes me through my buying criteria, and by the time I’m done, it’s BOOM! I drove out of there in that Cadillac. And that’s a whole ‘nother story, but – you know, “Second fastest luxury car in
So what’s the buying criteria now? If I’m your customer, what is my current buying – or I’m your potential customer, what’s my current buying criteria and how can you change it - and in the process, by the way, make more money? Because if you can set up a buying criteria where you’re the only logical choice, you can take more money from your marketplace.

The carpet cleaning company is three, four times anybody else – well, at least in the ads. Well, he doesn’t advertise his price. But these other guys advertise these little Mickey Mouse prices that they have no intention of ever fulfilling. And he sells the price that he wants to get. And they call and get lower price and still come back to him, because it scared the hell out of them. They don’t want to go to anybody else. That’s a brilliant preemptive strategy, isn’t it?

So work it out. What are the five things that you should look for in blank – my kind of company, OK? Take two minutes and work that through.

OK. Let’s go deeper. What three things would you like your customer to say about your company – gain, this might get easier now because you might have some things written down that are going to make this a little easier. But if you want me to get other people to come to your company, what three things do you want me to say? OK? And again, we’re slicing it from every angle. Some of it may be duplicable over what you have, but each one is to stimulate more and more strategy…more and more objectives.

So what do you want me to say about you to another customer who I might want to send to you? What do you want the customers to say about your company when they turn to somebody else? Take 60 seconds.

OK, let’s keep going deeper here. I put restaurant and retail store up there just as two examples, but you know what makes the finest restaurants in the world? It’s the service. I went and I had an occasion where, remember I said the most popular? So I ran a magazine, and one of our strategic objectives, besides being all those other things that I’ve already said, was to be the most popular. And man, that bought us so much – you have no idea. It was just so easy to throw the best parties. And I’d take the best advertisers in our magazine to Spago at the annual trade show that was in Los Angeles. (So this is many years ago – twelve years ago.) And I took 18 people to Spago. So everybody – you know, there’s guys from Lincoln, Nebraska, and backwoods Oklahoma, and these are people who – they’re big companies that own - big software companies, but they don’t get to Spago very often. You can’t even get in there, and when you call and make reservations for 18 people a month in advance you can get it.

So I went in there, and sitting next to us at the table right next to us was Sidney Poitier…Carol Channing was over in the corner… you know, it was movie stars
everywhere. So I bring these clients in this place, and we’re having a great time.

Wolfgang Puck comes over and shakes my hand. So he asked his maître d’, or whoever, “Who’s party is that?” He said, “That’s Chet’s. Chet Holmes, that guy right there.” And he comes over – “Chet, lovely to see you again. Nice to see you again. How’s it going? Is everything all right? I had some veg’tables (he doesn’t say vegetables) veg’tables I had some made just for you. It’s a little treat, just from me, OK? Thank you.” Like this.

And I mean, these guys think, “He must come here all the time.” I had never been there in my life! And I’m thinking, “Whoo! No wonder this place is full of movie stars!” And so what makes the finest restaurant? It’s the service, OK? It’s making every single person feel special. And if you have a favorite restaurant… See, I tend to work at having extra service at the restaurants because I do everything last minute… I’m flying in and out of towns… and so what I try to do is I try to create a special situation with the four or five finest restaurants in my area. And I teach them how to develop customers for life. And so, when I go into any of the restaurants in the area, and they say, “I’m sorry, you can’t get in.” And I say, “Well, this is Chet Holmes. Tell the owner Chet Holmes needs a table.” And they get back from hold – “Right away, Mr. Holmes. Come on in.” And I get a table right away. But that’s because I deliberately cultivate a relationship with the owner.

Now it should be the other way around. Because what is a customer worth to you who’s eating – me, I eat out three nights a week, four nights a week, OK, out of self-defense because my wife cannot cook. But what’s that worth to you, if I’m spending a hundred bucks a week, I’m a $5,000 a year customer, and if you’re a popular restaurant in my Rolodex for three to five years, that’s a $25,000 - $20,000 customer. Now if you, as a restaurant owner (just because I know we have one here) treat every single person like they are a potential $20,000, not $100 – how’s that going to change how you treat them? Because every person that comes in there is like a $20,000 customer, and so you need to greet them. The owner, the maître d’ needs to stop by. You need to make them feel special. You need to ask them some personal questions. Because you can’t bond with people if you’re not asking personal questions. Now you wouldn’t say, “Ever have any illegitimate children?” You’re not going to ask those kinds of questions. But you know – “So, you live in the area? How long are you here? I thought I saw you guys with kids. Do you have kids?” Any time you get in deeper with people it’s going to help you be more effective.

So tactical execution of the strategy, that’s what that was. That’s like, show you that your strategic objective is to bond, is to preempt, is to build customers for life, is to make them feel special, etc., etc. Tactical execution is – at the tactical level you need to be deploying all those strategies and maximizing.

So here’s – write down the three highest compliments you would like to hear from each customer. So we probably covered that in the last workshop.

Features tell, benefits sell. Do you know the difference? If you’re a sales warrior, you sure know the difference between features and benefits, right? But a lot of people
don’t. Because I’ll say, “Well what’s the main benefit?” If we actually cover, we ask you guys, “What are the main benefits you wrote down that you give to your customers?” And I asked you those benefits? I bet you a lot of them are features. Because here it says, “Largest landscape company.” Is that a feature or benefit? That’s a feature. “Smartest manufacturer representative.” Feature or benefit? That’s a feature. Until it’s translated to something of value, it’s a feature. “Most stylish architectural design firm.” You know, until it’s designed… OK, “The plaque company that gives the highest quality gifts and incentives for the lowest possible rates.” So now we’re getting more toward benefits, OK? “To make you successful” would be an even bigger benefit, OK?

So again, we need to start getting strategic – this is a killer exercise, man. This changes everything, especially for you guys in the mature businesses.

Develop the broadest possible view of your business, focusing on the ultimate benefit to your customer. This changes everything, guys – this one right here. This changes everything about how you execute at the tactical level, all right? You’ve all heard the story, but I’m going to drive it home like you’ve probably never heard it before.

So the railroad companies – in 1907 Henry Ford built the first truck, assembly line trucks. And they came off the assembly line – 700 of them in his first year – at like $652 apiece or something. That’s what it cost to buy a truck in 1907. That’s the cost for a tire today, right? And at that time the railroad companies were the captains of industry. These were the monsters. These guys running these railroad companies, they had $100 bills falling out of their pockets. They could have bought all – all 700 of those trucks. Wouldn’t even have noticed it on the balance book.

But they thought they were in the railroad business. (You guys heard this before? Anybody not heard this analogy before? Well it’s worth going over then.) The basic definition of their company is that they were in the railroad business. Now if they thought of themselves as the transportation business, then they should have bought those trucks, because what happened is, railroads could only go so far. And so when the trucks came out and the trucks could take them right to the door… Today, by the way, 85% of all transportation of goods in this country is done by truck. 85%. Trains, like 11% or 6%, I can’t remember what the number is. But I know 85% is done by trucks because I had a trucking client. And when I have a client we go so deep, they learn from me about their own business. So it was so funny.

So the broadest possible view would have been to dominate all forms of transportation. And today Pennsylvania Railroad would own Ford or General Motors and United Airlines. But do you know where Pennsylvania Railroad – a captain of industry in 1915 – you know where they are today? They are bankrupt. They are gone. Now that’s silly.

So you guys, what’s the broadest possible view – what is the ultimate benefit – to what it is that you provide? Let’s give you some more examples, OK?
Sell suits. So you are George Zimmer of The Men’s Warehouse. And I call him up, and I say, “I have an idea that will double your sales.” He says (and I’m on tape, so you know this is true) he says, “There is no idea that would double my sales. If there was, I would have thought of it.” And he followed that with, “I guarantee it.” (No, I’m kidding. You guys from another country, you don’t know who George Zimmer is, and Men’s Warehouse.) But – and that’s because their perception was that they sell suits.

Now if you sell suits, what do you need to know? You need to know what a suit looks like, this and that. But if you are a wardrobe consultant, well then you need to know more than just about the suits. You need to know what you should wear with what suits, what you shouldn’t wear, etc., etc.

Plus, if I think of myself as a wardrobe consultant, and Chris over here is my customer, then I’m going to take a much different interest in him than if I’m just trying to sell him suits, right? Because I’m a wardrobe consultant. I need to know what do you need suits for, Chris? When do you need to wear them? Under what kind of occasion? Who are you seeing? What do you got in your closet? Right? See how that changes everything? And yet, does that position put me in more control of Chris, or in less control than a guy just trying to sell a suit? Which one is going to get me a higher result with the customer? Which one is going to preempt my competition? You guys get what I’m saying here?

So what’s the broadest possible view you can have of your company? Because then that changes how you’re going to service them. It also changes the things you can add to your offer. Because if I’m a wardrobe consultant, boy, I might have all kinds of things that I would not have if I were just a suit salesman. I might have – in fact, let’s take it a little further.

If I’m an image consultant. Now imagine that, that I’ve got in my Rolodex, and I’m talking to Jay, and I say to Jay… and he says, “Well, you know, for this event coming up.” And I said to him, literally, I said, “How do we dress?” He said, “Just blue jeans.” (Kidding) But I said, “How do we dress for this?” And he said to me, “Well, my image consultant says that…” And I go, “Image consultant? Well!” So imagine, I mean, that would be so strategic. Because now, think of the impression that that makes. Jay has an image consultant.

And what would it take, by the way, to be… the difference between selling suits and being a wardrobe consultant and an image consultant? Would it take a huge financial investment? No. It takes you reading that book, *Dress For Success*. It takes you to follow, or maybe hire a top public relations person about building images, and get the five rules to building the perfect image. And then when you come into my store, right, and you’re going to buy a suit and I lay this rap on you – man, I own you! You don’t want to go to anybody else if you can get the same suit as somebody else who’s not going to do any of this, and I’m going to do all of this. Where are you going to go next time you want a suit? And, if I’m really slick at this, I’ll have your wardrobe in my file. I will know what it is that you have.
So I got this idea because I read an article about the top suit salesman in the world who works at Nordstrom’s. Sells a million dollars a year in suits. And he has a full profile on his clients. And he knows them so well, he’s got their measurements. He doesn’t just measure the length of their arm. He measures the width of it. So when you get a shirt from him it fits like you wouldn’t believe. And he knows that I have a pinstripe, double-breasted blue suit in my closet, so he would never even offer me that. But when he gets in that new beige, summer, slick, cool four-button number that’s coming out…he tailors it for me. He sends it to me in the mail. Two of them, $2,000 each, a couple of shirts and ties to match – and 95% of them keep them. Because the guys he’s catering to, they don’t want to shop. They don’t want to – so he knows this market.

OK, so let’s go a little deeper. “Lumber and hardware store,” or “home improvement center”? Because when Home Depot first came out, nobody had a lumber and hardware store – I mean, everybody had a lumber and hardware store – I mean, everybody had a lumber and hardware store. Nobody had a home improvement center. They changed the face of those kinds of companies.

I told a story on that $239 call which would be redundant to you people, about me deciding to build a fence because I had a – we have a really, 100-ft. wraparound porch in the back of the house, and when my kids were toddlers – and we have a pool right off the back porch – and so my wife didn’t want them to fall in the pool. So she fenced in the whole thing and asked me to build a gate. And the stairs are like, that wide. So it’s not some simple thing. And I’m not exactly Joe Handyman. It’s not my thing. And so I go into the local lumber store, and I say, “I want to build a gate, and I was thinking that I’d just take beams and do it this way.” And the guy says, “Hup –let me stop you right there. We don’t give advice. Sorry sir, we don’t give advice.” And I go, “Oh, OK.”

So I buy 2x4’s – way too heavy to build a gate. So this is why, let me just tell you! I don’t know what I’m doing! So I take one, and I hammer it in here, and it’s all ritchety. So I put another beam this way and I hammered that in, and then it’s kind of getting a little… So I put one here, one here… Ended up with this thing that was like an eyesore! And it weighed 48 pounds. Nobody could open it but me. It served it’s function for a short period of time.

Well, at Home Depot they will not only give you advice, they will sit down and draw you blueprints. So they define the ultimate strategic position for them as a much broader place. They help clients master home improvements. You can go take courses at Home Depot on plumbing… on adding on an add-on home to your house… on putting on your own roof… What does that do to a guy like me, who would never add on his own roof? It turns me into a customer that they’re never going to lose to the roofing companies. They created better customers.

So now, let’s go to you. What business are you in? What is the broadest possible sense? What could be the ultimate benefit from doing – the ultimate. Let’s go broad, broad, broad. And again, I’m going to help you here so that you can get some deep
perception. But what’s your basic business that you think it is? What would be strategic? What would be the broadest possible view? I’ll give you three minutes to think this one through.

And we can help you work it through. And I happen to be extremely comfortable in this particular setting, because this is what I’ve done for maybe 400 companies, and in every single case it just rocks their world. When you’re setting up the buying criteria in your market, you just take market share every single time because your competition never bothers. You’re nothing different than your competitors. Nobody is setting up the buying criteria in your market, so when you start to do it…when you start to say, “Well, I don’t care whether you buy from us or from any one of the other 20, 30, 40, 50 companies that offer this. Let me just tell you what you look for. You should look for a company that does this. You should look for a company that does that. You should look for a product that has this. You should…” And half of that stuff should be scary. And that’s a whole ‘nother lesson, and we’re coming up on it.

So Madison Avenue used to call it your Unique Selling Proposition. Mega-Marketing and Sales says Ultimate Strategic Position. Now, market factors can change – and that’s for the Jost, and Chris, guy over there. That’s what’s going to put you in the position to change the buying criteria in your market. It’s data that – (oops, did I skip something?) What market information supports your strategic position. OK, I’m going to give you lots of examples here.

Find the trends that motivate buyers. What market conditions support the need for your company? Because market conditions are way more motivational than product information. Understand? Product information only goes so far. But market information can really, really motivate. So what’s going on with plastic surgeons right now that makes you way more important? You don’t have to answer me. I want you to think about it. What’s going on with people who need manufacturing that makes you a necessity? Not your product information – I’m talking about market conditions, and better if they’re dangerous. What’s going on in your industry or market that makes you way more important than you are if you only focus on yourself? And boy, watch this. I’m going to show you how we really brought this to life.

Find the trends and motivate buyers. Now, motivation comes from two factors: It comes from problems, and it comes from solutions. Which do you think is more motivational? Let me tell you something – that is the real motivation. This is like the killer, guys. If you don’t get anything else from me, come away with this one. If you want to motivate purchasing – and this sounds sado-masochistic – put your buyers in pain. I’m teasing, but I learned this one from Tony Robbins. And basically, he teaches that pain is what really creates change.

Now instinctually, top producers do it anyway. They scare the hell out of their buyers by using market information. But market information can create real motivation. So what’s going on in your world right now that is bad news, because it will create a
stronger buying criteria on your behalf? (And I’m going to give you some examples.) But it’s also pain pictures of their future.

So let me give you some examples, so I call really spell this out. All right, here we go. Killer examples, guys. Accountants – I had a client that sold reference materials for accountants. And basically, what that means is every accountant needs tax law data. So this is tax law data, and it’s for accountants. And so the first problem that they had – the first tactical problem that they had – was that the structure of accounting practices has changed. This company’s been around for 100 years. They do $800 million in sales. This is not a little company.

And the first problem that they had was that they were no longer able to get to the managing partners and the top executives in the accounting firms because these guys are not seeing the book salesmen anymore. So it used to be that the book salesman would go in and sit down with the accountant, and boy, you could really explain it. Well now accounting practices have gotten so big they have a library, and the librarian’s making decisions, and she’s not an accountant. So their ability to sell was dramatically reduced – and again, that’s a tactical problem. And these guys are pitching their butt off to some librarian who, after they’ve worked her over for an hour and a half, goes to the boss and in five minutes tries to give him a summary. You know what I’m talking about. If you guys sell to somebody who has to sell to somebody else, your dazzling 45-minute presentation gets reduced to five minutes when it goes to the boss.

OK, so the strategy we built was that we would put on a free orientation on the five most dangerous trends for tax attorneys and tax accountants today. And we would offer this to the managing partner, and then I used about five other strategies that I’m not going to get into now. But by the time we’re done you’ll completely understand how you can do this yourself. And so we got in to see managing partners of the largest accounting practices in the world, and the whole front section of this free orientation on the five most dangerous trends for accountants was pure bad news. It was horrible news! We found out that the amount of accountants was increasing at this radical rate, and yet the billings for accountants had leveled off like three years ago, and the accountants were still increasing at this radical rate. So any accountant looking at that could see.

Then we found out (which half the accountants that we presented to didn’t even know this) that the IRS had changed tax laws so now if you make a mistake in your tax return and you get a fine, well now they also fine the accountant who signed his name at the bottom. Well that’s pain. And then we showed them what the IRS standards for tax research was. They actually had a standard. No accountant that we ran into knew this. Again, this is all market information laying around. Here’s an $800 million company, makes its money with accountants, and they never did any research on their marketplace and didn’t know any of this stuff.

So we go in there (I have to tell you this) and I, as part of my process with this client and helping them actually roll it out… Because that’s what I’d learned from making the mistakes early in my career, that you’ve got to take people by the hand, and
you’ve got to show them how you want it done, and then they’ll actually be able to do it. Remember, 85% if we get involved. So I took some of the top producers, and I took them by the hand, and we went in. And I made the appointments and everything! And I got in there, and we presented this information. And this guy was mopping (we were like with the managing partner of a Price Waterhouse in Detroit. I can’t remember which one of the big four it was. But it’s one of the big four.) And this guy is mopping his forehead. And the salesman – I could feel him next to me – was like wrenching in his chair. He was trying to put a positive spin on every negative thing I was giving. Because he had felt so uncomfortable with me doing this. And you could see this guy, the prospect, mopping his forehead.

We get to the end, and the guy buys every single thing we had to sell. That program doubled the size of every order for every rep in that company who used that particular program. And we came out of there, and that sales guy says to me, “What was that? What happened in there? I’ve never had that happen, where you told this guy a half hour of bad news, and he bought every single thing I had to sell.” Because when you put people in pain, they feel a need to take action – that’s a fact. If you can show me bad news about my particular area, I feel a need to take action. Especially executives – they want to solve problems. They are trained. The better paid, the higher level executives make decisions like that. The one thing that makes a Fortune 500 company, the CEO stand out in the crowd – in fact, the number one trait they all had is they are very decisive.

And so, higher level executives are easier to sell especially if you put them in pain. You can show me ten pages of pain, and make me go, “Argh!” and feel uncomfortable, and then you show me the product. It might not even be related to the pain, and I’ll go, “I’ll take three!” Yes?

Participant: How would we scare people into coming to Hawaii?

Chet: Um, you know what? I’ll figure that out. No, I’m serious.

Participant: __________

Chet: Yeah, there you go. I mean, what is it you’re trying to motivate? What are you trying to motivate? What are you trying to motivate? If you’re trying to motivate me to stop using a certain way, then you’ve got to give me the bad news for that. If you’re trying to show me that it cost $275 to stay in Hilo if I stay here, and yet you can stay here for only $60, and here’s what you could do with what you save. That’s a campaign for you. “Here’s what you can save by staying at our place. You can save enough to buy a boat…to buy…” etc., etc., etc.

So understand that what really motivates people to purchase is bad news. And so you need to do a little research.
All right, here’s another one – doctors. So the client is Immuno Laboratories, open for joint ventures – so those of you who sell to doctors, you’re going to love this. You will probably really appreciate what they do. What they do is they do – now this is a company – it took me – I interviewed four of their executives for six to four hours each, and now I’m going to explain it to you in two minutes. And it literally took me four guys, and them explaining this long, elaborate process for me to get it (snap!) like that.

What they very simply do, is they discovered after 23 years in business that 95% of us are allergic to common, everyday foods that we eat, but it’s called a “stage two toxic reaction,” or an “IGG reaction,” an immuno-globulin something or other, OK? But what happens is, when you have a stage one toxic reaction, if you eat strawberries and you die, that’s stage one. Some people know immediately that they have a toxic reaction to certain foods that they eat. I have a friend who would die from crab meat. He just eats crab meat, it’s got some chemical in it. It just chemically reacts poorly with his body.

But stage two toxic reactions don’t occur until the food breaks down and enters your bloodstream. And then one of two things happen: It either blends harmoniously with your body, or your antibodies attack the food as a toxin. And this can result in, they have found, 50 chronic conditions that they can relieve in three days. Arthritis, headaches – you get headaches? Always a food toxicity reaction. Irritable bowel syndrome – gone. I have a 13-year-old daughter, she’s a straight-A student, star athlete, blah, blah, blah. She’d be in bed for a whole day with stomach cramps. So me, the kind of guy I am, I was like, “Oh, I want a cure!” So we take her to this specialist, and that specialist, and they do everything to her. And they tattoo her, and they scan her, and they give her every test in the world. It’s irritable bowel syndrome. The doctor backed me up. When they don’t know what it is, they call it irritable bowel syndrome, right? When there’s nothing else wrong with you, it’s called irritable bowel syndrome, when there’s no reason in the world. Well I know now, for a fact (there’s 200,000 case studies with this company, Immuno Labs) that it’s food toxicity.

So 95% of them. They discovered 95% of the people they test have some food that’s causing a toxic reaction in their body. Now how do they do that? It’s so simple. Here you go. And this is like, I’m explaining to you in two minutes what took these guys four days to explain to me. They take these trays, they look like little contacts lenses, and they’ve got 115 of them. It’s practically every food you could ever think of eating. Only 115 of them, but it makes up every food combination you could imagine. Then they take the blood and they put it into the little trays, and they look in a microscope and one of two things happen. The food and the blood blend harmoniously, or the antibodies attack the food.

So in one minute they can cure a condition you’ve had for 25 years. They cure over 50 chronic conditions, and if they can’t they give you back your money, they are that sure. That came from Jay, taught them that. If you’re so sure you can really cure a chronic condition, why don’t you give them a money-back guarantee? They started doing that right away.
So these guys, who do they sell to? Well, primarily they sell to doctors, although they had started a division. Because doctors, unfortunately, most medical doctors are not oriented toward alternative care and this would fall into that vein. The doctor wrote a prescription for my daughter for irritable bowel. They gave her a bigger stomach ache.

Most doctors are very much prone to writing prescriptions. In fact in this country you get 265,000,000 people. Do you know how many prescriptions we write a year? You’d think, if we write one for every person, that’s 265,000,000 prescriptions. That’d be a lot of prescriptions, right? We write 2,000,000,000 prescriptions in this country every year. Why do I know that? Because we did some research on their market, and we found out every little damn thing that they’ve never even thought of, and we built an orientation that puts that doctor in pain. And right now, are doctors in pain? Now you don’t rely on managed care, but if you did, would you be in pain?

And in fact, we found out that every single aspect of the medical profession is making more money except? Doctors. Because the hospitals are making more money. The administrative staff is making more money. The doctor staff is making more money. The HMOs are making more money. And they’re squeezing the doctors. And the doctors’ income has fallen in four years, from $166,000 a year, annually, down to $120,000 a year annually. In fact the average doctor now makes about as much per hour as a school teacher – per hour, because they work a lot more hours than most school teachers. They make $40 an hour.

So you start showing this to a doctor, and the guy starts mopping his forehead. And we don’t even know what we’re selling yet, right? This has nothing to do with the product – I mean, not specifically, except that this, a doctor can add to his practice and if he tests just four patients a day he can add a quarter of a million dollars to his revenue without adding one extra dime of expense. Does that sound like a pretty good promise for a doctor? I built that whole sale program for them, and it’s blowing the lid off this place. And he’d been around for 23 years and had – again, he didn’t have salespeople, he didn’t have any strategies going on. He grew purely by word of mouth. He wasn’t deploying any marketing weapons, etc., etc. What, did you want to ask a question, John?

**John:** _______

**Chet:** He is open to joint ventures. He is so Abraham-trained right now. We’ve got him like we’re – we put him in like, five joint ventures.

So the point is that when we did the research on that market, and we found the pain that doctors were in – which I just spouted off four or five things to you – it was so motivational. It’s completely changed. It used to be the doctor would call in. They’d get a little information on him. They’d send him some information, and for six months they were chasing the doctor. And maybe the doctor would test one patient. And then maybe the doctor would find, “Hey, that really worked – wow!” And then he’d test another patient when he got around to thinking about it.
Now the doctor calls in – again, what do we want to accomplish, all the strategies? It now goes like this: “I’m sorry doctor, but we don’t accept just any doctor. We have rules and standards before we let you deploy our tests.” Oh, well, you know, doctors have a big ego. Most of them have a strong sense of self. And so they immediately go, “OK, well what do I have to do to pass?” Well that really changes everything, if you’ve got to get in! It was so profound. It was literally like it completely changed it from waiting six months, chasing to get one…to getting them to test four people a day, because we’re setting up the buying criteria for them in advance. OK, got it? Strategy vs. tactics.

OK, lawyers, same thing. I mean, they have – there’s no buyer that you have who doesn’t have some problems. And if you point them out, you can get him to take action faster, better, smarter. And the more dangerous the problems, the bigger the problems, the more you’ll motivate them to take action.

So, what about your buyers? What would scare them? What makes them feel very uncomfortable with their current position? What makes them feel like lost lambs? Or what makes them feel like they’re not getting what it is they need, or…? And again, you might have to do some research on this. I’ll give you some really great examples of that. But boy, it can just, like, set you on fire.

I want you to write down some questions you want to get answered. OK, we will e-mail this to anybody who wants it. This is a full research document for this company, Immuno Labs. So they hired me and Jay, and we did our whole strategic thing on them. And I put together their research request. And I have a killer researcher, by the way. Anything you want researched. $50 an hour, she’ll blow your doors off. You won’t even believe it. I mean, you will not believe it. It’s the same person we hired to go do the research on carpet cleaning and indoor air pollution.

This carpet company had no idea the APA actually studied the impact of carpet cleaning in your home. Do you believe that? And do you know what they found out? Your carpet is like a giant health filter in your home. It captures bacteria, dust, pollen, spores, flying radicals, particles – it’s fantastic. But you know what? Every six months it gets completely saturated, and you’ve got to clean it with hot water extraction, because bacteria dies at a certain temperature, and you can’t clean it yourself without the special machines that these guys have.

Well, you start educating that about a client. You say, “Do you know that you haven’t had your carpet cleaned in three years – Whew! Oh my God, you have no idea what’s living in that carpet! If I showed you under a microscope you’d be horrified.” So “Yeah, well come on over right away.” “As a matter of fact, we can set up to clean that carpet for you twice a year, no big deal. You can join our annual service and we’ll clean it for you twice a year. Blah, blah, blah, blah.” And now we’re getting six times in a year, vs. once every three years. See what that did? Can you understand what that’s doing to do the business? Now three out of ten people are signing up for the gold service. So every single month that he’s in business he’s assured that twelve months, or six
months from now, he’s going to have this huge pile of repeat business he wasn’t going to get for three years, normally.

   OK, so let’s be smart, guys. All right, so I just want to show you. I’m going to read this. I’m going to read you like, three or four bullets just to give you an example.

   Oh, and so since this is somewhat alternative, they found out – are you ready for this? (Doctor, you’re going to love this statistic.) 60% of all people have gone to alternative care, and that 73% of them will not even mention it to their medical doctor, because a medical doctor is so against alternative care that patients are not telling them. But this year, alternative care visits to alternative care specialists surpassed the medical visits to medical doctors by 37 million visits. Now you start telling these kind of statistics to a doctor and he’s feeling very motivated that he’s missing something. Your patients are going to alternative care, and they’re not even telling you about it. They don’t want those drugs in their system.

   Do you know that we accidentally – the pharmaceutical industry accidentally killed 133,000 people a year? More than breast cancer. The third largest killer or something in this country is the pharmaceutical companies – or the doctors, whichever one you want to blame. Now that’s as if six jumbo jets a day were crashing. Would you guys have flown here if that were happening? But you go to your doctor every damn day and let him write you a prescription! So you see how powerful that is, now? I just disempowered every medical doctor you’ve ever known! See, that’s just data. I’m just showing you how powerful data can be when used in the right hands.

   All right, so it’s what we call arouse – you want to find things that arouse. Oh, OK, great example. That calendar company – their strategy was to go after these little gift stores…the little gift stores. Now there were at the time maybe 18,000 big stores – like Wal-Marts of the world. Wal-Marts, Kmarts, Targets – all those guys, there are like 18,000 of them. And there were 25,000 small gift stores. So they were like, their brilliant strategy was to go after the 25,000 small gift stores. So we went to do research to put the gift stores in pain so they would take more motivation to take those calendars, right? We found out 15 years ago, there were 96,000 of these gift stores, and now there’s only 25,000 of them. You know why? Wal-Marts and Kmarts, eating them for breakfast in every city in America. So they saw that, and they immediately changed their strategy. And that’s what I call a Wow!

   When you’re looking at research over a 10, or 15, or a 20-year period all of a sudden you come up with these statistics that you’d never get unless you did that. So if you look at plastic surgeons over the last fifteen years…but you look at manufacturing…or you look at what’s going on with lawsuits over cars…or you look at – What are the pain points in your particular industry that you can just take a look at, and you’re going to get these Wows! It’s why I say, you should start all orientations. Remember I talked about your core story? I put you in front of that audience now, and you’ve thought through every strategic thing you want to achieve…every preemptive move you want to make…how you’re going to build brand loyalty…how you’re going to disempower all
Of your competition… how you’re going to use data to motivate them to take action now, today – not five years from now – not when the fence has fallen down, but right now because there’s some information about that, about kids drowning in yards with pools that don’t have fences. I don’t know, I’m making stuff up. But I’ll tell you, if you got me today and you wanted to find a way to motivate more people to buy more fences and more swimming pools, I’ll find data that will enable you to do that.

So there’s Wows…and this is what I call the “smoking gun.” And if you get a good researcher, you can put her on the research and they’ll find that smoking gun. Anybody know what that means? It’s a legal terminology, when they find that one thing that just – Phew! That proves your point. That makes your case.

OK, so they hire us, and we send a researcher into the field. Let me just read you a couple bullets, so it gives you an idea. “We want an overview on chronic health problems, i.e., headaches, sinus problems, skin conditions, arthritis,” and it says in parentheses, “Immuno to supply a specific list.” Because they have over 50 chronic conditions they can cure. “See an article from me that appeared in JAMA 1996 that showed that ¾ of all health care dollars in the United States are spent on chronic conditions that were actually not cured, and we’re just masking with drugs. How much money is spent in these areas, but on consumer end, and also on a global basis.” For example, “People with migraine headaches will spend an average of $4800 over their lifetime.” Also, what things of psychological impact have people with migraine headaches? For example, that some people even consider suicide because they have migraine headaches.

Again, this is looking for statistics that when you’re presenting this even to the consumer – because these guys are now going to go to do an infomercial. And they’ll be on there, “Ever had a migraine headache? There are 45 million Americans suffer from irritable bowel syndrome.” (Which is true, by the way, and we were amazed.)

So we got the data back, and it just totally gave them this position of strength and authority that so dwarfs their competition. So what about your market? What are the data – let’s hear your outline. What do you want to know? What do you want to prove? Let’s take a few minutes right now, and have you write down some questions you want to know. And again, we’re going to get you to work on all this, and we’re going to help you. What is it that you would like to know? Or what pain do you think already – you might already know some pain points that would motivate your buyers with greater speed and agility. OK? For you, Mark, with the voice mail thing, what’s going on in the telecom world that would make them want to use you above all else? Or would scare them about using somebody else? Or what kinds of problems are – in other words, if I’m missing 14 calls a week, and that is costing the average salesman $750,000 a year, isn’t that worth $15 for that special voice mail that hunts me down? In other words, what’s the data points that are going to affect your buyers?

Immuno Labs could always test for chronic conditions, but when you start showing that we’re spending $700 billion on it, well if I’m a doctor that’s a big draw.
card. That’s where we found that database for people with chronic conditions – he found it.

By the way, it’s remarkably effective with weight loss. People who have never been able to lose weight can take this thing. They have 30 food allergies. They can eat all they want. They remove the allergies from their system, and drop weight like crazy – lose a pound a day. 40% of their business at one point came from weight loss clinics, because once you find these guys and they can take that weight off, it’s amazing.

OK. Jay just told me I’m killing us on time, so let me – OK, this is just another example, but it’s a great example because if I gave you all their problems you’d think there was no way that they could solve them. So let’s do like a minute on this one. This is California Lawyer Magazine, and the Unique Selling Proposition that they had prior to me getting involved was, “largest circulating publication to lawyers in California.” The weakness is that it’s a regional publication, so if I’m IBM, I buy first national – this is a good lesson for you, anyway – there’s national, and then there’s vertical. National is Business Week, and Business Week may reach doctors, lawyers, apple pickers to zoo keepers – A to Z. It reaches all kinds of business people.

But if I have specific applications, I can go into magazines that just reach doctors, or go into magazines that just reach lawyers. And if there’s some smart sales rep in your face saying, “Hey, you know lawyers are the largest daily producers of words” and you’re IBM, or you’re Xerox, or you’re Cannon Copiers and you know that lawyers are using more copiers and computers than any other business or profession – well that’s a good market. But you wouldn’t go in a regional magazine from one state. Why? Then you have to go to all 50 states. You go to New York Lawyer, and you go to Winnipeg Lawyer, and – You can’t buy it that way. So they buy the American Bar Association Journal which gives a blanket of the profession. So they buy nationally. First they have to want to come into the marketplace, and then they just buy nationally.

So again, from a strategic standpoint, a large company has an interest in the legal market and it’s vertical, it doesn’t matter what their Unique Selling Proposition is. Get it? OK? So an ultimate strategic position is that we positioned it as, “This is the success to the legal market. You cannot succeed in the legal market unless you’re in this particular magazine. Why? Well…” OK. So that was another part of it.

The average state has 18,000 lawyers. California has 143,000 attorneys. That was six years ago. It’s 165,000 attorneys now. That’s out of control for those of us who live here, right? But also, more precedent-setting law comes out of California than any other state. It is the – all the advanced techniques in law come out of this state. This is the state that sets the trends up for the whole rest of the country, unfortunately. Palimony came out of here. Right on red, which is now in every state in the country… it was in California ten years before it hit any other state. New York, we were like, “What? You can go right on red? Ooh!” It felt like you couldn’t do that. OK, you still can’t do it in New York City.
But what we did is we offered free executive committee orientations on how to succeed in the legal market. So we called up senior executives at the largest technology companies and said, “Hey, have you guys thought about the legal market?” “Well, no we haven’t.” “Well you know that it actually is the largest producers of data - blah, blah, blah.” So we get in there, and we do this whole orientation. And part of it was teaching them that you could experiment in the legal market and see if it was going to be a good market for you just by going in one magazine, and then you end up leading the field anyway if you’re in that. So we went from being the last buy to being the first buy. And we went from the results… it says… oh, it doesn’t show the results. Maybe it does. OK, well these are just more examples.

Again, I can take you through strategy, strategy, strategy. From a tactical standpoint this magazine would have never been number one. It had been #15 in the market of 45 publications, but the first three were the only ones that counted. And it went from #15 to #1 in 15 months – oh, actually I do tell that story later. OK.

So that’s another one. There’s 346,000 accountants. This was a magazine with only 46,000 circulation, so everybody else went in the *AICPA Journal*, which basically reached 340,000. Then we did some research on the market and we found out that basically there’s only – unless you count some of the practitioners, there are only 26,000 firms worth of beans, and you’re paying in another magazine for that huge circulation to reach 340,000 accountants who have no decision-making authority anyway. Meaning that in Price Waterhouse there are six guys who make the decisions there, and don’t you want to be reaching them? So anyway, I won’t go into this.

So, these are examples of now taking your ultimate strategic position and boiling it down to a statement that resets the buying criteria. So you’ve all seen the video, right? This is – there are industry trends that you can create and discover once you’ve… OK.

So pizza delivered in 30 minutes or you pay less – remember that? Back in the time when – now we accept that everybody delivers pizza. When I was a kid growing up, nobody delivered pizza. You called the pizza place and you went down and got it. So these guys came along and they changed the buying criteria. The buying criteria was you ordered pizza, and basically you wanted to get it from the place that was closest to you, because you don’t want to drive 45 minutes even if the pizza was great. You want to go down and pick it up and have it home and be eating pizza within ten minutes. Well so, they came up with that slogan, “Pizza delivered in 30 minutes or it’s free” was the original slogan. Do you know what that was worth to them? $9 billion a year, shifting the buying criteria on pizza. Because if we were all sitting around trying to make that decision, we’d go, “Well, what can we do that would franchise pizza?” Well they came up with the one thing, and they just changed the buying criteria of the market.

So what is it that you can shift about your buying criteria? How can you change it, where somebody here goes, “Oh, cool. I never thought of that as being important,” but the minute you say it they know it is. “When it absolutely, positively has to be there
overnight.” Who can remember when it didn’t absolutely, positively have to be there overnight? Jay, you remember those days? You know?

Or who can remember when you couldn’t even get a fax machine? You know why we all have fax machines now, which are becoming obsolete with e-mail? But fax machines used to be that you had to have a Sony fax machine if you wanted to get a fax from somebody else who had a Sony fax machine. You had to have the Xerox fax machine if you wanted to get a Xerox fax. And then some guy stood up with a vision at the annual Fax Machine Association – national thing – and said, “You guys are stupid. Because you want each one of you to have a different format, and you’re trying to use that as your marketing dominating strategy, but if we all use the same format I bet we sell a million faxes next year.” So they all switched to the same format. They bought this guy’s rap, and they sold, like, 10 million faxes in the first year. And so faxes became like we all accepted them. But I can remember when you couldn’t use a fax. It was impractical, so almost nobody had them because you could only fax to somebody else who had the same format as you.

So how can you change the buying criteria in your market, where you become the logical choice? Let me tell you, it’s never impossible. I don’t care what your challenge is, or what your situation is, we can set up a buying criteria for you where you become the logical choice – where you take market share. Where it actually deals with all the problems that you’re having. Gives you access to the buyers you can’t get to.

So now, once you develop that strategic position you want to reduce it to a slogan. A slogan should describe the products or service, OK? Unless the name of the company does. So if the name of your company is Joe’s Paint Store, you don’t need to say “the paint store that…” So the slogan – here’s some rules. Write these down. The slogan should describe the product or service unless your name does. So if you’re called, what was your fence and swimming pool company? Bower’s Fence and Swimming Pool? Then your slogan doesn’t need to say, “the fence and swimming pool company that…” because we see it in your name. The slogan always goes where the name is. Anytime you see that name, that slogan is with it.

It should contain a benefit. “The swimming pool/fence company that what?” What’s the benefit? And again, you’ve been working on this for about a half an hour, 45 minutes, so you should be easily able to come up with the benefits. And it’s OK if there’s several.

Now again, I’m going to take you back in time. It’s 1970. You’re tired, you’re achey, you’re sniffly. You have a stuffy head. You have a fever and you want to rest. Do you know what medicine you took then? No, you didn’t take Nyquil, because it didn’t exist. You took Contac, you took Vics Formula 44 – you took like five things. And somebody came up with that idea: The nighttime, achey, stuffy head, fever, sniffling, sneezing, stuffy head, fever so you can rest medicine, and that is worth $1 billion a year.
So set up a buying criteria for me, please! Tell me “The blank, blank, blank, blank, blank, blank Company. When you absolutely have to be there overnight,” OK? Give me a buying criteria in one sentence – and it can be a long sentence. Start off with it, just – The slogan for Immuno Labs came up with “Foggy brain, problem with weight gain, neck in pain, stomach pains…” It’s like it all rhymed. He took it… And it’s really a cool slogan.

But so it should contain a benefit. It should contain some kind of obvious benefit. It should position your company above your competitors. All this work you’ve been doing, OK?

Ideally a slogan should set up a buying criteria in which your product or service is the most logical choice. And there’s these two again. They both set up a buying criteria where they took the market share. They became the logical choice.

So why don’t you, right now – and again, you’re going to share this with everybody else. And Jay and I just discussed it, and since we’re so late in the day we’re going to work you guys over for the last hour and a half of the day. We’re just going to work on all this stuff, and interface with you, and work with you and get deeper. But why don’t you right now – I’m going to give you two minutes to write your slogan following these four rules, and then we’re going to help you polish it, even though it could be radically improved if you did a little research and found out what the pain is in your market.

Let’s go to the next killer concept, guys. Again, this is all – this is the last – we’re going to address strategy for the next four solid days, but remember what I promised: We’re going to be drilling down, and drilling down, and drilling down. And you’re going to come out of here with promo pieces, ads, brochures, direct mail letters…you’re going to come out with finished – maybe not finished, but really close to finished product, OK? And you’re going to get my help and Jay’s help all along the way.

Here’s another very strategic killer concept. It’s called “superior access vehicle.” An approach that gives you superior access to your accounts. So in other words, it’s like, how do you make the sale in easier steps? What’s easier to sell than what you sell, but would lead to making a bigger sale? Because again, I’m just trying to be very strategic now, and I’ll use Ruddy and Rhonda here. And you want to get in to see hospitals and clinics and doctors of the guy selling to the health clinics, right? You want to see these guys? You want to have an excuse to get in to see them? You have something that’s called “the five most dangerous trends in X today” that you really need to take a look at. That’s easier to sell. The dangerous trends I want to know about…the five…(was it Jean? Dr. Jean Thompson, is that you?) The five most dangerous trends for your soul today. A free orientation on how to live a happier, healthier life.

That’s easy to sell. It’s not free though, right? It says – a better question – what’s free and easier to sell? As Jay said, somebody’s got to pay for it. So it’s not free. It’s sponsored by…by you. But what gives you superior access? What will give you
superior access to your group? So we used it for *The California Lawyer, The Practical Accountant*, the calendar company, it’d be great for our architectural firm, we certainly use them with the food toxicity. This is a killer, guys. This gave me superior access in about 20 different industries as a newsletter that we want to participate in.

Again, for you who sell business to business, this is killer. I don’t know how appropriate it is for consumers - unless you’re going out to those high end consumers. Who’s the guy in Canada that sells $15,000 things? To call up to get people’s – “Hi, I’m with the audio guide. It’s a high-tech guide that goes out to people in the Toronto area, and we’re doing an article on audio systems and we would like to just interview people in your neighborhood. Would you mind participating? We’ll be happy to give you a copy of the newsletter for free.”

We took it – for *California Lawyer*, we built like, 15 different superior access vehicles, and man, that was the most powerful of all is that we called up – and we just deployed this ourselves. We’re doing a joint venture with Jay Levinson, the guy that wrote all the *Guerilla Marketing* books. And it’s me, Jay, and Jay, and we’re doing what we call Live Research Laboratories where we’ll get – and this is available to any one of you, by the way. If you have an affinity, a strong affinity with a specific group, we’ll do a mass teleconference for that group. So we’ve got a fellow who sells the financial planners, and Jay and I are now – in fact on Monday, we’re leading a mass teleconference with 300 financial planners who will get on the phone to get very specific industry information about building a financial planner practice. So it’s a really cool thing, and it lends itself – They’re going to get, between Jay and I, in a month with the research and the strategic positioning, and all the work we had to do behind the scenes, I don’t know - $70,000, $80,000 worth of work. But you know what the average financial planner pays to be on that call? $300. So for some financial planner in Sheboygan, Michigan, he can be on that phone call for only $300, get Jay Abraham, Chet Holmes and Jay Levinson giving him advice on how to build his business, and that’s some high-powered talent for only $300. And he doesn’t even have to travel. He just gets on the phone. So it’s a really cool thing. Jay’s total design – beautiful. It’s one of his non-linear things, because this is killer, killer, working like crazy.

So we put a sales person into the field to try and get associations together to do that with associations. And we put them in the field to try and go after franchise, right? So we’re in play with people like Meineke Muffler for their 900 franchisees. You get them on the phone, and they get Jay Abraham, Jay Levinson and Chet Holmes helping them build up their franchises. It’s a really cool idea, right? So he came up with that one, and it was like, “Wow, where does he get these?”

And so in order for him to have superior access, Jay Levinson writes a column that is read by 8 million small business owners a week. So Jay said, “Yeah, well let’s do some surveys with some of these associations.” And BOOM! Our guy’s now getting through on every single one. We’re doing a little bit of an interview, and in the process somewhere in that interview, if it seems appropriate, and if it’s doing really well – which one of the goals of the interview is to get deep with the prospect – we say something like,
“You know, I might have something that might be of interest to you. I mean, we’ve got this other program. It’s great, the interview and all…” You see what I’m saying?

It’s what we call “superior access vehicle.” It gives him superior access without him having to work his butt off by calling 8.4 times. Remember? The average appointment takes 8.4 attempts. What can you do that will get you right through to your potential buyer in one attempt? What is it? So if you’re selling B to B, and you’ve got some newsletter – I’m just throwing this out. It’s a killer. If you’re selling B to B and you publish a newsletter on your industry, it may only go to 300 people, but guess who those 300 people are? They are your Dream 300 clients. And you put their picture on the front cover of that newsletter. And now everybody in their industry is getting their thing, and hearing their views, and this and that.

So we built a publication for the advertisers of *California Lawyer* and put it out. And it only went to 2,000 advertisers, but it had the front – the first issue had 16 of the top people in the industry on the front cover. We put their pictures right on the front cover. And then it went out there. So it had that feel – “This is pretty slick.” It looked like a magazine, you know. You get it – “The industry speaks out.” And then our salespeople went around and interviewed all the top executives in the market. These are guys we couldn’t even get to. But now we’re interviewing them. And we’re saying, “Hey, you know, I’m going to be in your area.” And then we’re having lunch with them. Superior access. The next thing you know, the magazine (remember, I said) went from #15 to #1 in 15 months.

OK. So what can you do that will give you superior access? Here’s some more suggestions. Free audio tape that teaches you how to succeed.

Furniture Fan, another client Jay and I have. It’s the largest search furniture site on the Web. Go in and type in furniture – you’ll go right to Furniture Fan. It’s the #1 site on the Web. And this guy (I’ll spare you the whole big thing, because we really rocked his world with this strategy, and this and that) But basically, he makes his money from the furniture stores. Because when you go in there and you find a living room set that you like, he’s going to send you to the local furniture store in your area that carries that furniture. So he wants that local furniture store to pay him for that connection. And he’s been having a terrible time, because the furniture stores are like, “Ooh, the Web. Oooh, the Internet.” They just think it’s this thing. So Jay’s suggestion – he said, “Well why don’t we interview…why don’t I, Jay, interview you, Mitch (and Mitch is the CEO of the company) and we’ll put some killer title on it, and we’ll send it out to every furniture store.” So it’s like “The Five Biggest Challenges Facing Furniture Stores Today.” And so he took this tape, and he sent it out with a killer title on it, right?

Any of you could do this, now. “The Five Greatest Challenges.” You get your research down to five greatest challenges facing any industry that every one of your – and send it out to your prospects. Or an infomercial if you’re selling business to consumer. If you’re selling business to consumers, infomercials are very popular. And they’re cheap. Let me tell you, buying advertising now, you could be on… Because they can
segment it. So you can look like a big celebrity, and yet you’re only running in one neighborhood and it’s costing you $40 a spot, or $12 a spot. In Marin County where I live in one of the most expensive real estate in the world, right? Number one, or two – and it is – for $1,000 you can be on 80 times in one week. Just in Marin. Just in my little county. My “little county,” where every house is $1 million plus. So if you have an expensive, high-end product you can go on cable television – it’s very, very inexpensive now – and again, offer some free educational thing, or whatever.

So – and I mention Immuno Lab because this is an even better idea, another – again, Jay’s out-of-the-box thinking. We interviewed 30 of their top-producing doctors who were doing this testing, the blood testing, the food allergy toxicity testing. And Jay said, “Well why don’t we get the guys who are using this test like crazy, and I’ll interview them – and Chet and I will interview them?” And so we took the CEO of that company. He did a promo piece and sent them out, you know, “Highest paid marketing consultant in the world is going to teach you how to build your practice.” And so we get 40 of his doctors (and he’s got 1200 or something, but there’s how many doctors are in this country? 750,000. Did he know that before we came along? No. Now he does, because a little market research becomes a very powerful weapon when you do it. 750,000 doctors in this country.)

He went out and so we interviewed them, and we got 40 doctors on the call. And then we interfaced with them and asked them what they were doing, how it was working, blah, blah, blah, blah – plus on the call, I endorsed the product as a personal experience from my daughter. My son had migraine headaches. Myself, by the way - I took the test just for the hell of it. 26 food allergies. I couldn’t believe it. It was like, amazing. I removed them from my life, and I can’t even tell. He said, “Feel ten years younger.” That’s what happened. It was amazing when I stopped bombarding my system with food toxins.

And so then, now that tape is called “40 Doctors and Two of the World’s Most Renown Business Growth Experts Talk About Helping Professions Build Revenues in the 90’s.” Now if you’re a doctor and you get that tape for free…and how much does it cost to send a tape? Anybody know? A dollar! You get that tape for free…are you going to listen to that? Here are 40 doctors, talk about how they’re beating managed care with some of the world’s renowned business growth experts.

So now he’s sending out these tapes, and doctors are calling in and signing up instead of what it used to be. Remember, I described it – a six-month process, and cajoling the doctor… And then they’re saying they might not even take them when they call up. “We have standards.”

OK, so what can you do, guys? What’s going to give you superior access to your list that’s inexpensive? Information is the cheapest thing today. And if you do the research, they will come. If you build it, they will come. So what can you look into that gives you information that disempowers your competition, empowers you, and puts you in a position of authority where you start to take market share? What could you sell that
would be easier than what you actually sell? Selling a free seminar is easy. Selling a $150,000 die cast mold – that’s expensive. That’s hard to sell. Selling me to come to your Hawaii thing might be very expensive, but selling me a free sponsored evening on inexpensive ways to travel the world – that might be real easy. You can get 500 people to come to that.

We have a client that has a singles program. And when they stopped trying to sell the singles program and started selling the free night mixer for singles, they started getting all these people coming. And then they reset their buying criteria in the thing. And it just radically improved their ability to sell.

OK, yes?

Participant: _________

Chet: OK. Well, I think we’re done here. Summary: Look at the current buying criteria and see if you can shift the buying criteria in your favor. What market factors will make your product seem more important? Product information, market information – market information’s way more motivational. Remember that. Can you deliver your story in some educational format? Can you offer additional services that make your customer more successful? (Because that will make you more successful.) Can you crystallize your new buying criteria into a slogan? The next module will show you why slogan is absolutely critical in today’s market. What philosophies do you have about your business? Write a mission statement that focuses on growing your business by serving the customers.
Jay: Most, if not all of you, have been reasonably inculcated into the body of my work, and it has inspired you, as I indicated earlier. And that’s good, but if you don’t know how to really turn it into an action plan and a systematic process and an integrated strategic system, it’s a waste. And that’s what Chet’s going to have to – not toil, but laboriously layer for you and bring together, and enrich, and enrich, and enrich, and enrich.

I want to make some parenthetical comments about what happened, and then I want to work on what you did. And then I’m also going to read to you an article. First of all, they’re not in necessarily, order. But these are just my spontaneous responses.

Chet said something really early when he was going through his whole process where he was talking about, “What’s your story?” And he was talking about a corporate story. And I want to make a very, very heartfelt point to you. And that is that 99% of all the small and medium-sized businesses – and unless you’re over $50- or $100 million you’re considered small. And small is anywhere from beginning to the $50- or $100 million. They don’t think of themselves in terms of the corporate vision. They think of themselves as a little, as I said, lifestyle entity. They don’t see it as a vibrant, living organism...an asset to build, to nourish, to nurture, to perpetuate, to systematically sustain, to codify, to systematize, to expert systemize, or whatever the words are. And this concept of thinking of a corporate story – think of yourself in a higher vision and you will evolve to that... and you will evolve to that.

Chet was talking about how the best ideas get shared. If I had not set out in 1984 or 5, when I decided to first start sharing the distilled wisdom that I had privately disseminated to a small quantity of clients, relatively speaking, none of you would have had the impact. And there’s, as I said, $6- 7 billion of increases that hasn’t really taken a dime out of my pocket, and it’s put millions of dollars in my pocket. But it’s helped enrich lots and lots and lots of people, and their enterprises, and the families that are dependent or supportive, or hitched their wagon to their stars, and the suppliers that supply them. And you’ll get the same compound dividend by sharing this wisdom. And I basically, not only shared what I do, but I pick from the audiences what they do, and translated it back to them so we could share it again. And that’s something I think you’ve got to do with your team, with your vendors.

As Chet’s said about meetings, I want to point out – I think you should have meetings with your vendors. Meetings with your non-direct competitors - people in related types of generic fields, or people in the same field outside of your marketplace who are in no way, shape or form ever going to compete with you - and pick their minds.
too. Both non-competitors and generic competitors – people in the same fields, at least colleagues or allies. And pick their mind on all kinds of systems and share perspectives.

Sharing perspectives is the fastest compound dividend you’ll ever get, because you’re taking insights from other people who are successful. You’ve got to make sure that the people you’re sharing it with are people who #1, are successful; #2 either can, or with your help, will be able to articulate their belief systems on things like issues, strategies, tactics, perspectives, business models, etc. But a lot of them probably never thought of it either, so you’re going to be heading dual, mutual discovery at the same time.

Chet was talking about “how do you make your story more powerful in a demonstrable way?” One of the clients that I’ve worked with for about two years (Chet and I have a lot of people together, I have people privately, and everything in between) is the preeminent company in the field of litigation consulting. One of their senior executives may, in fact, come here and spend a day tomorrow, or Saturday, or Sunday. They have a division with all these PhDs, psychologists and sociologists that have done hundreds of millions of dollars of research to prove the dramatic difference…They represent clients and law firms in $100- to billion dollar litigation. And their whole job is to minimize the damage when you’re exposed, and to maximize the advantage when you’ve got a great case working for you. And they’ve found that by graphic, demonstrably demonstrating the evidence in different ways it makes a big difference. You could do graphs that can elongate – and it’d be very ethical, but it can elongate the dramatic comparative impact. They can do the three-dimensional things. They can do things with CD-ROM. You’ve got so many options available to demonstrate your case…to contrast…to compare…to correlate…to analogize…to metaphorize. And if you don’t try to advantage that for yourself it’s shameful.

(I write all these rapid things, and I can’t read any of my words.) Chet was talking about access points. There’s a guy that I know – and I’m very fortunate. I’ve met, you know, 500 experts in different distinctions in business growth over my very fortunate 20- or 30-year career in doing this. And one of them is a guy who specialized in studying how to accelerate the buying process. And that’s what Chet’s talking about. Your goal is how can you accelerate the buying process, get it started quicker, and then perpetuate or elongate it? And that’s a strategic issue. It really is. Well, part of it’s strategic, part of it is tactical. But the goal is, I want to accelerate getting them started. And I want to get more utility or transactions out of it. I’m moving to show you more length from the process.

Chet talked about interviews, and I want to make it easy for you. I traded Tony Robbins the first interview he did of me was…he wanted me to speak for him and I traded him $125,000 speaking fee for him interviewing me. He interviewed me for nine hours. We spent $10,000 having it edited. The resulting 2-hour interview was sent to something like 600,000 people and generated probably $25 million for me, and still, six years later is considered a classic. And people still ask for copies of it, and we still send them out.
You can get interviewed easily. You can find someone who is considered an authority either in your industry if you’re in a vertical industry… someone who writes for a publication and is well known. And most of them can accept fees for separate services. We used to – one of my clients was an investment firm years ago, and there was a very prominent writer. (This was like, back in the halcyon days with hard assets, when gold and silver were so hot. And I represented the largest gold broker in physical delivery, which was the most ethical form of buying bullion back then, and we did a half a billion dollars a year.) And I basically went out and found the preeminent known authors who were independent, but wrote really great articles recurring in the prestige business publications, and I got two or three of them to either interview the president of our firm, or to write articles that were credible, ethical, supportable by facts and research, but very much advocated the presence or the position we wanted.

You can either go into your industry and find experts or if you’re general, you can go into your local community and you can get one of the prominent radio or television personalities who’s got incredible voices, and get him or her to interview you. You can get the thing scripted, or if they don’t like scripting, you can make a few bulleted discussion points. And realize with the wonderment of editing, you can turn sporadic inspiration into brilliance, seamless wonderment. You can have somebody in a cutting room turn out something great.

I’ve got, for example – any of you every listened to my Barter Baron tapes? They’re neat, aren’t they? We interviewed this man, like 17 different ways to Sunday. And he talked about the same thing, but he came at it from so many different focal points. I just put all of them together, because I thought it was Chet’s analogy – process learning from the ultimate vantage point. And we put every one he’d ever done, and every session he’d ever done in cassette tapes and sold it for $500 or $1,000.

Well, now I’ve got a barter exchange I’m representing. I interviewed the president and the COO, and they’re really bright people. It was a really good interview, but it was a little erratic. There were some holes in it. I interviewed this guy on barter who was brilliant, but I had him do a session just on barter exchanges. I have 8 hours that he did with me, about 6 of which are just mind-blowing. I took all that and sent it to an editor, and said, “I want you to give me the most seamless, 45-minute to 60-minute education that anyone listening to it would drop their jaw with ecstasy and couldn’t wait to be involved in formalized, professional trading and bartering of their products and services for things that they needed or wanted in their business or outside of it.”

You can go to a radio station and be interviewed. You can spend – it won’t cost that much. If you wanted to be even a little bit more prestigious, there are an enormous array of once very prominent television, or even movie celebrities who no longer are enjoying the prosperity that they did. And there are services who can get them to provide the voice for you, and interview you for a very modest amount.
I have a friend that one time had Tom Bosley do stuff for him, and he cost him, like $15,000 – this guy from Happy Days. Somebody else I know used – I can’t remember – a prominent guy, and he paid him $5,000 to do it. It isn’t that expensive, relative to the prestige you can get. And if you don’t know who in the world to think about, one of the easiest things I tell people is go through about 3 weeks of TV Guide. Look at all the old reruns, and look at the names, and look at the old movies and look at the names. And then there’s a directory you can get of SAG and AFTRA members, which are the unions that the actors are with, and do that. Or listen to the most popular voice – not just in your local community, but even some syndicated people. Because these guys’ll do a little project for you for $5,000, $3,000, $10,000. And be innovative. Be proactive. Be non-linear in your thinking.

Chet asked a question – how many of you do have field sales people? Well, I want – part of Jay Abraham 101 is the ability to adapt, adopt, extrapolate, think non-linear. You say, “Well, I don’t have that.” And you sort of mentally dismiss that from your mind, and that’s shameful. Because a lot of you, from what you’ve explained to us, need it, as Chet sort of inferred. But I want you to think of everything not just what is, but what can be. What it can be like.

There’s a great quote that I’m not thinking of right now, but it was about – actually somebody said it about me. And it was a great quote, a great statement. He said, “I’ve got the gift of not caring about what it is now. I live in the world of what it should, could and will be or become.” And you’ve got to be able to transport yourself to the same place.

You’ve got to be able to extrapolate to what somebody’s saying like Chet, and you’ve got to be able to project forward to what it could mean. And if it doesn’t exactly apply, don’t you dare summarily reject it intellectually. Embrace it. Say, “OK, I’m not sure exactly how I would apply it.” And start doing what I call Rubik’s Cube, or a CAT scan.

Also, it’s probably not as shameful as it seems to me…Because I live in a world where I get inspirations, and if I don’t make it my prisoner forever – and not just the raw inspiration, but the implication…the extrapolation…the actual interpretive way I’m going to apply what that random inspired generic thought. If I don’t make it my prisoner forever on paper in text, words, examples and referenced illustrations that I can refer to later and easily grasp – it is gone, man – or woman. It’s gone. It isn’t going to come back.

The point I’m making is I saw very few people taking many notes. And again – Chet’s forced to what he’s got to do. He’s got to basically connect me to you. That’s a lot of work. I’m here at 90,000 feet giving you this big strategic, and non-linear, and mind-blowing perspective – but you’ve always found that 80% of it, you can’t figure out how to sustain it…how to use it…how to connect it. He’s got the laborious job of trying to build all this layers of track – talking about the railroad – track between Jay Abraham and you, and then getting me to try to build, and put skin on it, slip it for you.
Make lots of notes, and make the notes complete. If he says something, don’t just say, “Gotta have this.” Think about what the action, what the implication, what the direct application is to your business, or your industry or your situation and write that down in penmanship that you can easily read with as many reference examples as you can hurriedly put on the paper, so when you look at it in a week or so, or on the airplane back it won’t be mumbly-goop or so abstract that you won’t – because your mind isn’t going to be in the same place you’re in now. It’s not going to be there again. It won’t. 7% - 7% if it’s boring, 3% if it’s brilliant. 7% if it’s mundane stuff, 3% if your mind starts tripping out, because you won’t hear the other half. Write your insights down. (Hold on.)

He was talking about communication with people – you’ve got the ability to use group conference call to communicate, too. We’ll talk about using it as a marketing vehicle, but just as a communication vehicle. You could spawn – you want to do seminars, you want to do special events, you want to do high-level briefings, you want to get very meaningful and prominent people together, and you can’t have a big budget, or you don’t have the money, or you don’t want to spend for their time, or for a hotel. You can do a group conference call and it’ll cost you 15, 16 cents a minute per participant. It’ll cost you $15 - if you sell anything expensive or anything with a high repeat factor, you get people from all over the world on a conference call. You can set it up and have it ready in a week or a month – whatever you need. You can get some of the most prestigious people to participate.

And it’s like, years ago I did a bunch of interview services. And one of the ones I did was with a very prominent sports figure whose regular price was $70,000 for a session. Because of a friend of mine, and because I was able also to let him do it from the comfort of his bedroom at home on the phone, I got it for a fraction of a fraction of a fraction of a fraction of that it cost. You can get people to do it for nothing if the topic and the issue is auspicious enough... (It was something about you, Mickey, but I can’t remember what it is, so hopefully it’ll come back to me.)

When Chet was putting you through the workshop, something – I mean, he takes it for granted because he does big corporations – it’s a matter of fact. Entrepreneurs aren’t used to being forced into doing these seemingly boring exercises. They want to get to the good stuff. They want to get on with it. “Come on, da-da-da.” I swear to you, the concept of deep thinking – and I’ve thought about it. This is the kind of thing that, left to your own devices, you’ve got to really go deep with, and you’ve got to allocate time for it.

I don’t read the way I used to. I actually started because my success…my cutting-edge thinking…my viability to the world, and also to myself is predicated on – I’ve actually started scheduling time during the week – not on weekends, but during the weekday because I revere that, so I take it more seriously, where I sit and read a book, or all the magazines, or a broad spectrum of other things that are important to me. And then I spend time sitting down and writing the implications, the direct and indirect
implications. Thinking deep is very painful for most entrepreneurs, and it’s very hard to initiate, let alone sustain. Part of the process of putting you through these exercises is designed to get you into it and enrolled. But this is even going to be – not useless, but it’s going to be sub-optimal unless you force yourself to continue on the process when you get back.

Chet was talking about preemption. I live in the world of preemptive. Think about – and I’m shameful. (aside to assistant) But look up preemptive (in the dictionary). Because preemptive is the ability to block, to impede, to forever keep somebody from having access. It’s to get an exclusive hold on somebody, and keep everybody else at bay. Isn’t that what you really want? But think about – when a word is uttered out, I urge you to think about the definition.

I had them look up science and art, and I liked science. Art wasn’t good enough. I wrote it down somewhere over here where - let’s see where I put it. Because we just use a little dictionary. But it’s a branch of knowledge on everything that is known concerning or dealing with the physical world in a category. That’s sort of a..not as – but I wanted you to think. You’re being trained to be a business growth, competitive edge and marketing scientist of the highest magnitude. It’s not art. Although art gives you finesse. Art gives you some personalization. But you don’t need to be an artist to be able to do this. You need to be committed to being a scientist, and as Chet has pointed out, a research scientist. Because knowledge really is power. The more things you know, the more ways you can cut it..you can slice it..you can dice it..you can compare it..you can analogize it..you can contrast it..you can metaphorize it.

Speaking of metaphors and similes, Chet used a bunch of them very effectively in his examples and samples. (I’m sorry – they’re trying to videotape this, and I walk all over the place. I’m sorry about that.) But it’s been proven – anyone who’s studied neurolinguistic conditioning, programming or whatever you want to call it – the way the mind works best is if you start out with metaphors, similes, analogies that are easy, mental pictures that are reference frames of some illustrative event or scenario from real life that they can easily relate to.

I am not a tremendously religious person, but the Bible is replete with parables. And parables are the greatest way to tell stories. And I urge all of you, in your expression, in your telling your story, making your case, making your point, presenting your company to use as many metaphors, similes, analogies, and other areas of general light that you can use.

I was mentally writing a mailing piece for something else as I was driving to the airport, and I was thinking about how to open it with a metaphor. And I was thinking about – it’s an endorsed letter from Tony Robbins to a group of people that don’t know me about a product of mine. And I thought, “Well, I think if they’re old enough I’ll use the E.F. Hutton story.” Do you guys remember the old E.F. Hutton – “When E.F. Hutton talks, everybody listens”? Because I knew that everyone who was of the ages that I
And analogies and metaphors are so critical. And they should be ones that are more general that anybody can relate to, not just ones that are unique to your industry because the more general, the more universal, the more ingrained it will be, and the more effective your point will be that you support afterwards.

Chet – and this is a public – it’s not a criticism, it’s an embellishment. Chet uses the language of pitch. I prefer presentation, just because I think it almost is a disservice to what he’s saying. He lives in a world where he’s – you’re presenting – it’s like you’re the most accurate presenter of your greatest attributes in the most compelling, persuasive, and influential way. But think about it that every time you have the chance to present…to advocate…to champion.

He was telling you what to do – and I want to bring out about in going through his methodology, and I was thinking a lot about the fact that you’ve got to remember to tell your market what to do, why to do, how to do it, when to do it, where to do it. Because we are all silently begging to be led. That is human nature. That isn’t just this unique 30 or 40 people in this room. It’s everybody you deal with, you buy from, you sell to, you love and care about, and everybody in between. (I wish I could read my scribbles.)

Chet talked about what business you’re in. For a long, long while I have advocated a philosophy that you are limited yourself. You can say, “Well, I sell these pens, and I don’t care about anything else.” Your job – if you adopt the strategy of preeminence philosophy, your job is to protect, enhance, enrich, enliven, depending – entertain – whatever the function of your product or service at work in somebody’s life or business is. And towards that end, the broader the scope – you’ve got to think… We talked about these drivers, and one is your distribution channel. Once you have a relationship, if you know that you can make it richer, more successful, more productive, more profitable – whatever the benefit payoff of your product at work, or your service at work in their lives or business is, you owe it to yourself to broaden your sense of what you are, and what you can deliver. And that opens up massive mental and financial opportunities for your business to multiply majestically through broadening product, service, and market applications. If you own a market – if you own the market for people buying visual aid pens and you can say, “Well gosh, I guess I’m in the visual aid pen business, but I own the market that needs those. Maybe I should think of every other form of visual aid, or graphic-illustrative conveyance of learning, or of a point, or whatever the market is - and either create it, or license it, or distribute it or acquire it.

A model of one of – and this is very powerful. A good friend of mine that makes millions of dollars uses this technique, and I think it’s very universal. And I don’t use it as much, but you want a great, universal way to get to the answers of a lot of the questions that Chet asked. You ask your market, or ask groups of prospective clients, “What keeps you up most at night struggling about - blank?” It’s like, I find my wife up. We have four kids in private school, and one of them is just a lovely young man, but he’s
attention deficit, and he’s a delicate, Bambi-like little kid, and he’s got all these challenges. And my wife’s up – I’ll find her half the time at 3 o’clock worrying about his plight. And if you ask her, “What keeps you up most at night worrying about your children?” or “What keeps you up most at night worrying about your career?” or “What keeps you up most at night…?” It’s a very, very, very, very rich question to ask and apply to about any area of application.

When Chet was talking about research – and I want to really urge you to do lots of research. And I think – I didn’t realize you could hire his researcher for $50. Do that, and you can also get researchers at any university, sometimes, for almost nothing because they’re working on projects, and if you underwrite it, it’s great.

More important, I urge you to do research on two things: your business category, and your generic competitors. With the wonderment of the Internet, you can literally look up every one of your competitors and see all kinds of stuff that you don’t know about them. You can go look at generic competitors, and people who are other doctors, or other advertising specialty companies, or other technical companies, and you can look at their website - and you can get copy ideas, and you can get strategy ideas because they’re not competitive, and you can borrow them. You can emulate, you can extrapolate, you can innovate. I don’t recommend plagiarizing, because you don’t have to. You’re better than that, and you can add more value. But if you don’t know everything there is to know about everybody you sell to or you sell against, I think that’s shameful. Because most of them have like gaping holes – strategic holes, tactical holes, selling holes, value holes, performance holes... You want to know what those are so you can really attack on the aggressive and the proactive side. Some of them actually put you to shame, and you want to know what those are so you can compensate – either bring your product up to that level and exceed it, or deflect the attention by concentrating on something else. But read all their stuff, because it’ll get you ideas. Study it.

When we go through these workshops - and we’re not going to have a lot of time today to do it - but when Chet asks you a question, I want you to take those home. To give you a litany of 50 or 60 different reference ideas to use would take ten days and we don’t have time to do that. But my recommendation to you is, when he asks you a question like – and let me – OK, when he asks you about… In any workshop, but we use this workshop as an example. I might as well use all of his visual aids. Most respected – if your ultimate objective is to be the most respected, one of my challenges – and it’s a different stylistic approach. His is so important to connect and bridge you. Mine is non-linear and will blow your mind, but won’t get you the system to actuate it.

But what I would ask you to do to make it easier, because you’re dredging your mind in - not a vacuum, but just from your own reference experiences – turn the question to begin with. Say, “Who in my business or personal experiences as a buyer or a purchaser of products, services, or professional services for essentials, for entertainment, for discretionary – do I respect? And what is it about them that I respect most?” And write that down. And then on a column next to it, say, “What about what they do could I do directly or extrapolate it? What could I adapt and adopt? Who in my purchasing
experience do I – who’s the most popular with me? And why? What are their attributes? What are their actions? What are their distinctions? What are their…?” And when you write those down, move over to another column. “How can I translate that to my business?” And if you start doing that, you’ll use the power of referenced metaphors in your own buying life as an easy pathway to get you really deep and more dimensional answers – not that you didn’t come up with some great ideas on your own.

Now, let’s take the first – (let me see what else I’ve got here real quick, because I’m going to…) Understand this: what Chet did in the first – he actually did two workshops right together. We were originally going to stop, but we were trying to keep it on a faster track. The first one was to try to get you to recognize this: without policies, without procedures, without – what’s the other “P,” Chet?

Chet: Systems

Jay: Systems….what?

Chet: Plans

Jay: Plans…you ain’t going to do it. He was trying to get you to see. And keep in mind: you got in advance – Think about – the advantage that the big companies have over you is they had capital in the beginning, most of them, to sit down and structure the whole thing in the beginning. A lot of you guys started on the fly, and sort of never got a chance to sit down and take a deep breath and put everything on hold and say, “OK, what would the world look like if it was perfect?” But he’s going to give you a way to integrate the closest thing to having done that now and retrofit it. And that’s what you have to do. You’ve got to basically have a system. You’ve got to figure what it’s supposed to look like at the end, and then you’ve got to reverse-engineer it.

Mickey. When you’re developing software you’ve got to figure out what the performance is supposed to be at the end, and then you’ve got to go backwards from it, don’t you? And it’s not – it’s really – that’s an easy reference model for what your business model should operate like, isn’t it? Because if they just said, “OK, give us a bunch of fun things” it would be a nightmare, wouldn’t it? What’s the picture supposed – you’ve got to figure what your picture’s supposed to look like, and then you’ve got to work backwards. What has to happen for your business to double and redouble? What has to happen for your margins to go up 20, or 30, or 40%? What has to happen for people to buy 3, 4, 5 more times a year? What has to happen for you to dominate? What’s the market like? If right now the market that you’re attacking is 500,000 transactions and you don’t even know how many units you sell a year, because you never measure it and quantify it, and you don’t know how many units other people are selling, you don’t know what your market segment is. You’ve got to know that stuff so you can work backwards.

If you could think – he was talking a little bit. He didn’t say this, but I was interviewed about a month ago for an article in Entrepreneur Magazine about literally
killing the competition. And they started with a stupid question, and I turned it around. Because they were saying, “Tell us how you can squash and kill (it was really one of those kind of articles) your competitors.” And I said, “Well, you’ve got to start with the basics.” I said, “I think you have a moral obligation…you have an inherent responsibility…if you know in your heart that buying from you, or buying your product or service…and your product or service at work protecting, enhancing, enriching – whatever the function it serves in somebody’s life – is going to be so much more valuable, powerful, profitable, effective for somebody - you have a moral, you have an obligatory, you have a fiduciary responsibility not to let them buy from the competition. You’ve got to take that transaction away, not because you want to see the competition buried, and see them go broke – but because you can’t allow to see the client lose performance…or lose protection…or lose benefit. And that’s what happens if they don’t buy from you. But it’s a different kind of a mental matrix, or a mental paradigm that you’ve got to adopt.”

This thing that Chet said, “The largest possible view…” You’ll never achieve greatness if you don’t have a larger view of what you’re trying to accomplish. And the greatest quote I’ve heard of towards that is a trite one that I use a lot, but it’s a good one anyhow. It’s from Bob Proctor who teaches financial people growth strategies. And he says, “Most people struggle in life silently asking themselves the wrong question. The question they struggle with all the time is ‘Am I worthy of this goal? Can I really double my business? Can I really compete and keep this business growing every year, and supporting the 25 families that are dependent on it? Can I really support my $600,000 a year income requirement? Can I really turn it into a $20 million company? Can I really survive the ruthless competition?’ That is absolutely, patently, the wrong question to ask. The question to ask is, is this goal worthy of me? Because most of the goals we set for ourselves are so far beneath our capability…are so far beneath what the performance of all those drivers that I’ve shared with you, properly deployed and optimized can produce for you.” But you’ve got to reframe your questions.

Let’s probably enough now. I’m going to read you an article, then I’m going to go through your stuff. I’m going to read you a real quick article from Forbes, just a couple of weeks ago. There’s actually two. One is the commentary article, same subject, from the editor and chief. The other is the article itself. And I’m skipping – OK.

“Chrysler and Daimler Benz merged in (whatever the year was) to the blare of trumpets. That was globalism made fresh. It was what the 21st Century was all about.

“But nemesis was soon on the scene. This year, the Chrysler division will lose $2 billion and lay off 26,000 employees. Daimler has problems of its own. Daimler stock has lost half its value, dropping by $50 billion.

“Who blew it? Detroit blames Stutgaard, but others say Chrysler was already an accident waiting to happen. Either way, the mess has given mega-mergers a bad name.
“The example probably wasn’t lost on Coca Cola’s board last year when it decided not to buy Quaker Oats. (It goes on and on. It talks about the fact that buying into the wrong company would destroy it.)

“Happily, mergers and acquisitions aren’t the only way to go for companies trying to quicken sluggish growth. Strategic alliances can work as well or better. Never mind the pretentious term. This is nothing more than old-fashioned partnering. The logic of partnering is becoming increasingly obvious among Forbes 500 companies. Ericsson and Sony; Ford and Avastar; AT&T and NTT Tacoma. IBM is doing so many strategic alliances it’s hard to keep track.

“Trying to create a competency your company lacks is costly, time-consuming and often doomed to failure. Buying it via mergers and acquisitions is expensive and tricky. Partnering is the cheapest and safest way. No dilution, no dangerous leverage of the balance sheet. If the deal doesn’t work, dissolve it.

“In this issue, we list 40 companies that top their industry in partnership skills. This is a quality we think will take them far in the next few years. Look at the Coke-P&G deal – Proctor and Gamble’s a lot stronger than the company Coke was going to buy, and for P&G, Coke was a dream partner. ‘We couldn’t compete in the away from home market – restaurants, ball games, delis and the like,’ P&G said of Coke. ‘We needed Coke for that.’

“Technologically too, strategic partners are the wave of the future. Partnering on the current scale wouldn’t work were it not for the Internet, which can connect the joint venture with its parents in a nearly seamless way. (I’m skipping through it.)

“With the spectacular collapse last year of the dot-coms, etc., they can no longer use stock to buy their way to growth. But they can form joint ventures. Take Amazon.com – instead of trying to bully its way into the toy business, this fallen angel of the NASDAQ teamed with ToysRUs. Amazon gets to spread its overhead over additional volume. ToysRUs gets an efficient Internet distribution system after failing to build one on its own.

“The recent deal between mall booksellers, Borders, and Amazon shows that even direct competitors can find common ground with partnerships. Thanks to strategic alliances, Amazon will probably survive. Mergers have a place, but frequently partnering is the better way. Two product’s companies can collaborate on what counts.”

And then the article here – and I’m just going to read through the underlying parts. This is the article on it. The title is “Partner Or Perish.”

“Combining mergers and acquisitions in a global market tied together by the Internet, corporate partnerships and alliances are proving a more productive way to keep companies growing. The question we will be asking (this is the head of Coca Cola’s got a president of partnering – a whole division of partnering.) the question we will be asking
from here on out is, can we do it faster, smarter, or cheaper? If not, we partner. (Any time they need outside help, they go to partner.)

"Is it an admission of weakness? Not at all. (gap in tape) – admission that the old hierarchy of corporate structures are not flexible enough to assure growth in the age of globalization.

"This may be the most powerful trend that has swept American business in a century. Strategic alliances are hot. They take many forms – outsourcing, information-sharing, web consortium, joint marketing. The most radical is the Coke-P&G deal, where two proudly independent companies together spawned a new company, in many ways independent of its parents. Technological companies like IBM and pharmaceutical companies like Pfizer already have partnering built into their operating format. They already host partnering training classes for its managers and for its partners. Many young companies like _____ America built their entire business models around teaming with companies like Sony and RIM.

"There were 5200 new strategic alliances formed in ‘96. By last year the number more than doubled. While mergers and acquisitions, so beloved on Wall Street, have garnered the headlines, corporate and other strategic alliances are just as numerous, but strategic alliances are more important for growth. Companies with at least $2 billion in revenues each formed an average of 138 alliances from ‘96 to ‘99.

"Strategic alliances aren’t new. What is new is the way they are fast becoming the instrument of choice for companies seeking to accelerate growth. The corporate world is in the grip of changes of historic proportions. The three most important reasons companies form alliances are growth, access to competencies like technology, and expansion into new markets.

"For years, business tried to solve the problem of growth with mergers and acquisitions. What you lacked, you could acquire. But most mergers don’t work. All too often the best of the acquired assets are soon e-mailing resumes to prospective employers.

"One of Wal-Mart’s overall advantages is efficient buying – “

They talk about how Wal-Mart partners in a lot of things with people. I could go on and on, but the point is, I want to get your mind thinking on it.

I’m a little bit ashamed. In 1985, in my first published product, “Your Marketing Genius At Work” – anyone ever read that? I urged people to make strategic alliances. I laid it out. It stimulated, captivated intellectually everybody… And it’s the most hilarious thing in the world. When I stopped doing redundant programs, because they were nuances and refinements and high advanced versions of the basic message, because I thought it was so powerful, Carl would say to me, “Well the biggest problem this person has is they already know that.” And I’d say, “Carl, did you ask them to tell you how
many strategic alliances they have in place right now? How many powerful premises they have tested? How many things they’ve really actuated on?” And he said, “Jay, the answer is usually none, few, not many.”

Anyhow, let’s go through, now, the process. We’re going to go through some of these things, and what I want you to do is this: Now, each of you did this workshop. Now I want each of the tables – all the nine people to share real quickly for three minutes, the answers you put down. I want each of you to give at least two of the answers from all these things you did. You might have done twelve different things, but we don’t have time for twelve. I want you to share the rest of these things at dinner with people. I want you to pick somebody you haven’t sat with today, and share the answers we don’t do in this period. But I want you to share at least, each of you, three of your answers to this workshop that I just got up here with everybody here. And then I want you guys to do a quick vote on the most impressive and universal idea that came out of that discussion. And then we’re going to have that one idea come to the mike and share from each table.

So spend about five minutes, real quickly – ten minutes, each of you sharing three of your answers from that workshop you just did, OK?

Chet: And first thing you need to do is appoint a chairman for your table.

Jay: Yeah, somebody who can basically conduct a quick vote, and then we’ll nominate the person and get him or her to the mike. OK? So you’ve got about ten minutes to discuss it around the table. Pick the best single one of them all that has the best inspiration, the best application, the best universal message for everybody, and then tell them to get to the mike.

All right, so we’re going to change the rules. Don’t vote. If you voted save the vote for later, because we’re going to do a different workshop now. But it’s OK. But I wanted you at the start – when you go to dinner tonight wherever you go, if you don’t stay in the hotel and you’re not going out to meet anyone, take a group of people you don’t know, introduce yourself and discuss your answers to all the workshops because we’re not going to get through them all.

We’re going to take the next workshop. This is the one I think you guys all understood. I may have gotten you confused on that one. This one says, take five minutes to ten minutes and create the three to five reasons why a customer should buy from your company over one of your competitors. Did you all do that? OK. Why don’t you take 30 seconds and read through your answers, and then each of you pick the best single reason from your list and go around the table, and each of you tell one. And then I’m going to say stop in about seven minutes, and if you got all the way around then do another one until I say stop. And then you’re going to vote on that and figure who’s got the best one and that person’s going to go to the mike. OK? All right. Are you ready? Did you get that one? You each came up with whatever – three to five answers. Pick one of your answers that you think is the best one, share that with everybody. Start like with
the doctor, and then go to your right all the way around. If you get to the end before I say stop then go to the next best answer you had. And when we say stop, I want you guys to vote on the best one – in fact, vote on the best two. Vote on the best two, because there’s enough time – I mean, there’s only a few tables. The best two reasons that come from the whole cumulative group. Are we ready on that? Are we clear on that, or have I confused you? Everyone got it? It’s all Chet’s fault. I said to Chet, “Tomorrow (remember, we’ve never done one of these together.) Tomorrow when we do workshops we will stop right after each workshop and do an exercise like this so that it isn’t stale and confusing. It’ll be much more dynamic.” And I apologize, but it’s good. That’s how we basically evolved, is by experimenting and watching how it works.

Chet: And with the last workshop, it was like I listed everything you probably want to be, so for you to try and comment on it…

Jay: And yet, half the people I had really deep-dialogued on it, so for some people it made sense. Don’t knock it ‘til you try it, Chet. Doesn’t matter – for right now you’ve got three to five reasons. Pick the first best one, the second best one…start somewhere and go around the room. If you get all the way through with the first one, do the second one until I say stop.

Audience Participation Feedback

(The following section gives participants’ feedback from the previous section’s workshop. While we strongly suggest that you study this section closely to translate the ideas to your own business applications, you may skip to the next module if you wish.)

Tony: Mine was all-in-one, profit-producing system on wheels.

Jay: OK, hold on one second, we’re getting too much here. OK everyone, now, pick two if you haven’t and send them to the mike. There’s only two at the mike. There’s five tables – there’s got to be ten people. We’re short eight. Hurry now, come on, please. Tony, come back, because nobody heard you. (chatter) OK, Tony.

Tony: OK, just super long title. We came up with the all-in-one, profit-producing system on wheels.

Jay: The all-in-one, profit-producing system on wheels. OK.

Participant 1: We chose “Safer, less traumatic and more cost effective methods of treating your health.

Jay: OK, I like that. And guys, when you hear this you might want to write some of this down. I’m hoping they’ll give you an idea that you can translate to your business application. Go ahead, Mike.
Mike: We won’t let a client order too many cookies if they don’t need that many. So we’ll stop them. If they say, “We need 10,000,” we’ll say, “What are you doing?” And we’ll say, “No, you need 2,000.”

Jay: OK, I like the concept. I like the concept. Go ahead.

Participant 2: Leave the phone and the TV behind and spend old-style, quality time in Hawaii.

Jay: OK, I like that. I like that. OK, David.

David: The physicians who join our website will receive immediate Internet presence with immediate traffic, generating immediate profit for a fraction of what it would cost them to get the equivalent on their own.

Jay: OK, I like that. That’s clear. That is good. Go ahead.

Participant 3: A guarantee where the client cannot make a mistake but the item will be made over for free.

Jay: OK, I like that, OK.

Participant 4: We voted on results as one, and another one that we talked about.

Jay: Say it again. We didn’t hear you.

Participant 4: Results. The reason that you’d want to do business with us vs. our competitor is results. The second thing I just felt in my business – or in theirs – increased sales, productivity and profits while decreasing cost.

Jay: OK. All right. Marshall?

Marshall: You get us, we’re respectful, friendly, helpful and knowledgable.

Jay: OK.

Participant 5: And in DPS Telecom, a network management that protects revenue by reducing downtime from a company you can trust.

Jay: OK, alright, and again, we’re just trying to get a –

Chet: Can I comment here?

Jay: Yeah, sure, go ahead.
Chet: The – that’s great. You guys all – within that there’s a buying criteria that you can go deeper in each one of those, and you’ll start to set up the buying criteria – you understand what I’m saying? Because you’re not really setting the buying criteria. You’re onto it, but you’re not really doing it. In other words, some of those things can be more defined. And again, if I work with you I think that I can –

Jay: OK, good.

Chet: Like John, I can definitely soup that up for you big time. You’re not going broad enough. I don’t know where he went. OK.

Jay: OK. Good. All right, next exercise. Over here we reviewed – you did the exercise, I think, of defining your business. What business are you in? And Chet showed you how to take your basic the strategic, to the broadest possible view. You all did that, yes? Yes? OK. Take the strategic and the broadest possible view and explain it. Well actually just do all three real quickly. Real quickly. You’ve got like a half a minute to do your schtick. Go around the room and do it, and then I want you to vote on the one out of the whole group that’s the most interesting. Or not the most interesting, but the most really impressive, because –

Chet: It broadens your market.

Jay: Yeah, that broadens the market without sounding silly. The one that really, you think, “God, that makes sense. I’d really buy from them,” so you can see some reference models that you could extrapolate from them. So go around the room. Each of you tell, “Here’s what the business we are in. Here’s the strategic articulation. Here’s the broader view.” Go ahead. Start now.

Give us all three of the answers, so we know.

Participant 5: OK, my basic was “changing lives”…strategy – “provides direction”, and broadest possible view is “changing lives and the world for Jesus.”

Jay: OK. All right.

Participant 6: OK, the basic was sell weight loss products…the strategic, weight loss center, and the broadest possible view – “everything you need to feel ten years younger.”

Chet: That’s the weight loss – you focus on that as one –

Jay: Is youth a byproduct of weight?

Participant 6: Everything you need.

Jay: OK. So that’s broader than just the weight loss, then.
Participant 6: Yeah, that’s –

Jay: OK. All right.

Participant 7: OK, our basic was “Telco - monitoring your equipment.” The strategic was “network management solutions,” and then the broadest possible view was “protect revenue through network uptime.”

Jay: I like that

Chet: See, what should happen is, as a result of that broadest view it should open up more opportunities.

Jay: For more product –

Chet: It will automatically, strategically – yes, for that, -

Jay: And also for preemption.

Chet: Yes.

Jay: I agree.

Chet: So that’s the goal of that.

Participant 8: For the basic – pool and spa contractor.

Jay: What happened to fence?

Participant 8: Oh, I’ve got more in the goal, if you want it.

Jay: No, that’s OK, that’s OK, that’s OK. That’s fine.

Participant 8: I had to come up with two, so…

Jay: No, that’s fine. OK.


Chet: Oooh, that opens up all kinds of opportunities!

Participant 9: Basic is taxidermy school. Strategic is success training. And broadest possible view – help you achieve your goals, dreams and desires.
Chet: And that opens up all kinds of opportunities, doesn’t it? That says you could have five different schools in the same location if you’re selling people for opportunities.

Jay: How many leads do you get a year from your ads?

Participant 9: Normally around 600.

Jay: A year?

Chet: And only 45 of them going to the program?

Participant 9: In a good year, yeah.

Jay: 45 people – I thought you had a lot more people into the program.

Participant 9: 15 is all we can take a class. We have three classes a year.

Jay: Oh, I thought you said you had like 600 people in the program.

Participant 9: No.

Jay: OK. So you get 45, and you get 600. What did the 600 cost you to buy? What did you want your market -?

Participant 9: It cost us about $1,000 per lead that comes there.

Jay: Converted?

Participant 9: Converted.

Jay: OK, but where do the leads go? That doesn’t – if you get 600 leads a year and you convert 45, basically, what do the 555 that didn’t convert cost you? How much is it per lead? What’s a lead cost you?

Participant 9: Leads, probably…probably about $50.

Jay: So 50 times – do you do – you don’t do a lot of advertising? Oh, OK. So what do you do with the 535 people?

Chet: Who don’t buy.

Jay: Who don’t buy. You don’t put them in any other opportunity, up or down, at a higher price, more sophisticated, or a lower price?
Chet: That view you would, wouldn’t you? If you – you just read those. Read it again.

Participant 9: Help you achieve your goals, dreams and desires.

Jay: So if they either want to basically find a hobby that is profitable or a new career that ties in with their hobby, you might be able to expand it to a bunch. They could be a guide. They could have…they could be…sell hunting…probably there could be all kinds of different things you could put them into, couldn’t you? It could lead – you’d find other people that have business opportunities that are related to that -

Chet: All things that you don’t have to __, stock, ship or sell. You know.

Jay: That you could sell. When I did – we used to do Protégé Training programs, those of you who know. I did two different versions. I did a $15 – actually three – a $15,000 one, a $20,000 one, and then we did a more compact $10,000 version about ten years later. But when we did the $15,000 and $20,000 ones we used to go to people who sold $10,000 to $20,000 training programs for other consulting specialties – real estate, tax deduction consulting, utility auditing consulting - and we used to make deals with them for all their unconverted leads. And we made millions of dollars sending letters to their unconverted leads emanating from them saying something to the effect of, “We were gratified when you inquired about our utility auditing training program. We were obviously disappointed that you didn’t go forward. It meant to us either the offer wasn’t right, the timing wasn’t right, or the investment wasn’t right. If it was the offer or the timing, and the investment was affordable, we’d like to commend you to another opportunity that might be more to your liking because it’s more broad, and it’s less investment, and it’s this and that.” And we got all kinds of people. So you might want to think about conversion sideways up. Because there’s lots of other business opportunities out there that would probably gleefully pay to you 50% - maybe even more if they had supplies and back end things that they’ve sold – for you to be able to convert your people over to them. And you might make more money from the people you don’t sell than you do from the ones you do.

Chet: And Jay’s done that 100 times with, you know. So that’s good.

Jay: Mike?

Mike: Basic – sell bananas. Strategic – make fruit salad. And broad – to open a fruit stand. No, no, I’m kidding. I just made that up.

Chet: He was what?

Mike: Basic – sell fortune cookies. Strategically sell companies to use fortunes cookies successfully for their events and promotions, and the broadest possible view is the licensing, selling turnkey fortune cookies systems worldwide.
Chet: That’s good. I’d like to work that over.

Jay: Yeah, and I think it’s good. I think it’s – you made a big jump from strategic to – we’re going to call you “The Marketing Pole Vaulter.” Thanks, Mike.

Participant 10: Basically, wholesale distribution of non-perishable consumer goods.

Jay: OK.

Participant 10: Strategically, getting supply to retailers and other resellers.

Chet: Then broad view.

Participant 10: Broad view – to become a channel between manufacturer and reseller.

Jay: OK, I think that it needs to be refined, because I think this is an area that you – if time allows – not tomorrow.

Chet: I could work you over big time.

Jay: But Wednesday – we’ve got to get some ground covered on the... now we’ve done strategic thinking we’ve got to get into the tactical stuff that’s more specific. And then I think on Wednesday – or excuse me – on Saturday and Sunday we can get a lot of private –

Chet: Yeah, we only have really about 16 hours of content…

Jay: And then it’s all interactive. But we’ve got to get you guys grounded a little bit and then I can start working really spins, and Chet will chop and dice and it’ll be fun.

OK. Now we’re going to do the next one. You’ve got the mike in the back? We’re going to do one of these that I want to hear your answers to. I want to hear everybody’s answer. (chatter)

OK. What about your buyers? What would scare them? What makes them feel very uncomfortable with their current position? I want to hear every one of your answers, so we’re going to pass the mike. We’re hoping if each one of you got such an interesting contextual perspective on it, that you’ve looked at it with such an interesting light that you’ll give so many different ideas to everybody else as they’re listening that they’ll take notes galore, and then they can adapt and adopt them. So.

Chet: Do you guys need 30 seconds to prepare, or…
Jay: Yeah, just start it somewhere, Carl. That’s fine. Just read your answer to what will scare them the most. What will make them the most uncomfortable? What’s their pain, really?

Participant 11: In the investment field, the current pain is the volatility in the market and not knowing whether they’ll have enough money to live out their retirement years.

Jay: So if you were going to express the positive on that, what would the positive expression of that be?

Chet: Well, he’ll solve that problem.

Jay: How would you be able to say it? How would you say?

Participant 11: How to live out your retirement years with no worries about your money.

Jay: OK. All right, good.

Chet: Yeah, and I’d take and extrapolate that. If I were your researcher, I’d find out how much money was lost to the average person in the last – and then I’d find out – as the total market dumped. And then I’d have scary statistics.

Jay: That’s great. And how many people – how about percentage of your income you’re going to have to live on? If you’re used to living at 100% today, you might have 10% you’re going to be able to live on, on average, unless you really do something about it.

Participant 11: Was that $50 per research report, or $50 per hour?

Chet: She’s $50 an hour, but-

Jay: And how long does it take her to do stuff?

Chet: If you had an extensive one, it’s 10 hours. If you had a – for you, probably 4, 5 hours – she’d blow you away.

Jay: Yeah, and again, if she’s – not – Chet has great research, but you can get great research at almost any university, too.

Chet: Yeah, I’m going to give you – everybody who’s in the program gets a sample of a research document. You prepare one of these, you give it to her, she comes back with stuff all highlighted, all very incredible…

Jay: And she references you – yeah.
Chet: *Forbes, Fortune,* - she just gives you the actual hard copies of the articles. It’s awesome.

Jay: That sounds wonderful. OK, passing you around.

Participant 12: I wasn’t here for the assignment but from the top of my head I will just tell you –

Jay: It doesn’t matter. You want to do it, or you can pass. It doesn’t matter.

Participant 12: OK. What about my buyers – I’m dealing with nutritional supplements and – OK. I’ll pass. Let me pass, because I was thinking of…

Jay: Is that OK? All right.

Participant 13: If you don’t take action, hunting and fishing will never be part of your job.

Chet: Wait a second, wait a second. I can improve on this. Wait.

Jay: So what’s – but say it without saying it in an advertising or a copy. Just saying it literally, what’s the fear? The fear is they’re going to basically work their life out in misery and never really have joy, and not have enough time or a way to really relish and turn their hobby into something that’s much more rewarding for them.

Chet: Yeah, quote: “Most people live lives of quiet desperation.” I forget what famous author said that, but.

Jay: Emerson, I think

Chet: But if you’d had like, five quotes like that, or actual statistics on how the average person is unhappy, and how the average person hates working for somebody else, and how – things like that that motivate people to want to – If you can get the head nodding…it’s what I call “the head on the pendulum.” If you can get the head going, “Oh yeah, oh yeah, oh yeah.” Then when it’s time to close they go, “Oh, yeah.” And you just get the deal. So more pain at the point of impact, you are going to close more deals.

Jay: That’s true, and everybody who studies the workings of the mind – pain is ten times more of a motivator.

Chet: Nothing focuses the brain like pain.

Jay: Or getting away from - avoiding pain. Or leaving pain.
Participant 13: It’s like dead end job, lousy boss, low pay, no time?

Jay: Probably. But you know.

Chet: Now that’s a slogan. Now you’re setting a buying criteria. That’s very good.

Jay: But, but – yeah, that’s better. OK, next?

Chet: But get some data behind that. It’d be really strong.

Jerry: For the fence department, high crime rate –

Chet: Oooh!


Chet: Those are all good.

Jerry: Child napping. You could really go on…

Jay: Sod thieves, right? There are a lot of sod thieves, aren’t there?

Jerry: We did a commercial once where we started on the radio, and then the tires come screeching, and then the mother yells at the kid to get out of the street, and so…

Chet: You did one?

Jay: Did that work?

Jerry: Yeah.

Jay: Are you still running it?

Jerry: No.

Jay: Of course not. OK, good idea. OK Jim.

Jerry: On the pools and spas, last thing you want is a maintenance nightmare.

Jay: So maintenance free?

Jerry: Lines at the public swimming pools, and health problems, and …
Chet: Oooh, he’s good. He’s good.

Jay: He is good. Well, he stays up. He starts at three in the morning and doesn’t go to bed until midnight.

Jerry: Going to motels and hotels, and not having your privacy. Stress levels of not relaxing at home.

Jay: OK, well that’s a good start.

Chet: You and him want to team up on stress and do some research on that, because there’s some scary stuff there. You can really scare the heck out of people now, I’m sorry…

Marshall: The pain would be for pool orders, having a dealer installing a liner and the homeowner watching as the liner didn’t fit.

Jay: Does that happen a lot?

Marshall: Not when we sell them. I don’t see it. I don’t see it. I’ve kind of experienced it one time. I went out to watch a liner be installed –

Jay: Wrong.

Marshall: And it looked like it wasn’t going to fit, and I was the one who laid it out how it was going to be made and everything, and –

Jay: Did it work?

Marshall: It did. They just had to twist it a little bit, but I was sweating bullets, because I was standing there with the dealer. The dealer’s looking at the homeowner and they’re all looking at me, and I just wanted to get out of there. I felt the pain.

Chet: You sell pool liners to guys like – Jerry.

Jay: Do you buy pool liners? But not from them.

Chet: So wait a second, wait a second. Why – guys…

Jay: That’s a great –

Chet: Why is Jerry in pain? That’s not – the pool liner won’t fit – that’s weak. I mean.

Jay: What’s the biggest problem with pool liners?
Chet: Or what’s the biggest problem in installing pools? There’s way more pain you can give him that has nothing to do – you know what I mean? The pain doesn’t have to be directly related to the product.

Jerry: We do replacement liners, and that’s what they sell. And so the pools are installed, ten years old, you need to replace the liner for whatever reason. So nobody has the direct – the information from their pool that’s ten years old, because I say, “Have you got your manual or anything?” They say, “No.” So I’ve got to go measure the pool again. I’ve got to give him the measurements. He’s got to build it to my measurements. And I’ve done it before. You put in a liner and it is not fitting. Now is it my fault, or is it his fault?

Jay: And can you guarantee – I mean, what do you guys do?

Marshall: We don’t know – it’s hard for us to say.

Jerry: Yeah, at this point we compare measurements again. I’ve got a fax or something that –

Jay: So what is your biggest pain? What is it? That it won’t fit?

Jerry: Well if he’s going to guarantee it’s going to fit…

Jay: Would you buy from him?

Jerry: Yeah.

Jay: And what if it didn’t fit. Then what – would it be hard to change? What would it cost for you to adjust it? Would it be hard?

Marshall: It depends on whether we know what went wrong.

Jay: So you’re dependent on their accurate measurement.

Marshall: Yeah.

Jay: So it’s dangerous

Marshall: Sometimes.

Jay: So Marshall’s biggest fear is that if he guarantees it he’ll get burned. It’s like the chicken –

Chet: No - I’ll tell you right now, you can do research on pools in America…how many pools sold in America…how many – what’s going on in that? Is that industry slowing down…how long does the average pool cover last compared to yours… There’s
like all kinds of things you could find out that would be way more persuasive than whether or not it fits that would give you more access to guys like Jerry.

**Jerry:** Lasting longer.

**Chet:** Yeah, there’s five things – there’s five things.

**Jay:** Yeah, if you could prove that yours lasted four years longer and the price was relatively the same, that’d be a selling advantage to you, wouldn’t it?

**Chet:** And then if you teach him how to sell it better and sell more, and make more purchasing because you’ve got better information than any other pool lining company, you’ve got superior access and you’d build more – you’d do all those strategic things we talked about the last five or six slides that we skipped over. But that would make you way more valuable to Jerry if you were his confidante, advisor, teacher, trainer, etc., etc.

**Jerry:** Well, the liner company I do buy from – their competition – they offer several different grades of liners and one that has a longer life than the other ones. So – and –

**Chet:** And that’s what you always sell.

**Jerry:** That’s the one I sell. I mean, they’ve got a wide variety. These are made.

**Jay:** Let me ask you this. Have you been solicited by their representative?

**Jerry:** No. I didn’t know they existed, so…

**Jay:** Marshall’s got to really learn the stuff about selling, right?

**Chet:** Yeah. We’re going to…we’re going to…

**Jay:** OK good. This is fun. OK Marshall, you saved the day.

**Jerry:** We’re 4,000 miles from him.

**Jay:** It’s just a UPS delivery away.

**Jerry:** Mine was in the summertime when the – when everybody’s real busy we get the liners there, and you don’t have sit there and worry about your customer breathing down your neck.

**Jay:** So what, they’re – in summer, they get the order when they need it.

**Jerry:** Yeah, they really get irate.
Jay: Is that a big consideration?

Jerry: It certainly is.

Marshall: ______

Jay: That’s great. That’s good. And do you guarantee delivery?

Jerry: Yes, we guarantee a delivery within five days and we normally get it out in 2½ days.

Jay: OK, now is that a selling advantage to you but you don’t know that? Or you don’t? That’s interesting. OK, learning.

Chet: But Marshall, let me work with you on that because you can go way more strategic. That’s on the more tactical side. You can go way more strategic and get way more control over your market, and totally preempt your competition using all of these strategies. So at some point over the four days I want to sit down and take you through that.

Jay: You got one, Jim?

Jim: No.

Jay: No?

Chet: Oh, man! I gave them to you. The first four slides about increase the clutter factor six times more to get a customer. I opened this thing with pain for you.

Jay: Go ahead. Go ahead.

Tony: OK, one second. I’m scrolling. Last year almost 50,000 landscape contractors lost the opportunity to add $20,000 of undiscovered profit per crew. Were you one of them?

Jay: OK.

Chet: And you can go deeper – Again, what was your name again?

Jay: Tony

Chet: Tony. That there’s a lot of data on these guys. Most of them are starving, most of them are mismanaged. I mean in your stuff, you’re hinting around about all the data you could actually get that would really put them in pain. Because you’ve covered that they don’t know how to advertise. They’re not getting their name out there. They
have no way to get into the residential communities where people actually need to, because you can’t advertise in those communities, and your truck gives them a big billboard, and it’s in the neighborhood – which is a great selling advantage. They’d probably pay for that truck just like having a sign in the neighborhood when they’re doing landscaping for people. So you could talk about what they spend in that area, what they spend in this area, what they spend in that area – and each of those areas that you actually impact. And then the efficiency, the amount of gas that they have to go back and get… You should do all of that calculating out, so that you can just bam! bam! bam! And the guy’s going, “Oh, it’s worth $45,000 – put me down.” Extrapolate it all out. Scare the hell out of them.

**Jay:** If you can save them two man-people a month, or something.

**Chet:** This truck won’t cost you money. It will make you money at every turn. But here’s what - your pain now. Here’s your pain. How the market’s slowing down. Here’s –

**Jay:** Do they lease it, or do they buy it usually, Tony?

**Tony:** Usually lease.

**Jay:** So what’s the normal lease payment?

**Tony:** $750 a month.

**Jay:** So you – now you’ve got an even easier reference. Because they’ve got to basically pay just $700. You’ve got to show them that basically that you’ll make them $500, or –

**Chet:** What’s it cost to rent one of those billboards? Go to Gannet Outdoor – or Gannet online – Gannet.com, and –

**Jay:** Go to them, they sell – show them how you could be an advertising source. They can sell it and get revenue. That’s a great idea, Chet. Talk to them. Great idea, Marshall. And that might be an extrapolative idea for a lot of people. OK, pass the mike.

**Participant 14:** Unless you do something to change, it will be worse for your children.

**Jay:** OK. I mean, when we say OK, we’re not saying it’s the best, but we’re saying it’s –

**Chet:** Well, let me add.

**Jay:** Yeah sure, go ahead.
Chet: This is my specialty. You know, “46% of teenagers today will be pregnant by the time they’re 17 years old. 28% of them have already had sex. 38% of them do drugs by the time they’re 15. You want to avoid this with your children? Come to the something-something institute and forge a stronger bond (or whatever the benefit is).” But there’s a ton of pain in what you guys are saying to people. You’re saving souls, so let’s go with some of the problems that this whole society is having. So a little research in that area, and you’re going to have great material. Half of it are on commercials for other companies. Whatever works, right? Get them into the institute. That’s where you can help them.

Participant 15: Two points – one concerning from the training. Without our training it will be like living your life as the tormented beggar on the street, because you never learned or discovered you’re the child of a king. And lost in darkness and totally separated from God the Father because you’ve rejected his son, Jesus Christ.

Chet: OK, let me work with that one with you at some point over the four days. Because I think you’re trying to make the sale, and I’m trying to just get you to motivate them to look at it. This is at the stage where you would motivate – what’s going to motivate them vs. necessarily make this the whole sales.

Jay: It’s a distinction. Most of you, as you translate all this into action, particularly in the tactical sense…your job is to get their strong intrigue or interest, not to try to sell them in one fell swoop. Because most of you with what you’ve got, you’re not going to be able to do that. So you want to basically not try to take them from fascinating interest to “Oh God, I’m overwhelmed!” or data dump, or whatever. You want to try to just keep their interest so that you could really develop it when you either talk to them by phone, in person, or you send them an integrated…

Chet: Literature..

Jay: A bunch of literature and collateral. OK, Joe?

Joe: Have you ever stopped to think what the lives of your wife and children – or possibly grandchildren – will be like if you weren’t around? Not just –

Chet: Oh, hit them right between the eyes, bud! Don’t hold back!

Joe: You told me! I got it from you! But your wisdom and help in leading the good lives that they should be – if you weren’t around. And right now, your blood fat levels show you have about twice the risk of having a heart attack as somebody sitting next to you. You need to do something about that.

Chet: And you can back that up with a lot of data. “Heart disease is probably the third largest killer in the country…” and you can go on and on and on. There’s so much data there. You can put together a great – what was the ten warning signs of cancer? It became a huge thing. You could have the five warning signs of heart condition, and get in
Participant 16: Weight loss puts you at a greater health risk than smoking. Or being overweight puts you at a greater health risk than smoking.

Chet: You making that one up? Or is that true?

Participant 16: That’s true.

Chet: Wow!

Jay: That’s very interesting. OK, that’s good.

Participant 16: The other one is, as many people will die from – the morbidity rate for bypass surgery is the same whether you have the surgery or not.

Jay: Wow, that’s interesting. That can be stated differently, but that’s a very powerful fact. OK. Powerful facts contrasted and compared really can sway people if they’re not just superlatives…if they’re really documented and if they’re very analytically based.

Chet: And if you can make people say, “Wow!”

Jay: “I didn’t know that.”

Chet: Anything where you can make people say “Wow!” Anytime you can make somebody say, “Wow!” you’ve got a great –

Jay: You’ve interrupted all the clutter, and their mind is now focused for a moment in time on your proposition.

Participant 17: 70% of marriages in the United States end in divorce. Will yours?

Chet: Is that – you’re making that stat up.

Participant 17: I made up the statistic.

Chet: I think it is 50%. I think it – isn’t it, Jay?

Jay: Well there may be – there’s certainly higher risk areas that might be… You might say, “Are you in one of the higher-risk relationships?” or something like that. You could make that a true statement with the right research.

Chet: Absolutely. OK. Next.
Participant 18: OK, it’s a kind of difficult thing. I always ______ the pattern – We’re not in the business to cause pain.

Chet: Speak up.

Participant 18: We’re not in the business to cause pain, but to ease your pain. But to have you take a look at your life. Do you really believe that you have accomplished all that you can accomplish in your lifetime? And then to take the next step to examine – not to cause them to be in fear, because we train and teach that God has not given you the spirit of fear, so we want you to examine that. What is holding you back is probably fear, so we want to eliminate that through the training. Too much?

Chet: OK. No, no, it’s – your nature is that you can’t put people in pain. Is that what you’re saying?

Jay: How about this? Let me kiss it and make it better. But we’ll work on it. We’ll work on it.

Chet: Yeah, I mean it’s about motivating people to take action, and the greatest motivational speakers in the world – and the greatest religious leaders in the world were phenomenally persuasive. The whole thing about going to Hell was one of the greatest motivators for people that – You know what I mean. So if you just look at who in your milieu has been preaching, you look at the greatest religious leaders are very good at inflicting a little pain to motivate people to salvation.

Participant 18: ________

Chet: Exactly. So, you know. That’s OK. Next. ____

Jay: Next. We’ve got to hurry through. We’ve got to hurry through.

Participant 19: Getting to the end of your life and realizing that out of all the great things you’ll accomplish, none of it will have eternal value.

Chet: Oooh. Great.

Jay: OK.

Participant 20: There’s an act that’s going to be rolled out that’s been passed. It’s going to be rolled out over the next five years. It’s called a “hippo act.” It’s a health improvement and portability act which requires a tremendous amount of security of patient’s rights and information. I just put “Lawyers will prey on the inability to secure patient information.”

Jay: I think that probably is good.
Chet: That’s very good.

Jay: That is powerful.

Chet: You’re one of the most ideal candidates in here for this particular approach because…

Jay: You can rifle right in on it.

Chet: Yeah, and there’s so much data in your industry that you can be the expert of, and the arbitrator of, and the carrier of that your prospects are going to want to get that information. You know, “The Five Most Dangerous Trends in Health Care Clinics” – that’s a killer for you. That’s just so right. Who isn’t going to want to read that in your target market? It’ll give you superior access…it’ll preempt your competitors…it’ll position you as the most knowledgeable, most respectable – it’s like everything that you need to do is within these last five panels.

Participant 21: Mine is “Fear that the auditor will tell you how to run your company and make you run it that way.”

Chet: Say that again?

Participant 21: In mine, the fear is that the auditor will tell you how to run your company a certain way and make you run it that way,

Chet: Ah, OK.

Jay: And the truth?

Participant 21: It happens.

Jay: OK.

Participant 21: So you don’t get your accreditation

Jay: So how would – what would your counter to that be?

Participant 21: Well we have evidence that our auditors don’t do that.

Jay: So how would you say it?

Participant 21: Well, we have excellent auditors that have been trained not to do this issue. We make this, has always been a selling point.
Jay: I think the point’s really powerful. I think the articulation, though, is not—we’ll have to work on that.

Chet: Yeah, because you want to motivate them to have the audit, not to bring up the fear factor of having it.

Jay: Well, they have to have the audit.

Participant 21: They need the audit, right.

Jay: They need the audit. That’s mandatory, isn’t it?

Participant 21: Yes.

Chet: So that’s mandatory only if they want to pursue a certain business…

Jay: No, most of the people they’re dealing with, it’s mandatory that every year they be reaudited.

Chet: OK, let me—let us work you over, man, big time. We can give you some really powerful…

Jay: Carl, pass the mike—go ahead.

Participant 22: For the restaurant in the news a lot, it’s there’s no mad cow disease in the United States. Not in our steaks yet.

Jay: So, mad cow-free steaks?

Chet: No, no, no, no, no, no. But you know what—challenge me…

Jay: Succulent, succulent mad cow-free steaks—how’s that?

Chet: Challenge me on that one, off line, and I’ll see if I can help you with that.

Participant 23: This is targeting the weight loss industry, particularly very obese people. “Never being able to wear swimwear again without being laughed at or judged by others. Never being able to climb a mountain and enjoy the view. Seeing the disappointment and sadness your kids feel when you can’t play ball with them in the backyard for more than a few minutes. Never being told you’re beautiful or handsome again. With heart disease such a killer in obese people, don’t you want to be alive for your child’s wedding? And forget about abs of steel—wouldn’t you just like to tie your own shoes?”

Jay: All encompassing—that’s right. One fear per—
Chet: Take out a gun and shoot them – I mean, you know - God!

Jay: OK

John: Pain – your number one competitor uses my customer appreciation program.

Chet: OK, we’ll work with you, John. I think you can soup that up.

Jay: No, it’s some interesting – you can come up with some interesting perspectives, all of you, so far. But I don’t think you’re 100% on the bull’s eye, but there’s some interesting paradigms you’ve come up with. Go ahead, continue.

Participant 24: A real quick preface – in my industry there’s plastic surgeons and there’s non-board certified plastic surgeons. And they compete aggressively for the same market share, but they’re pretty distinct in their societies. And this is the pain that they actually are feeling.

Jay: And do you only - ?

Participant 24: I only work with the board-certified.

Jay: OK.

Participant 24: The higher classification. Every day your patients are being stolen by non-plastic surgeons with aggressive advertising campaigns at a time when your fixed costs and insurance costs are continually escalating.

Chet: That’s very good.

Jay: That’s pretty good.

Participant 25: I think with a little bit of research I can verify that lawyers, dentists and a number of other professionals most of the time – that is, more than half – want to get out of the profession within 10 or 15 years, and they earn so little, that’s usually before they’ve paid off their college loans.

Chet: And, and…

Jay: What’s the – is that the target market you’re going after?

Participant 25: Yeah, professionals are –

Jay: A big area. OK, and so what would the flip on that be? How would you capitalize on that fear?
Participant 25: I’d turn that around for them. I show them alternatives to –

Jay: No, but literally, what would you say? If that were in fact – let’s take the fact as gospel right now. Let’s presume that was the true fact. How would you use that to your advantage? What would you say?

Participant 25: I’ll help you not – I can show you how not to hate your business or your practice, and how to make it profitable.

Chet: Great.

Jay: Yeah, that’s good. That’s a good on your feet thought. Good, OK.

Participant 26: OK, mine is in restaurant and –

Jay: How about this: Mercury-free shrimp!

Participant 26: I missed that. OK, it’s the pain one would be talking to somebody about deciding to come to your restaurant or another one is asking them the questions, “How many nights have you wasted in restaurants where the food was mediocre, the service was surly or amateurish…”

Chet: He’s right. He is right.

Participant 25: …or your guests were embarrassed for you?”

Chet: You are right. Last night, for example.

Participant 25: And then I’m going to do one on the beef – “Don’t worry about our beef. With all the beef worries about, John Taratoff has hand-selected all the steers that we use for our steaks.”

Chet: OK.

Participant 25: You know – we could make something up like that.

Chet: Yeah, you wouldn’t really want to use that.

Participant 25: No, I know.

Chet: I’ll work with you.

Jay: Is that even a concern here?

Participant 25: No.
Jay: I don’t think it is.

Participant 25: In case anybody has a concern.

Jay: No, but we asked him to focus on pain.

Chet: Yes, I know. And he ___ How much money do you waste, then?

Jay: Not even the money, but you’re going to spend the most precious thing you’ve got, which is an experience with somebody in business or a loved one, you want to really have the best experience you possibly can, don’t you?

Chet: That’s great.

Participant 25: You know, that’s – I look at the time is the most valuable thing people have, and to waste it in an evening –

Jay: I think the opportunity – I know, my wife and I don’t -

Chet: Time, opportunity…

Jay: I have a bunch of kids, and we don’t get to go out very often. When we go out, if we go to – my wife happens to like two things. You’d like me as a client, but she likes good food and great wine.

Participant 25: Oh, I got _____

Jay: It costs us like hundreds of dollars to go to dinner. No, but she’s frustrated as can be if we have bad food, a bad experience, or

Chet: Bad wine.

Jay: She just goes from really looking forward it to having a miserable time. It changes the whole tenor of the whole evening.

Participant 25: Yeah, it ruins it. And we kind of look at ourselves as an adult sanctuary.

Jay: Yeah.

Participant 25: A place where you can go in and forget the world and – yeah. Forget the world, forget the kids, because there’s no windows in the place.

Jay: And you are, you’re really – what is the word? You’re a – experience may not be the right word, but you’re an event. You’re an event.
Participant 25: Yeah, we create an evening. An evening for the -

Jay: And are you open for lunch too?

Participant 25: No, dinner only.

Chet: Very good.

Jay: OK. All right. That’s good. Thanks.

Participant 26: Hi. I think we’ll labor a different product tonight, because we seem to be laboring this weight loss thing. Anyway, obesity – you so often feel self conscious and embarrassed just walking out the door. But that’s not all. Obesity can lead to diabetes, gangrene, amputation and death.

Chet: Geez. Somebody’s getting really…

Jay: Can you be a little more ___? Tell us what you really think, will you? OK, Thanks.

Participant 27: This was also for the weight loss.

Jay: Surprise, surprise.

Participant 27: We will choose something different tomorrow perhaps. “The pain of the social isolation caused by being obese.”

Chet: Yeah. You guys can build a very motivational, powerful case.

Jay: Adrian?

Adrian: This is for the home theater system. In 1991 there were 15 properly trained and insured dealers who installed high-end home entertainment systems. Today in Canada, electricians - and even plumbers - are claiming to do so. Don’t let your home be an experiment.

Chet: Yeah, that’s good. That’s good.

Jay: Plumbers? That’s interesting.

Chet: What’s your name again?

Adrian: Adrian

Jay: Adrian.
Chet: How can we go further?

Participant 28: This is for the distribution company. Pretty much the pain that I would like to know – but I don’t know – is how much statistically are resellers overpaying…

Chet: Yeah. That’s really good.

Participant 28: …and excess inventory, product display, things like that.

Chet: And that’s easy to find out and it would be powerful like gun powder in your hands if you had it. So that’s good. I’m sure there’s more, and if we can get some time together I’ll help you with that one.

Jay: And some of you, you might have to collect some raw data to let a researcher manipulate it for you and really compare it, because they might not know. But is most of it available?

Chet: They give them what they want. They have to find it.

Jay: With the average prices, the average this, the average margins, everything. That’s great. OK.

Chet: It’s unbelievable.

Jay: Great. Mike?

Mike: How many times have you wondered, “Will these fortune cookies be rubbery, stale and bland?”

Chet: Every time! *Every* time!

Jay: I spend a lot of nights up thinking about that.

Mike: Well, I just say, I wrote these down on what other people were saying. The other one: “Don’t worry. Your fortune cookies aren’t made in some small, back room sweat shop that would scare you if you saw the bakery.”

Chet: Oooh!

Mike: And “are people going to eat these and go ‘Yuck! They’re stale!’”

Chet: Let me help you take that further, Mike, at another time.
Jay: But there’s also – but think about one other thing. You’re thinking as a literalist in a way, Mike. You’re thinking about fortune cookies instead of thinking about what somebody wants from an ad specialty, or what they don’t want.

Mike: Well, yeah, OK, so the other ones I wrote down – this is like –

Jay: Just give us one.

Mike: OK, the pain was like – the major pain in my industry is the pain of not meeting their deadline. Every one is – every single ad specialty person is, “Are you going to meet my deadline?” And that’s one of the top three criteria on switching over to someone they’ve never used.

Jay: And that’s good. That’s good. But

Chet: I’d like to know what the other five criteria are there. And he’s done the work, right? So we’ll work you over.

Jay: OK, good. Thank you Mike.

Participant 29: With forming the corporations and LLC’s I’ve got a bunch of them. “Why picking the wrong entity with your new business? If you’re audited and you’re fined by the IRS it will cost you your first five years in profit. If you’re a sole proprietorship and get sued, and discover that your insurance company won’t cover you for your lawsuit, how you can lose all your assets. Will your shareholders sue you as a board of directors of your next company and cause you to lose all your personal assets?”

Chet: How about that four out of five companies go out of business in the first five years because they’re not structured properly, or only one in every 25 takes full advantage of the tax opportunities, or – you’re in a great market for that approach. You can really strategic position yourself with data. And you’re a natural researcher, so…

Participant 30: OK, we are the physician recruiting company. I’m going to do, for physicians, the fear factor would be, “With the constant changes in health care, the trend is giving doctors less control, lower reimbursement, 30% less income for seeing more patients.”

Chet: 20%


Chet: I’ve got the actual data.

Participant 30: Awesome. I need to talk to you later. Physicians graduate residency with an average of $150,000 in debt.
Chet: $100,000. I giving you actual data – you don’t have to make it up.

Jay: Make it a million six.

Participant 30: Hey, I know a couple that graduated with $150,000, OK? Is the downward spiral giving you more job security or less? How will you pay your debt and put food on the table if your clinic closes or your group loses the contract?

Chet: So that’s to motivate the candidates?

Participant 30: The candidate to work through us.

Chet: Very good.

Jay: OK. Good.

Participant 31: OK, then I actually picked the client. I think one of the chief fear factors for them is actually liability, and so the perspective would be – I mean, a lot of the decision is, it’s a larger client. They’ve got bylaws and boards of directors, and they have to do everything a certain way. And they’re fearful that they’re going to open themselves up to looking bad in the community if they bring in a bad doctor that does something ridiculous. And so I don’t know the statistics, but I believe there’s some great data on numbers of law suits and amount of money, and things of that nature.

Chet: You’ve got the right idea.

Participant 31: Yeah. And so - and the solution, I guess, would be to try and show how we go above and beyond to make sure that those…

Jay: And do you in fact do that?

Participant 31: Yes. Oh – credential them? Yes.

Chet: Is it that most of them want the temps and can’t get them, or is it that you have 100 other companies competing with you for the same business? I mean, what are the big strategic obstacles to you being, like, doubling again? Are they using temp services like you all the time?

Participant 31: Yes, they are.

Chet: So – and there’s a lot of competitors, then?

Participant 31: There are.

Chet: OK, so you need a strategic –
Participant 31: They see us - They actually – the main thing is we need to reeducate them. They see us as a high cost alternative, and statistically, I believe you can prove that it’s not true.

Jay: But you’re actually a savings.

Chet: Yup. And you need to do that.

Participant 31: So if we can do that –

Jay: Because you have less turnover, probably, etc., etc.

Chet: You need to do that.

Jay: You’ve got to get it documented.

Chet: Right.

Jay: And probably, Chet’s talking about research that’s external. I think you’ve got to do research that’s internal, too, and you’ve got to try to – and when I say “manipulate” I don’t mean it in a negative sense. I just mean to transform it into making the picture that you can demonstrate. Because you might find that the average – if you find that 80% of the job orders that you get are from people who basically did it themselves, and that 90% of the people you placed stayed for at least two years or longer, which is three times the average, that’s pretty powerful. OK

Chet: They’ve got – they’ve both got it really good.

Jay: Good, that’s good.

Participant 32: Well I came up with a couple of them. This one here is like, halfway between pain and fear for me. “Spending the winter in northern climates without escaping to the tropics.” Another one would be “Spending any more of your life without visiting Hawaii for the first time.”

Chet: At an affordable rate.

Participant 32: Yeah.

Chet: You can go further though, but if you take and extrapolate broadest possible thing – you are going to open up the whole world to yourself. But let us work on you tomorrow.

Jay: OK, good.
Participant 33: OK, this is for alarm monitoring. “Given a choice, wouldn’t you want to prevent a costly network outage before it happens?”

Jay: OK

Participant 34: This is for remote site monitoring, kind of a theme on that. “Don’t get stuck with steep FCC fines and penalties when your tower light goes out.”

Chet: Oooh.

Participant 34: And that’s –

Jay: Is that true? Are there big penalties?

Participant 34: That’s true, the red tower lights. And we have mechanisms that switch them off.

Jay: And you have the research to find out what the statistical probability is, and what the –

Chet: There you go.

Jay: And what the fines have been, and what the incidences are?

Chet: All we need is a couple of horror –

Participant 34: Sprint got a $2 million fine one time, so…

Jay: That’s great.

Chet: A couple of horror stories, and that’s it.

Jay: But they weren’t using your system, right? That’s good.

Participant 34: They started using us shortly thereafter.

Jay: And that’s a great story too, you know, somebody after they – you know, don’t be like – Lose $2 million this way.

Chet: Yeah, let me give you another example. We have a client (and this is again, with the medical) that supplies expert witnesses to lawyers for trial, and – all doctors. So we just – and this was a real…I thought it would be really hard, but we sent our researcher and said, “Find horror stories about lawyers who have used poorly-selected expert witnesses, medical experts…”
Jay: Were there a lot of…?

Chet: And we found just three doozies. And it was really hard to find, but you just tell a lawyer those three stories, and they automatically want you to now find them their expert that they’re promising. So a little horror story like that, where you can tell an actual horror story that just makes them blanch, and you automatically have disempowered and preempted – it does all these strategic things. Really very powerful stuff, guys. And you know – some of you are like, “Oh, I don’t know if I want to put people in pain.” But if you want to motivate –

You know, as Jay says, “To serve them, you do what you have to do.” If you really feel that you’re helping them…you really feel you’ve got a great product…you really feel that they’re going to benefit from using you, then you use the information at your disposal to motivate.

Participant 35: This is also for alarm management. “A lack of visibility at remote equipment sites until customers start to complain exposes network managers to lost customers, lost revenue - and ultimately, their jobs.”

Chet: Wow.

Participant 36: “What will you tell your board of directors if you make a million dollar investment in alarm monitoring by a company that is now defunct?”

Jay: That’s good.

Participant 37: Network management again. “Don’t let your customers be your network downtime alert system and lose their continued business.”

Participant 38: This is for foundry equipment, and since we are dealing with the high production facilities, there’s certain items that a plant engineer or manager really fears. And my spiel is to point out breakdowns of equipment which reduces production and profitability, reduction of scrap production – anytime that you make something that is scrap, it costs you money. It also reduces your rating. And then the third, of course, if for the individual – midnight emergency calls. Those things that you have worked eight hours, or nine hours, or ten hours... You go home, and then all of a sudden at midnight you get another call that something is wrong, and you’ve got to go back in the plant.

Chet: And you can probably tell like five horror stories around each one of those things, couldn’t you?

Participant 38: Each one, I’ve had midnight calls myself, so I can vouch for that person.

Jay: OK, all right, that’s a good start. That’s good. OK
Participant 39: OK, I’m the voice mail guy. All right. “How do you feel when you finally reach a prospect, only to hear that they’ve already spoken to someone else? Fact: the first person to talk to a prospect is the one most likely to set the appointment, write the listing, or make the sale.”

Jay: That’s good. That’s good.

Chet: ___

Participant 39: Fact: 8 –

Chet: I’m sorry. Go ahead.

Jay: Go ahead.

Participant 39: Fact: 89% of business calls are not answered by the person being called. If you don’t want to talk to your customers, your competitor does.

Chet: Hey, give your slogan. I hear it’s great. Do you remember that?

Jay: Yeah.

Chet: While you’re checking your messages, or…? Want me to give it? I remember it.

Participant 39: While your competitor’s collecting messages, you’re making sales.

Chet: Right, that’s direct connect. That’s very good.

Jay: Yeah, I think that’s very good. That’s good. That’s very good.

Chet: Very good. Motivational.

Participant 40: I service mostly independent opticians and optometrists, and the things that scare them are losing sales to super-opticals like Wal-Mart, Sam’s Club... They’re losing revenues to managed care, contact lens sales to 1-800-CONTACTS.

Chet: Wow.

Participant 40: Laser surgery, computer eyewear sales – places like Staples, Rx sunwear sales to places like Sunglass Hut, and I think what we could say to them is “They were your customers first. Why are you letting them walk?”

Chet: Wow, you can really put them in pain.
Jay: You can put them in pain. We’ve got to then figure out how we can promise the outcome. But that’s great. You’ve got a lot of pain you can use. That’s good.

Chet: Yeah, well, that’s – right.

Vic: At Jost Machinery we’re working with manufacturing companies, and many of them are foundries and die cast companies. The sad thing is is that a lot of companies are now falling out of fashion, and there’s been a lot of laws against it, and there’s just a lot of foreign competition going on in the industry, so there’s been a lot of contraction and closing. I was basically coming up with a question where I thought that this might be poignant. “Where will you work when your company closes or moves to Mexico?”

Jay: Mm hm. That’s not a bad direction. That’s good. This has been a good exercise. Everyone done it? Anybody else left?

Carl: I’ve got one for Gordon, here. “Don’t discover you have a limit of 20 on your voice mail only after you’ve ask 500 people to call you.”

Chet: And most of them are limited, too.

Jay: Good. OK, because –

Chet: What time are we here tomorrow?

Jay: 8:30. Because we went pretty deep today, we’re going to start at 8:30 tomorrow. And what’s tomorrow’s agenda? What are we going to do tomorrow?

Chet: We’re going to start off with a module on getting customers. There’s like 60 different ways and strategies for any company.

Jay: Great. So are we getting into tactics now?

Chet: Not – like the substrategies. Like, how are you going to get them. We’re not into like, what you’re going to say yet. You know, this is a foundation for it. But we’ll work a little deeper and a little deeper, and you guys are going to have lot of strategies. And we’re doing data dumps in the beginning because we have to give you enough of a foundation that we can work with you, and the rest of the time we’ll be just digging deeper and deeper and deeper, and giving you all the actual –

Jay: What else are we going to do?

Chet: - things that we’re going to do. We’re going to talk about time management, and how to run a whole company for maximizing productivity, and we’re going to talk about how you capture mind-share with a customer in a way that keeps you in their mind-share from the very first time you capture it, and how – the way the brain works in that regard will help you be more successful in everything that you do. A
Jay: Good. Before we say goodnight, any questions? OK. I’ve got one thing. I’m going to arbitrarily pick about eight of you. When I point to you, come to the mike, because I want to have the one insight, just thinking instantly, that you got out of today, more than anything else, that’s on the top of your mind that really was very clarifying, or very intriguing, or very promising, or very connective for you, and what it means. A real quick summary.

Chet: Yeah.

Jay: All of you got something out of today. It’s going to be different. I want a little – so I’m going to point to you. Bob, - I don’t know all the names well. Gentleman I met in Mexico – Vic, Ruddy, Mike Fry, our restaurateur…

Chet: That’s you, Paul.

Jay: Mickey, you want to do that. Mickey, ah….(Todd wasn’t here for the whole day) - Tony. What’s the one biggest insight that this day has left you with, and what implication does it have right now to you in your specific company?

Bob: Using the weekly training meetings to codify and educate all of our staff on exactly what the goals, visions and philosophies of the company are, especially those put out by the company that made us grow originally.

Jay: Have you ever done that?

Bob: No, no, absolutely not.

Chet: It’s really –

Bob: During high growth it really became a burden. It became impossible to manage.

Chet: It’s life changing, especially if you have an agenda, which I’m going to provide a whole year’s worth for you.

Bob: Right. We’ve been doing a lot of meetings with the managers, but every time we start those it’s always free form…

Chet: Yes.

Bob: …and so we’re looking forward to the 52 lists.

Jay: OK, that’s great.
Chet: It’ll be profound.

Jay: Ruddy.

Ruddy: I’m going to actually say the perspective of distinguishing yourself with industry research, vs here’s what we do better than them,

Chet: Yes.

Ruddy: Because a lot of times when we try and distinguish ourself we want to, say, focus on us what we do, and it’s just a totally different perspective that I –

Chet: Marketing information is way more motivation. It creates way more influence and way more motivation than product or service information every time. So it automatically strategically positions you by having data that’s of value to your prospects. We gave you a lot of examples – and you’re perfect for it. You know, what you do is perfect for it.

Vic: Oftentimes in the past we focused on individual sales and companies that we could sell for and tried to make sense of it all, but I can see a much broader picture where we need to think strategically and really position ourselves so that people will be coming to us naturally, just –

Chet: From both sides. From as the rep firm to represent people, and as the rep firm to make the sale for them.

Jay: That’s right. Great distinction.

Chet: Absolutely.

Jay: So it’s double strategy. Great. That’s great Vic. Thanks.

Mickey: My biggest insight, I guess, into the day was the repetitiveness of the training. We have tried many different training aspects over the years but never followed up, so I didn’t think it did any good. It probably did a little bit of good, but we never went back and did it again, so it’s kind of fallen by the wayside.

Jay: I actually – and I’m a believer, but I thought your graphic would –

Chet: Stay there for a second.

Jay: I thought your graphic on the same thing was really impressive, and it really made a great visual for people.
Chet: So the carpet cleaning company – Jay throws out this idea…why don’t we have some kind of gold club that the people can belong to when they’re cleaning their carpets twice a year, and that was just – you know, rather than once every three years, because that would make a huge difference in the kinds of business. Oh, great idea. Well what would happen normally is that guy would have went away without all the stuff that you’ve seen here, and gone and tried to do that. He would have met with nothing but resistance - which is exactly what he met with – remember, this is a hundred and some-year-old company, and the idea would have just never gone anywhere. But me in his face saying, “No, no, no. Let’s go over it this way. Now let’s go over it that way. Let’s go over it this way…” And six weeks later they’re selling three out of ten people the gold service, something he would have given up six weeks ago – or five weeks ago. He might have tried it for a week or two – “Oh, they’re not doing it. They don’t want to do it.” “Well, let’s show them how to do it. Let’s teach them how to do it. Let’s get them to do it. Let’s have games, and let’s have contests, and let’s have prizes…” And now, like I said, it’s three out of ten. I’m looking for nine out of ten, because that’s what he should be getting.

So if you take that away, man, that’s a great gain. It can be a little tiny thing, but if you can get it implemented it can have a huge impact. Like that’s going to double, triple his business – that one little concept that Jay threw away. And he might have thrown it away at one of these events a hundred times, and it never got implemented because he went back to the office and he didn’t stick at it week in, week out, week in, week out and say, “Guys we’re going to do this until you guys get it.” So..

Mickey: Well I really struggle with getting my staff to think the same way I do, have the same mindset about the way we treat customers, or whatever. And you’ve showed me today how I could have a huge impact on that by training them.

Chet: Absolutely.

Mickey: In my way.

Chet: That’s good.

Jay: That’s great.

Chet: Great takeaway.

Participant 1: ____?

Chet: You asked me this before, and I asked him to ask me that again.

Participant 1: Yeah, what is the frequency of the repeat training? Because I loved that graph too. Like, is it once a month…every two months…?
Chet: Yeah. I’m going to give you the individual workshops for different aspects of your business, but if there’s five things that you can see that if you can get everybody to do, you stay on those five things until it’s implemented at the highest level. And I gave you six or seven different ways to implement them: role playing, this playing – you know, we’ll go deeper on that. But every workshop you do, if you’re not reiterating it on the following week, and the following week, and the following week, then you’re going to come back a year later and go look at those and go, “Oh, we’ve only implemented like 3% of this.” So that was a good question I wanted him to ask me in front of everybody, is that you find those five or six things – and you’re going to leave with them – that if you institute at your restaurant, or you institute with your reps, that you want your reps to do these three things – all those independent reps that represent you out there, or you want all your waiters to do these five things? Well you go back out of here, you’re going to have those things in your head, and you’re going to have them written down, and we’re going to help you get them. But it’s going to be about 6 weeks of solid work, or 8 weeks of solid work of you making them rehearse it, making them role-play it, making them demonstrate it, you having contests, having games, having prizes, different things like this, to where they’re just going…you know, “I’ve got it so completely now, it’s part of my -”

The lowest level of learning is memorization. I mean, I can teach you the five things that we want every waiter to do in your restaurant, and the five things you want a rep to do, and they can memorize it very early. But the highest level of learning is synthesis and integration, and that’s when it goes from – Mike, you wrote it down on a piece of paper here, but now you’ve so got it into your personality that it’s a natural part of every interaction with every rep. So when you get that to where those reps have that as a natural part of every interaction they have, now you’ve really got something. So you need to do whatever it takes to get those five things that you want going at those rep levels, or those five things you want those waiters doing in every single case in order to get it implemented. So thank you for bringing that up. Mike?

Mike: It was probably tied between I really liked “develop the broadest possible view of your business.” I like that analogy, and that just gave me some pretty neat insight, I thought. And then the article about partnering – I really liked that and had an interesting idea kind of come to me as you were doing that. So both of those kind of had an impact on me.

Jay: OK.

Chet: Great.

Paul: You know, again, I will go with the training aspect of what I have learned today, that when we hire and bring in a new staff, they’ll go through a training program, and then –

Chet: There will be three different restaurants.
Paul: And then they’re off. They’re not retrained. They’re not retrained. We don’t reiterate again what we want from them. We just have standards, and we go through it when we first hire, and then we kind of watch them, but there’s no formalized training ongoing in our restaurant. If we want them to be like this, but we’re – you know, we’ll get mad at them sometimes, or whatever - to perform, but I don’t think we set the standards that we want them to perform to all the time and train them.

Chet: By having continuous training.

Paul: And so this to me is just a powerful tool for us to just reinforce the power of our sales on the floor, the power of our service, and the power of selling from our hostesses – everybody on the floor.

Jay: If you –

Chet: In your case, it’s geometric.

Jay: Because you’re bringing everyone to bear, and they’re all working together, and the dynamic is profound. So.

Chet: And Jay always says, “Getting the most out of everything you’ve got.” All of you, if you institute better training programs – even one on one, if you’re working on your business instead of in it, you’re going to get more out of everything you’re doing. So…

Paul: Well, each restaurant has a general manager and a management team of captains, and we’ll get together. But again, if they don’t get the training they can’t pass this training on because they don’t have a systematic way of doing it. And this is what I’m looking at from you, is to actually getting a systematic way to train. I never would have believed once a week would I ever want to have training once a week in a restaurant. It’s too expensive, but to me, now it sounds like an incredible idea to make us…

Chet: Why would it be expensive? They have to go to the restaurant anyway.

Paul: Yeah. It doesn’t bother me.

Jay: But the good news is I guarantee this will be critical as you’re rolling out the model.

Paul: Yeah, well this is why it’s so exciting to me. It’s just to make that model even better.

Jay: That’s great. That’s good. OK, Tony?

Paul: Thank you.
**Tony:*** Like Mike, I enjoyed your article on partnering pairs. That was really timely for me. I felt like in our companies that ____ one of the reasons we’ve been able to accomplish what we have in a short time is because we have done a very small amount of joint venture. But I just think that we’ve got a huge opportunity for that. So that was really relevant and hit home with me, but the mixture of hearing everybody’s different takes on the little questions and nuances is really – just keeps your mind energetic and thinking in a really more and more higher level, creative way every time a new concept is brought up. And so as I sit here just kind of summing up the day, it’s the collective experience of hearing everybody’s little thoughts for their particular industry and their particular company that really makes it really valuable.

**Jay:** OK, thanks. The point of reference here is that different people get different things out of different experiences, and the progress and it comes together at different ways. My urge to you all tonight, if you’re not too tired…you’re going to go to dinner anyhow. Pluck one or two or three representative groups here, go together, talk about your take on today. Talk about your answers to these questions. Talk about the workshop. Talk about how you’ve used my stuff in the past that has worked. Because all those shared perspectives translated by the time you’ve done it seven or eight or ten times over the weekend will be a very strong, strong reinforcer, and a very powerful catalyst to making this whole thing really come alive for you.

With that stated, I’ll see you at 8:30.
(The following section gives participants’ feedback from the previous section’s workshop. While we strongly suggest that you study this section closely to translate the ideas to your own business applications, you may skip to the next module if you wish.)

Jay: First of all, did you get to have dinner with some fresh new people and perspectives? Yes? Yes? Most of you go out to dinner with some different participants, and share perspectives and insights? Was it helpful? Was it clarifying? Did anyone get any new breakthroughs from last night? Talking to different people? Nobody? So this was not stimulating dialogue? Boring? ____? No? OK.

The key, in case you don’t know it… I’m an assumptive person, accidently, occasionally, and I have models that I’ve taught so many years that I forget sometimes to share. The key to the experiences that you’ll get in any event that I ever do or orchestrate – and this one’s even probably more true – is to make certain that at every break, that at every mealtime, that at every free time that you’re not going to go to your room, or not going to make phone calls, or not going to just pass out – that you seek out someone else in this room who has experienced seemingly the same encounter that you have, but who probably saw and interpreted it, processed it, focused on different elements through a different screen of experiences and orientation, and got a totally different – however, an equally as productive, profitable, and breakthrough insight out of that day, or that hour, or that session, or that exercise. And the more of the perspectives you can garner and gain and grasp, and then file and add to your reference file in your mind, the more powerful your ability to execute and to implement, and to really harness the power of what was shared will be. That necessitates you being able to literally be the most proactive, charismatic person you’ve ever been. Go up if you’ve not met somebody, say, “Hi, I’m Jay Abraham. You probably saw me up there. I’m from ABC Company. Tell me who you are. Let’s go out and have a lunch or a coffee - or if not, can I ask you, what did you get out of that session?” Or “What’s been the most impactful thing for you so far?” Or, “What did you find from the module on such and such?” Or “What breakthrough came to you?” Or “What do you think so far the biggest action coefficient is?” If you ask that of 30 people you’re going to get 20 totally fresh and very invaluable perspectives. And if you then are inclined to share, and say, “Let me tell you what I got. And you know my business – have you got any perspectives I didn’t see?” And you’re open to listening to constructive perspective from the other 30 or 25 people – however - you go to in the room who have already been through it, but coming at it from a different point of view,
you’re going to get such an expanded paradigm, it’s going to be a mindblow – a true mindblow. So I urge, urge, urge you to do that at all the breaks.

Also – and Tanya, I don’t know what’s – I want you guys always changing tables, but from a practicality standpoint it’s probably not going to work at all the breaks, because I don’t think that the hotel staff can change the waters fast enough. But definitely at lunches when you return, I saw a number of people who seem like they’ve stationarily set themselves in one position for the day. I’d much, much prefer – for you, not for me – if you’d force yourself to see life from different vantage points. If you’re sitting in the front now, move to the back after lunch. If you’re in the back right now, move to the right. If you’re at the right, move to the left because you’ll get a much greater perspective on people and life, and make sure you’re never staying with the same group of people.

Truthfully, Chet, for most of your exercises, it’s not necessary for them to be together with all the people from their company, is it? For most of your workshops? Because they’re just writing things down unless I get them engaged. If you really want the broadest disparity of perspective. If you’ve got three people and they’re at three different tables, and when they do the discussions, you’re going to get three times the combined perspective. It’s probably a higher leverage than sitting there with their counterparts.

Chet: Mm hm.

Jay: What do you think?

Chet: Sounds good.

Jay: Yeah, so I think when you come back, try, if you’re with somebody right now from your company, try hereafter on the breaks not to be – not to break you apart. You can always get together at the end of the day or at lunch and reconvene, but what we’re going to do more of today, and more of even tomorrow, and far more of on Sunday – is lots of interaction where you get the perspectives from different people. Because when you see how many different ways people see the same – and experience, and interpret, and understand and apply the same instruction, the same dynamic, the same experience, the same piece of information... And if you use your pen and your ability to extrapolate wisely, every time you hear seven perspectives you’re going to get three new ones to add to your own that really work. And if you can really stretch you’re going to get even more, and it’s going to just accelerate the process.

Today we’re going to do a pretty intensive first half of the day. Out of strategic necessity, Chet is going to spend about an hour and a half or so running you through two very critical remaining strategic areas. The first is how the brain works so that you can maximize your ability to – not just to process, but to profitably exploit, ethically, the maximum amount, not only of what you learned here, but to tie it into everything I’ve already taught you so that you can really bring it alive, and incorporate it into an
operating system. And then you can really – we’re going to work on those eight main drivers and the other one that I added yesterday to your list. But you’ve really got to learn how the brain works, because you can’t really – if you don’t understand yourself, you can’t maximize your performance. If you don’t understand yourself, you can’t really manage or maximize your ability to lead, inspire, and leverage the performance of others. This is going to be very true of understanding yourself, and understanding every – I don’t want to say, piece of human capital, because that minimizes the worth and the value to you of your team. But everyone is intellectual capital. Everyone that works for you. Everyone that contributes to you – including your advisors, your suppliers, your collaborative colleagues, mentors, advisory groups…all those people. The more you comprehend how their brains work, the more you can lasso the power of that immense engine - or those multiple engines – together. And think about it -

I went on a cruise in spring with my kids. I was on the largest, at that point, cruise ship in the world, the Voyager of the Sea. Anybody been on it? Then you know what it is. It’s – I mean, it’s longer than a football field. It had 3500, or 4500 guests and another 2500 staff members. And they had something like eight engines driving it. If it had one engine driving it, first of all, we wouldn’t have gotten out of the port, and second, unless it was really in the middle we probably would have gone around and around in circles. And if you can use – I mean, I think metaphors and similes, as I told you yesterday, are the greatest way to dynamically comprehend, really, the implication of a powerful concept.

Your goal in your business is to try to add, connect, synchronize, and then get maximum torque and sustaining performance from the maximum number of performance engines you possibly can. You can’t do that without comprehensive understanding of all the key dynamics at work – or working against – the successful strategic and tactical outcomes you’re after.

So we’re going to do first about 45 minutes on how the mind works, right? Then we’re going to do about 30 minutes on time management. And if you’re one of the very few people who is so incredibly, comprehensively sophisticated and masterful in the way you use every moment of your time, then I apologize. If you’re not – or if you’re even pretty good, our goal is to free up for you hours and hours a week. And it’s more than freeing up hours – freeing up massive compartments in your very precious performance vehicle called your brain so that you can direct it, connect it, and deploy it in a far higher and better area.

Now most of you – I’ve not done much of my past work from the body of my work, because I’m assuming the vast majority, if not all of you, are so inculcated in it… Then this is all about taking what I’ve taught you in the past, connecting it to the operating system, the process, the procedures, the mechanisms that will finally make it a systematic, strategic, recurring, basically institutionalized mechanism in your business that’ll make that business thrive.
Then after we get all that established, I’m going to get you a lot more evolved stuff on Saturday and Sunday, and then we’re going to work with everybody incessantly on Sunday. But we’ve got to get the last pieces of the strategic puzzle together for you, or you won’t be able, really, to maximize it. I am occasionally going to drop little reminders of stuff I stand for just to get your mind back in synch, because as I said, when we used to do a lot of variations on the basic 20 or so premises that I had mastered and refined, Carl would tell me that so many people would say, “Well I already know that. I want something new.” And we would always say, “Well, tell us how many things have you tested in the last six months?” “Well…not very many…” “Tell us about – how many – you have three, four, five, seven – how many formalized referral systems do you have in place?” “Mmmm… none…” “Tell us about the strategic alliances. Tell us about the endorsements. Tell us about all the partnerships that you’ve got in place, both selling your product and the other things you’re selling. Tell us about the line extensions. Tell us about what new ways you’ve come up with for stimulating greater transactional size. What do you do with your clients when you’ve got nothing else to sell them?” “Mmm…I want new stuff. I want new stuff. I want new stuff.”

Well, I’m going to keep reminding you in very picky, quick ways at the beginning and the end of days, of little elements of my basic ideology or methodology that you probably know but probably haven’t done as much with as you could or should. Yesterday, Howard, I shared an article from Forbes and some parenthetical comment on the critical importance today of partnering and strategic alliances, and I made a lamentable – not a tirade, but a reflective thought that it saddened me a lot that since 1985 I’ve been begging, imploring, doing about everything in my human power to get every company, large or small, I’ve ever met to figure out how to establish the maximum number of manageable strategic alliances, endorsements, host-beneficiary relationships, both with selling their product, and also reversing it, figuring other things they could do with their goodwill, with their affinity, with their distribution channels, and how tragic it was to me that that was probably the most lucrative breakthrough they could enter into. And so few people did it. And now the whole is recognizing it, and there are big Fortune 500 companies that are assigning complete departments and are considering that, seriously, their biggest area of growth, and hedging the sanctity of their company. (Just giving you a quick update.)

So I’m going to go through a couple things, and then Chet’s going to basically take you through understanding how the mind works, and we’re going to introduce Howard before we start. But I’m going to go through – these are just some quick points I want to just remember.

There’s something we created years ago. It’s called 21 Power Principles of Business Builders Who…I can’t even remember what the business builders did. But basically they transcended and they multiplied the results of everybody else they worked from. And I dug this out of archives, and I’m just going to go over probably 15 of them just to remember and remind you of things I’ve already taught you that you probably don’t dutifully deploy and employ right now.
The first one is: **Don’t keep your customers from buying!**

For three years I used to open every program I ever did with a very eerie question. I would ask people, the first thing out of the gate, I would say, “Are you limiting and restricting the number of clients you could have buying from you? Are you limiting and restricting and impeding the size of the transactions they could be doing with you? Are you limiting and thwarting the frequency and the scope of repeat transactions? Are you keeping them from referring to you because you’re making it hard, because you’re waiting for them to do it for you, and you’re not setting up a turnkey, systematic procedure, and ethically programming the whole event?”

And I ask that to you today. We’ll go through tomorrow, do it Saturday, or Sunday, a lot, interacting with a lot of you towards that, but that’s one of the things I’ve always stood for, is that we sit, sometimes, frustrated because people don’t beat a path to our door. Because people don’t buy everything we want. Because people don’t come back as often as they could because we’ve got nothing else to sell them, to ethically profit from, because they don’t send droves and droves of people, as if it is their responsibility. It is not.

I was interviewed before – the marketplace has gotten very sophisticated in the last three, four, five years. The consumer, the corporations, competition… but…management…And I was doing it – whatever it is - ___ short of begging everyone to test as many variations, as many aspects of their whole business revenue-generating process with the correlating recommendation that that same mechanism would work in all your operations. I just wasn’t skilled in applying them there, because if you tested constantly different ways of engaging people…different approaches to dialoguing with them…different presentational approaches…different phraseologies…different benefit focuses…different offers…different prices…different descriptors…different headlines or their equivalent – and those of you who don’t remember, a headline is not just the beginning of an ad. It’s the first phrase that’s uttered or used in a letter, in a phone conversation, when asking for appointment, when meeting a client…

I mean, I’ve told this to this group, but maybe not. Years ago we did a lot of test with a furniture store, a very successful one in the Rocky Mountain area. And they did like $40 million in one facility. And they were Jay Abraham zealots personified. They tested everything, and they found, for example, that when people walked in their store, when the normal person would say, “Can I help you?” or “What are you looking for?” That when they used the phrase, “And what ad brought you into the store today?” That produced 300% more ultimate sales. I wouldn’t have known that. You won’t know what’s going to work masterfully unless you test. But if you test –

I mean, I’ve told you, breakthrough – one of the – I’ve been lucky. People say, “What’s the most impactful thing that’s happened to you?” And I can’t really say that, other than the fact that I was introduced to a book called *Scientific Advertising* years ago that transformed my perspective on analytical and test-based marketing, selling, and revenue generating, and a lot of the precepts and the belief system that I have now.
But one of the most impactful things that ever happened to me was in 1992 or 3. I got the very good fortune of counseling the Deming Organization. Deming had long since died, but those of you who have any understanding of process improvement and quality improvement might know that Deming is the father of that. He created the training modality and all the science that was used in Japan right after the war to take the Japanese manufacturing machine and turn it from a bunch of schlockmeisters to a formidable, qualitative and cost-competitive performance model that everybody has since taken.

When I help a client there’s no way in hell that I’m going to ever aspire to have their brilliance in their area of expertise and distinction, but I had to grasp the key elements of what Deming was advocating so that I could try to help sell more of it to more businesses, manufacturers, production people, etc. And when I learned Deming’s philosophy of optimization, it rocked my world. It rocked my world because I was able to see that in most enterprises, on the revenue side no one had ever translated or extrapolated this concept of optimization. Nobody ever said, “Well let’s first of all…”

Optimization simply says this: every function can be broken down to its driving processes. And when you write out what those processes, and even subprocesses, are, each one can be measured…they can be quantified…they can be improved. They can be improved first and foremost if there are multiple people in the organization, or a reference model that you can go to – multiple people doing it outside your organization that you can get your hands around. You will find, like the Parella Principle, there’s going to be an enormous spectrum - ____ the 80/20 rule – an enormous spectrum of variation in every process. For you in a restaurant, for example, if you have 200 servers... You probably don’t, but if you did, and you started analyzing the different revenue-generating processes, you would probably see that certain servers have an average of 20, 30, 40% higher tickets. Certain servers have an average of three times the wine purchases, or the mixed drink purchases. Certain servers have an average of much higher levels of desserts. Certain servers have a much higher incidence of people coming back.

Well, the normal attitude of business with these revenue-generating processes, when you look at them static like those were – (I can’t remember what the word is. Early morning is not my strong suit. I’ve got to get some hot - Is Carl in the room? Can you get me some hot water? I don’t drink coffee anymore, so – oh good. And a cup? I don’t know – hot water psychologically makes me think I’m waking up!) But people don’t look at the fact that this can be very scientifically recognized. If you found the top, for instance, the top five people in a given revenue-generating category and there are going to be different people in each category. There might be one person (Thank you, Carl) who is (I’ll drink them both. I’ll drink them both. Now I’m going to have to pee. Thanks.) If you find the top five people at, let’s say, you did a sale. That may not be the top person for wine. That may not be the top person for repeat. But if you can figure out first of all who the top performers are, internally or externally – meaning if you don’t have it because you’ve got
a limited staff or everyone’s mediocre, you want to go outside and find top performers in areas that aren’t competitive so you can pick their minds.

But what I learned to do was figure out what their unconscious competence was by first of all, analyzing factors that no one ever analyzed. For example, I did a radio chain, a public company that had 400 salespeople, and I started looking at the elements they’d never looked at in the process. Who’s better at just targeting new prospects? Who is better at getting appointments? Who’s better at preparing proposals that got accepted? Who’s better at getting the largest size initial order? Who’s better at selling the whole spectrum of product offering, because in radio everyone wants prime time, drive time. Nobody wants the middle, or what’s called the “crap time” – excuse my vulgarity. Who’s better at getting – selling other packages which are selling non-broadcasting, adding other things that are revenue-generating. It’s like packaging add-ons. Who’s better at getting multiple purchases – people that stay on and on? Who’s better at different categories of business? Who’s better in selling different time segments? Who’s better at selling different kinds of shows? Who’s better at selling different kinds of industries? And until that you know that, you can’t manage. Who’s better at opening accounts? Because sometimes when you find somebody who’s better at opening accounts –

Most people have a really dumb – and Chet, I don’t know if we’ve ever talked about this, but a dumb attitude about salespeople. They want one person to be omnipotent. They want them to do everything. Whereas you might find that one person is ten times better at opening accounts, but either they don’t have the skill set or their bored. They don’t manage it. Well, when you figure that out, if somebody’s ten times better at opening accounts but only 80% as good at maintaining them, perhaps a smarter thing to do if you are an optimizer is to make that person’s job to open accounts and pass them to somebody who likes to manage but can’t open them.

But it’s Logic 101. But when I started doing that, I started realizing that – for example, with the radio station, I figured who the five or ten top people were inside if I found an application inside the organization. If I found an application where there were no five or ten, I would ask who, in a non-competitive but a comparable field – either in the same field but outside the marketplace, or a related field that was in no way or shape competitive, had a high performer, then how could we pick their minds? And I would go to those people and offer to trade my services on behalf of my client free, if they’d let me, as a service for them, but also for us, pick the mind of their comparable’s top performance staff that did it.

And I found that by asking a lot of socratic questions of people in a group setting in front of all the other people that performed this function, it had ten times the effect, even of what Chet’s talking about, which is training, because it was peer confirmation. If, for example, this table were all the salespeople and I knew that these two women were the top people at opening accounts, and these two people were the best ones at securing referrals, and those two were the best ones at averaging the sale, and the one on the right was the absolute supreme master of selling a specific product, and the one on the left was
incredibly great at selling a specific industry, I’d start a dialogue on each of their
expertises with the right people. And I’d say, “Well, first of all…” And I’d be very
humanized. And I’d record it for posterity, and as a training model.

And I’d say, “OK, tell me (for example) John, Sally… tell me what goes in your
mind when you start? You’re great at opening accounts. And first of all, how do you
find new accounts to open? What’s your strategy?” And most of them had never thought
about it, because most entrepreneurially successful individuals and a lot of
entrepreneurially successful business owners and professionals – they sort of do it
intuitively. They’ve never codified. They’ve never really thought through what their
operating philosophy, their strategy, their beliefs are, their business model, their
foundations are. But when you draw it out of them for the first time it’s really wonderful,
because they’re having a sense of discovery too.

So I’d say, “Well, OK, well what do you do?” if they don’t know. And you keep
going deep. Chet talks about “drilling down.” Drilling down, the phrase, came to light in
the Internet era, and I started really not liking it. But the more I think about it, it’s really
ture – you drill down. You basically start to get, first of all, what their mindset is like.
Then you try to figure out what they do. Then you try to parenthetically when you’re
interviewing somebody who’s a top performer, or the top three or four, you try to figure
out, not only what they say and do, but why. And you try to go back in time to show all
the other people who don’t do it…who’d never thought about it…who didn’t have the
experience, that a lot of people’s success comes from their past experiences. So you go
back in time more aggressively, and you say, “OK, John, well, did you always do that?”
“Well, yeah.” “Well, let’s go back…” And you might go back to the beginning where he
says, “Yeah, my Dad taught me when I was a little kid.” You’re never going to get “No.”
It’s just, you’re going to meet a lot of friends. It doesn’t matter. “Or, I realized how
much excitement it was when I was selling newspapers door to door.” Or “When I was
selling Christmas cards for my new bike, and I realized that everytime I knocked on 20
houses I sold 10 of them, and every three blocks made two bikes.”

And you start to get that, and you’re quarrying it. Then you get into technique,
and then you get into phrases, and then you get into mindset, and then you get into
attitude. You’d say, “Well, people love you. Why do they love you?” And they’ll say,
“Well, I love them.” And you’ll say, “Well, what does that mean?” And they’ll say
something like…and you’ll get different responses from everybody you interview.
They’ll say, “Well, I just think people are interesting. I just see my purpose as trying to
help their life be better, or happier, or more rich, or I really want to learn from them.”
And all those distinctions, when you interview three or four or five people who excel in
each category – I’m just using random, hypothetical examples here… Does this make
sense, or am I confusing too many people?

Participants: No.

Jay: Well, this process, if you do this, I guarantee will produce a 10% to a
400% enduring performance improvement in every category you do it with, with
everybody that has experience with it. And if you get it on the tapes to listen to once they’re tightly edited (because a lot of it is stuttery-type stuff trying to draw it out) you’ll have training material of the highest magnitude that you can transcribe, put into training manuals.

But I learned how to do that. I learned how to look at – when I worked with Deming it was explosively clarifying for me, and I realized that nobody applies Deming’s philosophy to the revenue-generating side of the business. And I bet what I just said (as confusing as it is because I’m not awake) probably opened up a lot of business for all of you because you can go…

Anybody in this room who competes in a limited geography can go to everybody else who’s a higher performer outside your field, call those people on the phone – the heads of the business – and say, ‘Hey, my name’s Jay Abraham. I’m in the fencing business, and I’ve got a really qualitative little fence company here. And I have no desire to ever be in your turf, and I’ll be glad to give you a signed, notarized affidavit attesting to I would never, ever in my life compete with you at 100-, or 200-, or 300-, or 500- or 1,000- mile radius lest you sue me for everything I’m worth. And I’m calling to ask if we can exchange perspective. You are reknown for being the top fence company in the country. You guys, you sell the average fence of 25,000. My average size is three. Your average salespeople sell a million dollars apiece. I’m lucky if I sell a million. I want to learn some things from you, and I’ll teach you some things that we’ve got, and if I can’t teach you, I’ll be your greatest friend. And when I get to the point where I apply it and come up with breakthroughs I’ll share them back with you.”

And if you did that 20 times a month, you think you’d get some people that would give you some insights, Jerry? And if you guys were in fields where, like Howard, you can’t do it with – because you’ve got architects trying to get the same business, you figure another kind of profession that’s parallel but not competitive, and you pick minds there. And you form collaborative groups, not just to b.s. on generic issues, but to go probing deep once each side can realize what they excel at, and what they don’t. And you fill it in.

And that process is like a no-brainer way. When I’ve done that, I’ve done that like seven times in my life in a formalized way for eight, twelve hours, where I’d get an organization to bring all their people in. The first time we added $6 million in sales in two months, which was like a 25% increase in the whole performance of the company, just by letting everybody hear what everybody else did differently, better, but with me leading it and first figuring out who excelled at what.

So I’m just sort of throwing some perspectives, and I got on a tangent, because it was supposed to be a bridge to something else, and I don’t remember what it was.

What I learned from Deming was the philosophy of optimization. Optimization – how many people here are in commercial real estate based...? You would know about commercial real estate – you would know about commercial real estate. In commercial
real estate…this street that this hotel is built on, and all the other ones, is a reasonably prime commercial area called “Century Boulevard.” If across the street from this – I mean, the hotel will probably be very nice when they’re finished. It’s a little fun now. Nothing works. Across the street from this hotel, if there was a vacant three-acre lot, and on that lot, other than a bunch of brush and shrub and weeds, there was a two-bedroom, beat up, 650-square foot, just wretched house, and we were thinking about buying that - Or no, let’s say you owned it. Or we’re going to buy it. Doesn’t matter. And we wanted to know what it was worth, and we called a commercial appraiser, and he or she, if they looked at it, would not appraise that property as what that run-down, 600-square foot house was worth. They wouldn’t say it’s worth $225,000 (which is a ludicrous price for that house, but it’d probably go for in Los Angeles.) They would look at what they call “highest and best use.” They would appraise it as if that property were built out with the highest and best utilization, whether it’s a hotel, or a parking structure, or a commercial building, or an office building. And they would then appraise it’s value in that context.

When looking at elements of your business life, whether it’s the deployment of capital, the deployment of time… (which is why even if you’re very well time-managed, if Chet gives you 20% better, that 20% could be invaluable.) When looking at your human capital, your people, your staff, your team, your vendors, your relationships… When looking at your distribution channels…when looking at deploying of your brand…when looking at all those, you’ve got to look at it with a mind towards highest and best, highest and best, highest and best.

I’ll make a couple more comments, and then – tomorrow I’m going to talk a little about recession-proofing your business if we have time. If not, we’ll do it absolutely on Sunday. What did I do with… oh, there it is – pardon me. I get on my tangential diatribes and I forget what I’m doing. OK, testing – I’ve gotta do testing. Oh, I’m sorry. I know what I was going to do.

I had the great fortune for the last year of working on a very interesting project with the pre-eminent company in the world in multi-variable testing. And they look at all kinds of nuances that no one would ever think about. And they work with Fortune 500 companies, and they are called in and paid $500,000 - $1 million for a project. And it’s very scientific, and they’ve got algorithmic, proprietary formulae that they use to look at stuff.

And they found out something that is humbling as heck to me. And it should excite you, but it should also motivate you to finally embrace – because the whole purpose of doing this program is to teach you new stuff, but to say, “You’ve got a lifetime of incredibly proven performance, profit, competitive-enhancing methodology I’ve taught you in the past with all the materials you’ve got, but you didn’t do very much with it because you didn’t have a system.” So first of all, connect the path so you’re getting the full might, and payoff, and dividends of everything you’ve ever invested in, and then to teach you some new stuff.
This multi-variable company – one of the humbling things they shared with me when I started was that they’ve tested, I don’t know, something like 500,000 variations, variables, assumptions, processes that people are involved in. Everything from manufacturing, which is the first focus you’d use something like that, to customer service, to advertising, to selling mechanisms. And what they discovered was that – and this is the reason why you must – not just should, but you must test continuously. Most people make their decisions by conjecture. They say, “Oh, I don’t like it. Let’s just switch to this.” They said that they’d found, analytically, scientifically, and definitively, that of 100% of the decisions you come up with (left to your own devices and done through conjecture) 75% will not have a positive impact. 25% of that 75 – if you have a third of that 75%, or 25% of all decisions, will have a negative impact. 50% will have no impact. Well, if you’ve got a 75% chance of being wrong, doing it from the gut – or doing it from your heart – why do it when you’ve got 100% chance of being right when you test? Think about that. Think about that.

The other thing that they found which was really fascinating, was that many of the biggest breakthroughs only came about with sequential change. And the easiest example I’ll give (which I used in a lot of references) is that I learned years and years ago that you could send a letter and it might work…you could make a call and it might work, or it might not…but if you did letter, call, letter, call, in a sequential manner the cumulative effect of that process, systematically employed and deployed at key intervals was almost always successful. There are many, many, many combinations, and I’m just using letter-call as an example. It can be any of a number. It’s like in the selling arena (and I’ll see if I can find… I don’t think I’ve got it here, but maybe Terry can come and give me some of the research that I can share with you, because most of their stuff is proprietary and I can’t share it. But some of the stuff they disseminate in their brochures and I can share some of their findings with you, and it’s just brilliant stuff.) But this is –

I’ve always stood for rapid, seemingly unbelievably substantial geometric growth. And everyone has always said, “Well that’s not possible.” And they discounted my track record and my rep. It’s not that I’m that brilliant. It’s that most people demand or accept such a low performance from the effort, from the people, from the combinations, from the possibilities, from the variables and the factors they’re using.

So test as many of your revenue-generating and selling processes as you can possibly do. And you can’t possibly – you can’t test until you know what they are. And you can’t know what they are until you sit down and break the whole process into its core elements and then figure out and analyze who in the world, internally or externally, excels at it. And that’s who you want to listen to. You want to know not only the process, the literal process, but the mindset, the basis. And I’ll tell you one of the reasons this is important.

I had a mentor (I’ve got loads of mentors in my life, for which I’m very thankful.) I had a mentor in my early stages of gaining an insight and understanding of marketing, and he’s the main who turned me onto Claude Hopkins. And those of you who are Jay Abraham zealots from way back, I used to preach Claude Hopkins’ Scientific Advertising,
which was a little book that was like the Bible. I read it 50 times and it made me millions and millions of dollars. Every time I read it it was like our attendee here in the religious circle. It’s like reading the Bible for somebody who’s really committed to it. Every time you read it some new distinction or profound realization would come to bear with me.

But the person that taught me this book called Scientific Advertising was a summary of the philosophies and principles and concepts that this brilliant breakthrough marketeer from the early 1900’s. But he had me read right after that a book called My Live In Advertising, which was the autobiography of this guy, because he wanted me to experience what the guy had gone through to be able to formulate these distinctions. And then he had me read a book called Taken At The Flood by John Gunther (these are all out of print books. Claude Hopkins is being reprinted.) Taken At The Flood was about Albert Lasker, who was the head of the second most powerful advertising agency in the world for whom Claude Hopkins worked, because it gave me a bigger context to counterbalance and to reconcile all the points that Claude Hopkins had written about, and see what reality looked like, and also get a better context.

Without that kind of a context – not just somebody doling out – like it’s great, and you know __ Chet could spend a year with you telling you the basis and the background and examples and context of how he evolved to his methodology, and you would gain a lot more for that and from that if you had the time. You don’t, so we’ve got to try and shorten it, but I was fortunate enough that I could take the time to figure out – this man, first of all, came to the conclusions after studying all these events. Here are the events he studied, and his ____ , his defeats, his successes, his whole history of events that caused him to come up with these precepts. Here’s the bigger global picture of it all.

And that’s what I try to do when I’m drawing out of people, is to figure out what the precepts are…what events caused them to create them…what their mindset is…what lessons can be learned forward for somebody else. So I would urge you to do that.

Growth through strategic alliances. Strategic alliances, host beneficiary, endorsements – and they’re both ways. It’s a dual valve. If you broaden – yesterday, Howard, we talked about broadening your global vision of what your company is because it gives you license and comfort in expanding the scope of products, services, combinations, and ways you use your distribution channel, your brand, your relationship in an honorable and an ethical way. Reverse the risk to put your sails in forward drive. If you don’t work hard on figuring out risk reversal, and you don’t experiment and verify, it’s a shame on you.

I was in Gauer’s a month ago working on a program with this franchise company I’m helping, and this ophthalmic surgeon came up to me. He was there for this program. And he said, “Jay, I’ve got to tell you something. I’m the most successful Lasik surgeon in Oklahoma City.” And he said, “I’ve been a follower of yours for ten years.” And he said, “The thing that changed it all was this.” And he gave me his business card, and on the back it said, “The only physician in… (and I’m just paraphrasing. It may not have said this literally) But “The only physician, or the only ophthalmic surgeon who will
guarantee the result. If you’re not absolutely satisfied you don’t pay.” Or something like that. And he said, “When I started doing this my colleagues were up in arms. They wanted to stone me.” He said, “I own the market because of this.”

Risk reversal’s such a powerful concept. Anytime any two parties come together to transact anything – whether it be business…whether it be fraternal relationship…whether it be romance…whether it be any kind of a transaction whatsoever – one side is always, consciously or unconsciously, verbally or non-verbally, implicitly or explicitly, asking the other side to assume all, most, or more than all of the risk in the transaction. To the extent you can take away all of it, most of it, part of it…take more of the risk than your competitor does, you weight the scale that much more in your behalf.

And it’s a real world. You can’t always take 100%. You can’t say, if you’re a realtor, “If you don’t like the house I’ll buy it back.” But you can take away a lot of the decision risk by saying, “#1, I won’t even let you buy it or sell this house ‘til you talk to ten different people who I’ve served, and ask them candidly, ‘Do you think you got more yeild on the transaction or you got a better value on the purchase, and then I counseled you as if – and wouldn’t let you buy certain things you wanted and fought for, and negotiated better deals on points, or better deals on financing, or better deals on this…’” And #2, even though most real estate agents can’t afford to buy back the house, they can say, “Look, I wish I had the pocketbook to buy your house back if you’re unhappy, but I’ll do the next best thing. If you’re unhappy for any reason in the first year of owning the home, I will list it for you, and I will facilitate the purchase of a new home for you, or the lease of a new residence for you, and I will waive all my commission.”

Well, I mean, keep in mind, in a world where everyone is not saying they’ll take away the risk, if you take away even some part of the risk you stand out. This is so evident, but it’s not really practiced. Make top quality a top priority. And make sure the top quality, just like value, is defined not by you, but by the client experiencing it. Make sure that they appreciate what the quality is. You may be a fastidious person about something that doesn’t translate to be appreciated, or be impactful to the reciever.

You’ve got to have what I call a “you attitude.” And “you” is not you – it’s you the client you’re serving, or it’s you – and again, there’s three kinds of clients. It’s also going to be a “you attitude” about the people who are working for you; a “you attitude” about the people you’re buying from… Because truthfully, most people have an acrimonious relationship with their supplier. The optimum one is having a supplier worrying about you 24/7. Having that supplier trying to come up with new products, new pricing, new ways to make money for you, and to make you preeminent. And that’s only possible if you think about it in that light.

I’ll do more of these later, because I’m going to talk too much. Go ahead, Chet.

**Chet:** OK. So, I just want to summarize some learning curves yesterday. Now it seems too lapsed. What do you think?
Jay: No, that’s fine.

Chet: OK. Some learning curve from yesterday, and then I sat here and went through some of these companies trying to create for you what I think are just some breakthroughs from the material that we worked on yesterday. I’ve got about, I think, six or seven of you, and I’ll do the rest of you by the time this is all done.

So the first thing I just wanted to point out is that whole concept of superior access vehicle. I didn’t want that to slip by, and you guys not really get it. There are easier ways to get to your customer. There are easier things to sell, and the sale can be made step by step by step. So for example, the foundry company I was talking to earlier, they’re trying to sell maybe a million dollar project, but you can make a small sale that is just to get a meeting. And then your whole focus needs to be on “How do I get that meeting?” And so - and you just make the sale in graduated processes, and that tape that we did for Immuno Labs, that Jay and I interviewed 30 doctors? That is like the perfect, if I were to describe it, it’s like a big funnel. And again, I’m going to get into this in the sales process, but if you looked at what this guy wanted to take someone through in the process of coming to a decision, we basically built a funnel, Jay and I.

So it starts off and we say the reason for the call – and this whole section was on pain. It was just pain, pain, pain. We had doctors on the call. But more important, we’re going to use that tape after the fact to send to other doctors as a way of motivating them to want to do it. Then we had – so we set up the pain, pain, pain, pain, pain, and that was the president of the company just talking about the data that the researcher had found in going over it, and it was just killer. You could just feel that people were like, “Yeah, oh…” and they were ready for anything at that point. And then I gave an endorsement – my own personal experience with the food toxicity tests that they do. Jay gave an endorsement of his. Then we gave them ways to build their business, and one of Jay’s core concepts is getting everything got from what you have, right? So you already have your patients… you already have your practice, you already have your nurses… how can you make money from all that?

So it basically, it just brought these guys down to here where like, every single person that was on the call is like, “I’m so there!” So it makes the sale for you, and I could take you through how we did the same exact thing for Furniture Fan – these guys I told you about yesterday who were on the Web trying to get furniture stores to sponsor their website so that they can drive leads to them off the Internet. Similar model that Dave Dean has – where did he go? I knew you were here.

So that’s a great idea for about half the people in this room. You could actually get Jay and I – or anybody you desire – to interview ten or twelve people with the purpose of it being something for them. Meaning we got these doctors to the call by saying, “Learn how to increase your practice by a quarter of a million dollars in a year without adding a penny of expense.” And it was actually 40 of them came and joined on the call just to get that insight, and we only target 200. So that’s 25%. It was a pretty high degree, and these are current customers.
Jay: But also Chet – excuse me – it had peer confirmation because there were 10 or 15 of their colleagues - physicians, alternative health physicians - that were not only devoutly committed to this testing process, but were actually citing what it meant to their, both patients from a –

Chet: I was down in here. I was getting the final for…

Jay: - therapeutic, and also what it had meant to their practice from a financial standpoint.

Chet: Yeah. So here you have your customers and two “business growth masters,” or whatever title we gave ourselves at that point, just totally making the guy’s sale for him. And it was like, when he heard that – when you’re in the call you’re not even concentrating. And he was very nervous to see him going into this. It was like, his whole focus was getting through it, you know. And then when it was over he listened to it later, and he went, “Oh my God! That’s the best sales presentation!” Because it just totally followed this structure that I was laying out for you yesterday.

So if you can get that structure down and then find a way of communicating that looks educational for your prospects, it’s a very powerful vehicle. Again, really appropriate for business to business…an awesome way to get that superior access.

OK, now I mentioned the core story because for every single one of you, if you can develop that core story – this – let’s just say it’s this. And then this was the call. But every core story should basically do this. Starts off with the bad news - what’s going on in your industry that wants to make you pay attention to whatever I’m going to say next, OK? Starts off with the bad news. Then it goes into this solutions – and within the solutions it’s setting up a buying criteria without you ever even discussing what you do. And then they draw a conclusion that you’ve predetermined what you want them to draw. Understand? There’s nothing more powerful than building that story.

I was saying to people I was working with this morning that with Immuno Labs it used to take them six months to teach a person how to sell that, and we built them a presentation that basically, if I showed it to any one of you in this room you’d go – “Huh – that’s all I need to sell this. That’s everything I need – the whole core of what this guy wanted to persuade is in that story. The market data that sets it up…the pain that makes people motivate to change…the solutions that they needed to have. And those solutions at the time you’re giving them don’t even have anything to do directly with the product. They have to do with the pain. But guess what they ultimately lead to?

That’s just exactly what happens with me as a marketing consultant when I talk to a Fortune 500 company I say, “Do you have a process to create change in the organization?” And they’re like, “Uh, uh…” And then when I show them the difference between process training and event training – that whole thing I showed you guys yesterday – and again, I’ve presented for 52 Fortune 500 CEOs…I got 50 of them.
Because I set their buying criteria. They have no where else to go for what I sell. And I never even had to say, “Hey, by the way, this is what I offer.” I just said, “This is what you need.” And they went, “Yeah, we need that.” And I go, “Well, if you want to talk to me about it I just happen to have a little thing that I might be able to help you with.”

So let’s go now and get some breakthroughs. The other thing that I think you really need to understand, and that is that talent can make a huge difference in your organization. Now yesterday I set up what is the ideal psychological profile of an overachiever, OK? Remember that whole section on the five stars? And one of the most profound things that Jay and I have done when we were managing clients is bring this master level talent to the table with very cool tricks that I’m going to show you later. But in effect, what we said to these people – so I’ll give you the most mundane example, so it can appeal to the lowest common denominator, and then I’ll take you higher.

The carpet cleaning company has had, like I said – sales people in there selling carpet cleaning for 40 years, and I think he pays, like $9, $10 an hour and a 1% or 2% commission. And I said - So when he puts his ad in the paper, he puts, “$9 an hour plus commission.” Now what do you think he’s getting responding to his ad? Because I tell him, “You need to get some players in here, man. These guys can’t sell. They’re just taking orders.” And he’s like, “Well, blah, blah, blah.” And I said, “Well, what’s your top producer make?” And he said, “Well, he makes $75,000.” And I said, “Well, how much does he bring in in business a year.” “Oh, he brings about…” You know, he worked out, the way he worked it out is about 10%. I said, “Well, put that figure in the paper and see what kind of talent you get. ‘$75K, super-producer, inbound calls only, blah, blah, blah, blah, blah.’” We put that ad in the paper – got a whole different level of people, and now has a much higher level of talent.

So take the most money someone can make for working for your organization and put that in the ad, and see what kind of talent it gets.

I was talking to Chris – he has that foundry company -, and I said, “You know, if I went to work for you tomorrow…you know, former top producer, love to sell, it’s not even like work for me. It’s something I enjoy. I love to cold call in the morning, and that’s the kind of guy you want. Somebody who says, “I love to cold call in the morning. Give me the phone and turn me loose!” right? There’s people that are just born that – and they just adore that whole process. It’s exciting to them.

And I said to Chris, “So if you had a guy like that in your organization, what could he do for you? What kind of a deal could he bring to the table?” He said, “You know, conceivably, he could bring in $1 million, $2 million, $5 million, $6 million.” I said, “Well, what would you pay?” He said, “10%.” I said, “Are you telling me I could make $600,000 if I went to work for you?” He said, “Yeah.” I said, “Put that in the paper and see what kind of talent you get.” The guy who responds to an ad that says, “Earn $600K - he does not need to make a salary. Because he’s made $600,000 a year, and he’s got a house, and he looks at what Chris has, and he goes, “This is a cake walk!” But first, Chris better have this put together, because when you’re trying to recruit a guy who
has made $600,000 a year, he needs to look at that story and go, “Give me that, right now. Where’s the phone?” And the next day that guy will be on the telephone, bringing you in the deals.

So, for those of you who want to open up other markets...who want to open up other territories...who want to break ground that you’ve never been able to break before – Mike Fry, John Prete – you guys gotta get some players in there. But you need to design your package in a way that can attract them. If I go and open up the entire magazine industry for you, what will you pay me to do that? And put that in your ad, and watch who shows up. OK?

And like I said, these guys, they don’t need – as long as you give them the story where I can just look at that and go, “I can sell that.” Where you can engage their imagination immediately...where there’s good stuff in there...where their hands tremble... A top producer, when he sees a good sales story he starts to go, “Ahhh…I gotta have that!” They just want to go out and sell it right away.

OK. So now, let me put you all in a situation. You’re in your office or your business or your home, and you get this little box in the mail. And you open it up, and in there is a little plastic bag. And in that little plastic bag is a yellow fortune cookie. And there’s a little note in the bag, and it says, “Legend has it that if you close your eyes and count to three, before you open a fortune cookie, whatever is written inside will come true within twelve months. Once you are educated about the legend, if you ignore the counting to three, the opposite will come true. So close your eyes and count to three, and say in your heart, ‘This shall manifest within twelve months.’ And then open the fortune cookie, unleashing the legend upon you.”

Now, are you going to pay attention to what it says in that fortune cookie? And inside the fortune cookie, it says, (you guys are waiting to hear this, aren’t you?) OK, it says - for you guys, “You will lose all your excess weight and look and feel the best you’ve ever felt. Call 800-blah, blah, blah. Or go to www. - ” OK? It says, with our doctor, right? Same kind of thing, that you will be healthier – you’ll look ten years younger, and what was that quote you had?

Participant: Look ten years younger and feel – no live ten years longer and feel 10 to 20 years younger.

Chet: Yeah, that’s a great one. That’s a great one. Put that in a fortune cookie and send it out to your neighborhood, and watch how many people call that 800 number.

But see, then the point is, is when they call that 800 number, or when they go to that website, you need to have this thing working for you where it’s literally – it’s... In other words, we used to have guys on the telephone – this was one of my companies – and we would guarantee the best hour you’ll ever spend learning how to double your sales. And then we had all these endorsements from all these heavy weight people. So you get this broadcast fax in your office, and it would guarantee...
So you’d call up, and the guy would do a little bit of schtick on some of my core philosophies, enough to engage you, and you’d set an appointment. And an hour later you’d pull out your credit card, you’d buy $4,000 worth of videos, and sign up for an $800 a month continuing program. And 25% of the people that we pitched did this. But you know what? You can bet that this was structured down to the minute with nine closes at the end of that script – nine. Because the average person needs seven in order to buy. Nine closes. And then when we first created it, I got on the phone and I did a couple of them, and I was lucky that one of them took. Nine closes to get this guy to buy. Most of them I close in the first or second try. So I could get them excited, but it was good that I got one that really took all nine closes so people could see. When they got to the end they were thinking, “There’s no way.” And I put the ninth close on this guy, and boy, he signs up, he pulls out his credit card, and I take $4,000 from him. And the salespeople listening to that tape were going, “That’s a really good learning experience.”

So my point is when that 800 number call comes in, you need to know exactly what you’re going to say – precisely. How about – here’s another fortune cookie for you. “You will have the most superb dining experience of your life. Call 800 blah, blah, blah.” Now what’s going to happen when those calls come in, you need to have your maître d’s or whoever takes that phone call ready to say, “Oh yes, you’ve gotten one of those. Well let me tell you what you’re in for.” And you’re handling them in a certain way. And you know where you put those fortune cookies? In the finest neighborhoods. That’s targeting buyers. That’s coming up – actually I’m upstaging myself. But targeting the best buyers. Go after the exact people that you want to try and attract.

Here’s another one. Am I selling enough fortune cookies for you here, Mike?

Mike: _____

Chet: Hey, Dr. Jean – “Your greatest life’s fulfillment is at hand. Call 800 blah, blah, blah.” But now that call comes in – how are you going to engage them? How are you going to – you know. It’s like today it’s about breaking through the clutter. You have a great thing for breaking through the clutter. But use a little imagination.

OK. Super lawn truck – where are you? OK. Buried back there. It says, “There are six things that will make your business more profitable, productive and efficient. Call 800…” OK. That’s a little more direct. The others are a little less direct – you understand what I’m saying? The financial guy – Todd? “Financial security can be yours in only four minutes. 800 blah, blah, blah.” So now, what’s that four minutes going to be? That’s a prelude to get you an appointment to sit down with them. Where are you, Todd? Hi. You know what I mean? That’s a prelude.

So make sales in small steps. You know you can’t send a fortune cookie and get a two-hour meeting with somebody to go over their finances. You know, you can’t even send a letter that’s going to get that for you. So what do you want to do? You want to get them to call you. Send them a little tiny promise. Then they call you. Then you make
a little bigger promise. Then they meet you. Then at the meeting, you close the deal. That’s what I mean by superior access. What gives you easier access to your prospects that you can do in smaller increments.

How about this one - let’s see if you can recognize who I’m talking about. “You will go to Hawaii better, smarter, cheaper than anyone.” Where are you? OK. Send that to the neighborhoods where you want to target. Here’s another one: (and you have to identify yourself) “You will save more on all your non-perishables than 90% of convenience stores.” Nice little fortune to get, right? You haven’t done any direct mail? How about giving that one a try? “You will get a home audio experience of a lifetime free assessment from the greatest expert in Canada.” Right – there you go.

Ah, let’s see – and then, magazines. Now again, I’ve been a publisher of ten different magazines and newspapers. That’s a killer. I mean, you take that thing and you – you, directly – and again, like I say, what would you pay me to open up a whole magazine industry where every magazine in each category of SRDS – you know what SRDS is? OK, Jay always does a thing on this. Standards, Rates and Data? There’s a book called Standards, Rates and Data. It’s like, that thick. It costs $500 – worth every penny. It lists every magazine in every industry and market. For the roofers there’s 15 trade magazines for roofers.

So you go to these magazines and you send that little fortune cookie, and the publisher of the magazine opens up the thing, and it says – and he reads that little letter first. “Legend has it that the blah, blah, blah, blah, blah…” and he’s like, he’s got to see what’s in this fortune cookie. And he opens it up and it says, “You will find the most powerful way to get your customers’ attention.” It’s like, “It got my attention! Call this guy! What are these fortune cookies? I want to send them out to every one of our subscribers!”

So again, you have to design this and take it a little bit further. OK, so that’s Mike’s stuff. If you want to come up and get this I wrote down all these ideas for you. Magazines, - you can read all this. If you have any questions talk to me.

OK, so Dan – taxidermy school. You need a highly scientific process like the one I’m describing. You need this. And you need to qualify them down to their toes, and find their pain. It’s one thing for you to point it out, but you know, when you’re asking the questions… When I call in about your business opportunity, I want you to ask me five, six, seven, eight, ten questions that will find the pain that will motivate me to take action. And then you need five choices – not just the one choice you have, but five choices so that every single one of them is like Jay says, getting everything you can out of what you’ve already got. You’ve already got 600 people calling you in a year and you’re only selling 40 of them, there’s 550 people that you’re just wasting money on. They’re just going out the door. So let’s find five other things that we can sell them – offer them – sell them a gun. Sell them a fishing pole. I mean, whatever it is, as long as you’ve got them on the telephone, you might as well sell them something else. So find five different offers and do them in a graduated fashion down through the funnel. So if
Super lawn truck – really need a corporate story. Where are you guys? Back there. I’m sorry, I forgot your name. It’s Tony, right? Spelling out, cost-justifying the truck down to the penny doesn’t cost you money. It actually makes you money. And especially if you’re going to try and sell through distributors. If you’re going to try and sell through distributors, you want a flip chart binder that literally makes the sale for them, because they will screw it up and you know it. As a person who has helped companies try to sell through hundreds of distribution channels, the more idiot-proof you can make that story, the more absolutely positively you’re going to be able to make it.

So If I’m going to try and sell fences or swimming pools – and I’m going to put a top producer to work working for me. Now you can’t promise $600,000 a year, but if I can bring you another $1 million worth of business because I’m a player, and I love to sell, and I love to cold-call in the morning, can you pay me – what can you pay me? $50, $60, $80(K)? Well whatever that number is, put that in the ad and see what kind of talent you get. And then give me a binder that says, “The ten things that you’d better know before you install a fence. The five things you’d better know before you put in a swimming pool.” And then put me on the road with that thing, and I’ll go close you deals every single day. And I’ll estimate while I’m there. Let’s train me to do that, because you’ve procedurized that, and you’ve processed it, and you’ve made it what it is. You’ve worked on that business, not just in that business.

OK, the DPS? You guys are just ripe for this. This is the most – where’d you go? I mean, it’s the most perfect strategy for you...is a core orientation or a corporate story. Set the buying criteria down to your toes, orientation that puts prospects in deep pain. And then get yourself – and I don’t know, you may already have this, but – barracuda top producers to chase down and set those appointments. You know, maybe your area’s too technical and so we have someone on our staff who just gets appointments for me. And if she can’t get the appointments, she gets me a telephone appointment and I get my own appointment. So “Spend 15 minutes on the phone with this guy. You won’t believe it. He’ll give you ideas, concepts, blah, blah, blah, blah.” Then I get on the phone with him, and every single one so far turned into an appointment because – set the buying criteria – using all this stuff that I’ve been saying here.

All right – who else do we do? Oh, Ryan, Paul – again for you, it’s the same thing. You need that orientation on the five things you’d better know about ISO qualifying. I mean, you can come up with a better title. Where are you? You know, you can come up with a better title than I’m giving you here, but “The Five Thing’s You’d Better Know About ISO Qualifying.” And then in your case, again – what will you pay me if I go bring you 100 new clients? What’s that worth to you? 50 new clients? What will you give me if I can bring that to you? Can you bring me $200,000? Can you give me $250,000? Can you give me $100,000? Whatever that top – whatever a top star is going to bring to you, decide what that’s worth to you and then put that in your ad and you’ll pull a whole different level of person into your organization. And you know, you
can pay them – if the opportunity’s big enough you don’t have to pay them a base. If they can come in and – Jay and I can make millionaires out of the right producers. Well that’s a big opportunity. So somebody says, “You know what? I’m willing to take the risk. I have the skills, I have the talent – and look at all the money I can make working for these guys on there.” You know?

All right. So (I just want to make sure) So I’m going to do one of these for each one of you. John Prete, the guy who makes these wonderful glass plaques. And again, he can put this in color, and he can put this on brass in color – beautiful, beautiful stuff. OK. The magazine – John? Where are you? Get some – get what’d I call them? I think I called them “segment directors.” Segment directors. You want three to five segment directors who will open up each segment for you. Mike, same thing with you. You said, “You know, I tried this and that went off course for a year, and I did that and it was off course for a year…” You don’t do anything. You get three guys like me who are 25 years old – when I was 25 years old looking to make a fortune – and you sic us on those markets, and you just direct your little minions. But make it so I can make some serious money if I can bring you some big deals. If I can get 15 magazines using those fortune cookies as a direct mail piece or an incentive piece, can I make some money on that? Can you afford to pay me some money on that? Or if I can take your distributors and get them performing at ten times their level – because I’m going to be in their face every day…? In fact, use this fortune cookie approach that I gave you (I wrote it down there, so you’ll read it).

OK, so John, get yourself a segment director for the magazine industry, because when I was publisher of a magazine we used to look for things that we could do that would be really nice for our advertisers. And can you put this on a full-page ad? Can you do this in any size? OK, so I can do this in an 8½ x 11? OK. I’m telling you right now, that’s a real – say again?

**John:** _______

**Chet:** Oh right – that’s beautiful.

**John:** _______

**Chet:** I’d buy that for every advertiser who ever advertised to me with their ad, and I’d put a little banner on it: “As seen in California Business” or “As seen in Beauty Digest.” These are magazines I’ve been publisher of. You know, “as seen in…” and I’d buy that for them. Nice glass plaque with a thing like this. And I would pay $250 and not blink an eye, let alone $69. It’s too cheap. I’d think, “What’s wrong with this? Why is it so inexpensive?”

OK, so get yourself a segment director and sic ‘em on the magazines, and get yourself that SRDS, and go after every magazine and say, “We have this lovely thing…” You can use the L’Oreal thing as a sample. Or take the cover of their magazine, right,
Also, when I’d gotten written up in magazines they have these guys who call you up, who will offer to take the magazine and mount it on a nice plaque – anybody ever had that happen? Right? We’ve all had that happen? I mean, those guys are using ancient technology compared to yours, John. It might be a whole ‘nother area. And again, I was just going to go over these with one person by themselves, and then I thought, “But wait a second. There is - ” It’s like Jay said, “What is in this for you? What can you learn out of this?”

Trade journals for real estate. Go to them and find someone else already selling to your market. Why do you have to break – in fact, you don’t even have to do that. Put an ad in the paper: “Segment director for the real estate market. Top producer, killer barracuda.” I’ll write the ad for you, or we’ll help you write the ad later, and I’m going to show you how to get the person, how to screen them, how to pay them, how to compensate it. It’s the whole program we have later on today.

But piggyback onto that market. Why – it’s just crazy for you to try and break that market all by yourself. And like I say, get somebody else who can do it full time. Who you will pay handsomely if I can turn that into a nice million dollar market. Can you pay me $100,000 to do that for you? Put that in the ad, and watch what kind of talent you bring to the table.

OK, reps should be giving…(superstar had – this is not right.) Gift basket companies on the web. Get yourself a segment director. Say “I want every gift basket company on the web to put this in their catalogue.” What a wonderful gift that no one would ever think of. And most of those gift basket companies are looking for new stuff all the time that they can have that’s an advantage. And you go and you type in “gift” on the web, and like 400 companies come up. Put a sales guy on that full time, and pay him handsomely to bring you a gift basket company that gives him a residual income. (And again, I’ll talk about compensation later.)

We have a client called, “The Mouse Bungee Company.” Remember that one, Jay? And he does a glass surface that he puts the picture under it – it’s like your mouse pad is a glass with a picture under it. This guy could use your technology and his mouse pad just became the coolest thing in the world. Remind me to get you that lead and we’ll give you that guy. He’d love it – and he’s on QVC. Selling the heck out of those things on QVC.

Ah, let’s see. Catalogues – massive market. Again, you don’t have the time. Hire a segment director for the catalogue companies and get my researcher to get you the list of the 100 largest catalogues. It’ll take two hours. And put a guy on it full time, going after every single catalogue in America today – all the big ones. You know, you get three or four of them and you’ll have more orders – you won’t be able to keep up with it. You’d be so reactive, you’ll forget all this proactive crap.
Ah, let’s see – oh, this is a killer. You guys ever have your photographs taken by a top photographer? You know, one of these guys gets like $5,000 for portraits? And he takes them, and you know, normally you go to Sears and they lay them out on the table. This guy sits you down in those double-back wing chairs, and you’ve got a little cup of tea at the side…this beautiful piano music on, and he does a slide show of the most gorgeous pictures you’ve ever seen of your family. We walk in there and I said to my wife, “I’m not spending any more than $300.” $2,000 later, I’m going, “Yeah, I can’t – I’ve gotta have that one too. I mean, it was a beautiful experience. And if that guy had offered it to me in that beautiful glass thing that you have there, I’d have paid – one for my mother, one for my in-laws, one for my brother, one for my best friends, one for my…

OK – those guys. Put a segment director on it, and let them go tear it up for you, and what will you pay me if I go get all the high-end photographers in the world. Screw the high-end – all the photographers in the world – to offer that thing for $200, one of their portraits, lovely, etched in glass or brass? Right? Easy, this is… And then also my kids are in gymnastics and karate, and you know, they get you too. They’ve got these photography companies who will go around. One rep will hit like 58 different gymnastic schools. So that one rep – if you sell him, you’ve just got one guy taking his best gymnastics shot of a little girl and showing it to the parents, and saying, “If you want, you can have your daughter etched in glass.” Sign me up for that! How much is it? I don’t even care!

But you have to set that up, and then set those guys into motion for you. And you don’t have the time, John, so you need to hire a segment director. I’m even giving you the titles for these guys so that they feel impressive. And what will you pay me to do that for you? And that’s it. Here’s – they’re all written down if you want to come and get them.
Chet: This one is called, “How The Brain Works,” and how that makes us more successful. And most people don’t really understand how your brain functions…how it takes in information…how it digests what it is that you feed to it. So this session has the objective to teach us all how to live a healthier and happier life…to provide methods for improving everything from your memory to your motivation to your performance… (a bold promise for something that’s going to whip by in literally a half hour!) to set a tone of positive momentum in the company.

I can tell you, as a guy who’s been hired to turn around some of the biggest companies in the world who are in trouble when I get in there, the most powerful thing I do is change the attitude. Because what happens when you start to get in trouble, is you’re focused on the problems, and you’re not thinking about the solutions. So I just keep making them think about the solutions, the solutions, the solutions, and I’ll show you how I do that.

So what we think defines who we are. The reticular activating systems – is anybody familiar with this part of the brain? Wow – I’ve got a couple of you guys in the room. How about that? You’ll love this. It’s this awesome device in the brain that most of us never use on purpose. And… ignite the furnace of the subconscious to create outstanding motivation and change.

OK, so – 90% of all self-talk is negative. There’s like a Wharton School of Business study that shows that most of what we say to ourselves is negative. We’re focused on the things that we don’t like. We dwell on what’s not working in our lives. Often, unfortunately, a bond between two people is based upon your mutual unhappiness, right? Your best friend is the most sympathetic person you’ve ever known, and you can call them and really cry the blues, and misery loves company. Some people just have great relationships because they love to complain to each other. I will tell you those are probably unhealthy relationships, and you need to reverse them.

You know – focusing on the negative. “Oh, I hate when that happens,” or “I’m out of shape.” Now watch what’s happening every time you make a statement like that to your subconscious. “I’m not working hard enough.” You know. Then your brain takes that as a message, and let me show you what it does with it, OK?

The subconscious accepts all that you feed it, and I hear people constantly refer to it as “the unconscious mind.” There’s no such thing as an unconscious mind. Unconscious means unconscious. Subconscious is the, you know, the sub part of the brain, and the subconscious accepts all your fears as reality. It cannot make judgements
about the thought. It cannot distinguish between a real perception or an imaginary one. (I’ll take my little laser pointer here.) And Stanford showed that 85% of success is dependent upon the attitude. So your attitude is very critical.

Now, you’re walking down an airport throughway. You’ve got 40 gates to go. You’re not in a hurry at all, OK? And as you’re walking down this throughway there’s a thousand messages per square yard. There’s ads, there’s people talking all around you, there’s people sitting in chairs having conversations – constantly, “Flight 199 departing…” You know, this is going off all over the place and you don’t know – and you’re not hearing any of it, because you have 40 gates to go, you’ve got an hour, you’re strolling… You’re not even thinking about it, and all of a sudden you hear, “John Prete, pick up the…” and your brain goes, “Hey, that’s me!” How does that happen? How come you weren’t hearing any of that other stuff before, and now all of a sudden you hear, “Jay Abraham, pick up the…” and your brain goes, “Hey, that’s me!”? That’s pretty cool. That’s this thing that does 8 billion calculations per second that is not interested in all that other stuff, so your brain automatically tunes it out and tunes in the thing that you think is important. It’s pretty cool.

It says, it screens out the unwanted noise and focuses only on that which interests you. In a crowded airport with thousands of commercial messages, your reticular activating system will tune out everything, yet if your name is announced it will, you know, “Joe Smith, pick up the white phone.” A very efficient machine. It scopes in on all areas of interest – your car, your hobbies, your goals, your negative interests as well.

You ever notice when you get a new car and you never noticed that car before – and now you see the car everywhere? Guess why that happens? That is not some accidental, freak thing. Your brain has this device in it that picks out things of interest to you. So how powerful is that, and do we want to use it on purpose, OK?

So think about it when it comes to getting that initial attention of a new client, once you break through that clutter, once they are aware of you, then your client starts to notice every communication you make. OK?

I’m going to give this as an example. I took some – two years off. I just came out of retirement. Jay brought me out of retirement. I took two years off and I wrote a movie, because it was something I always wanted to do. And lo and behold, I actually sold it to Warner Brothers. Got myself a movie deal, producer, song-writer – it’s a musical. Well, it’s not a musical. It’s about a rock star who goes from rags to riches. And we got Leann Rimes attached to this movie. Now – and I used all the techniques I’m teaching you guys to do this. Every single little thing, I picked my Dream – well, I haven’t really gotten to that yet, but I picked the best possible players. I went after them. I wasn’t even thinking about Leann Rimes. She wasn’t even on my list. But the agent that handles her handles Shania Twain, handles Celine Dion, handles Beyoncé (who’s the lead singer from Destiny’s Child)...and so I was going after him for (this was two years ago) I was going after him for Celine Dion. This was before she had announced her retirement – or Shania Twain – he handled both.
And so he reads the movie, he comes back and he tells me it almost made him cry, and he said, “That’s a really good movie.” And you can imagine what this is like after being turned down by 66 other companies and people so far. Now this is one of the hottest agents in Hollywood. He calls me up – “I love your movie. It’s wonderful. And I was thinking if I have your permission, I’d like to submit it to Leann Rimes. Now two years ago she had the number one song on the charts for 66 weeks or something. It was the biggest selling single of all times. I can’t even remember the name of it right now. What is it?

Participant: “Blue”

Chet: After “Blue,” actually. “Blue” is the one that broke her, and then she had that one that she sang that Tricia Yearwood also did, and it became a huge hit for Leann Rimes. But anyway, my point is this: I never noticed this person, paid attention to her – she was attached to my movie for two years, and now I see her everywhere, every little thing about her if I’m paging through a magazine. Normally, I would have paged right by Leann Rimes and never noticed it.

So once your brain is open to something, then you start to see more things about it. So how can you open your prospects – and that’s like the fortune cookie idea. So if you can just put an initial seed of an idea in my head, now you’ve opened my brain, you’ve entered my world. Once you’ve entered my world, every time I hear or see about you, I notice it now where I never noticed it before.

So the challenge to you as a marketer is, how can you enter my world? How can you stand out in a way that you get some notice, OK? And then the point – work really hard to capture that initial interest, and to make the kind of impression where their reticular activating system will be looking for you.

OK, but the message to you is that it also allows you to focus. So if you’re in a crowded room, your reticular activating system will help you focus on your conversation. So you guys, we have a break, and everybody’s talking across the table, and you’re sitting right next to other people, and while you two guys are talking over here, you don’t even notice the two guys behind you talking, right? Yet at any time, Mike, you can kind of go, “Well what are they saying?” And your brain will tune Jerry out, and start to pick up – fellow from Toronto, what’s your name?

Adrian: Adrian.

Chet: Adrian. And it will start to pick up Adrian’s conversation. You know what I’m talking about. Or you sit at a restaurant where you first sit down, and the tables are – chung, chung, chung – and you don’t even want to sit there because it looks so… and then you sit down and you totally zone out the conversations. And you and the person you’re with, you get into your own world.
Well that’s kind of cool. That is actually a design of the brain. It enables you to focus only on the conversation that is of interest to you. So without it you can’t focus. So you really need this device. It’s really cool. But take heed – it focuses on anything that interests you – good or bad. So you’ve got to watch, OK.

So here it is. This is the conscious mind, and this is a little guy and he’s running this big control panel. And this is the subconscious mind, which is like this furnace so any comment that’s made, or any thought that you have goes down into this furnace, and pshew! These flames of fire roar up. So that’s 10% of the brain, and that is 90% of the brain, OK? This enormous furnace of the subconscious mind.

Now, let’s imagine there’s a person between you that sits, and blah, blah, blah. Here’s their job description. This fellow’s job description. He is to not judge anything, simply obey commands and respond to focus. He has no judgement. If you think you’re out of shape, his goal is to program accordingly. “I’m out of shape.” “You’re out of shape.” That goes down into the subconscious – pshew! Subconscious, which makes 8 billion calculations per second says, “All right, let’s go out fulfilling the request.” You understand?

So he does not make any judgement. It cannot distinguish between reality and fantasy at all. So he has no judgement whatsoever. He is just designed to respond to your focus. Zeros in on all areas of interest, including negative ones. Put the subconscious to work on fulfilling the requests of the conscious. “I’m out of shape.” Right away – program accordingly. “I have a terrible memory.” Right away – program accordingly. Jay – I just ragged on him because he said to me earlier, he says, “Write that down or I’ll forget it.” Well, when he says that the conscious guy goes, “Make sure he forgets that.” And he does, every time that you say that, right?!

OK, so you have the ability to program that “My back hurts.” All right, if you focused on that (and I know I have some people in here with bad backs, and I’ve been there myself.) But if you could, every time you feel that pain, say, “Ah, it’s getting better.” Studies show you actually heal twice as fast. I had a friend of mine that broke his leg and I told him this. And he – like literally, they said a six-month recovery. It was three months for this guy with a major broken bone.

Answer disempowering questions. “Why do I always make this mistake?” Your brain will go, “Because you’re stupid.” You don’t want to ask a question that disempowers you, all right. So when I say to you that one of the most powerful things that I do for companies in trouble in turning them around is get their attitude turned around. I get them thinking about what’s possible, not what’s impossible. Because if you’re focused on what’s impossible, you put this giant furnace to work to absolutely make sure that it is going to be impossible. So the first thing you must do is open up your mind and start to look for the solutions, not the problems.

All right, let’s go a little further. Continually draw your attention to that which interests you. If you dwell on what’s not working, your humble servant will think that
bad news is more important, and it will screen out the good news. Just like I showed you, it will actually draw you like a magnet to the bad news, if that’s what you – because it doesn’t discern bad news or good news. It just says, “Oh, he thinks things are really bad, so let me – I’ll put 3,000 things in front of him…” Just like in the airport, it’s going to sort out and make sure you don’t even consciously see the good things that are right in front of your nose. It will bring your whole focus to bear on the things that you’re thinking the most about. So let’s make sure we use this on purpose.

Full force of your brain to sort through the clutter and seek out that which you think the most about. If you dwell on the negative, blah, blah, blah, blah. So here’s a guy who’s walking down the street and the thought is, “Business is bad all over.” And he sees this story, it’s “Aha, see…it’s a going out of business sale. Yup – business is bad all over.” Right next door – “Expansion sale! Everything must go!” And you won’t even notice it.

So you see why it’s very critical that you have a conscious insight to what you’re thinking about. And the way to make sure you’re thinking about the things that you want to be thinking about is to have some goals. Because any statement that you make to yourself begins in the subconscious as the thread of an idea. There’s a little thread. So you say, does anybody here have a bad memory for names? So people say, “Ah, I’m terrible at names.” OK. You don’t want to raise your hand now, because you know I’m going to pick on you. But that starts somewhere in your – there’s no such thing.

Again, if the subconscious were a computer, it’d be the size of Texas. It makes 8 billion calculations per second, the most sophisticated, intelligent device on the planet. There is no way you can be bad at names. That is a programmed belief, where you forgot a name, and so you started apologizing for it, and you’re, “Oh, I’m sorry. I forgot your name. Oh, I’m terrible at names.” Well, you make that little statement and this little thread formed into the subconscious. The guy went, “Terrible at names.” Just a little drop goes down into that furnace…a little smoke and flame, nothing big. And then the third time you say it it’s a couple more threads, and then a couple more threads, and then a couple more threads – and before you know it you’ve got these bands of steel that will absolutely obey the command. And now you are terrible at names.

So can you imagine what it’s like to be my child and have me saying, “That’s called failure reinforcement, honey.” You know, it’s just like I’m in their face. I’ve got two of the most positive kids you’ve ever met in your life, because I’ve – this is an annual event that they have to see this so that they know the statements that they make can disempower them.

Any beliefs can be programmed into reality. “I’m terrible at names” or “I have a great memory.” Who here has a great memory? I have a great memory, but you know, I’ve been saying that for 20 years, and I do – this incredible memory for names. By the end of this I’ll know every name in this place.
Success comes to me very easily. Boy, what a great belief that is, isn’t it? Wouldn’t you like to believe that? Well, why don’t you say that a couple times to yourself, and watch how your subconscious goes, “OK, well let’s just program accordingly.” So these are statements you can make to yourself.

And let’s talk about programming easier – easier access to your reticular activating system. In the right hands, this kind of material can be life-changing. I mean, when I started studying this when I was 26 years old, karate school in Manhattan making $9,000 dollars a year on some horrible living – you know, most karate guys don’t make any money – and then I started using this stuff on purpose. The next year I made $57,000. The next year I made $109,000. The next year I made $225,000. And you know, up ever since.

Beta is the active mode of the brain, and alpha is the relaxed mode of the brain. So this is the mode you’re in right now, hopefully. You are actively engaged in a learning experience, and your brain is very active in order to keep up with the information. This is the mode you’re in right before you sleep and right before you get out of bed – or you can put yourself in this mode anytime you want. It’s a more relaxed mode.

Well naturally, it says, “Though your brain accepts and acknowledges all suggestion (auto-suggestion, it’s called) it’s naturally more receptive when the mind is less busy.” If you’re right now, and I can have you say, “Success comes to me easily.” In fact I want you all to say that and see how good it feels. Say it. Success comes to me easily. It feels good to say that. So now your little guy went to work: “Success comes to him/her easily.” And is programming away. But when you’re – right just before you sleep, and right before you climb out of bed your mind is highly susceptible.

So – “It’s a great day today.” Now this is another thing. Rather than, “I will have a great day.” Your brain accepts all that you say as such reality that you don’t even want to say, “I will be rich.” Because then your brain will go, “Oh, I will? That means I don’t have to work on that now.” You say, “I am rich. I am rich. I am powerful. I am wealthy. (That’s a Bugs Bunny cartoon.) Anyway, but to actually tell yourself the thing as if you are currently in this process, then your brain feels like it needs to be working on it to fulfill it. So all statements to yourself need to be stated as if you already have them, not as if you’re going to. “Success comes to me easily” rather than “Success will come to me easily.” Well that’s “When it will, let me know and then I’ll start programming you accordingly.”

Napoleon Hill – everybody know who he is? Who doesn’t know who he is? Nobody? OK. That’s really impressive, because I usually do this whole speech about Napoleon Hill. But he said, after studying 100 of the most wealthiest people on the planet, “Never go to sleep without a request to your subconscious mind.” He said that Thomas Edison actually got most of his inventions because he went to sleep saying, “You will do it!” and he woke up in the morning with the answer.
So never go to sleep – I will wake up on time tomorrow – who said that and had it work. Right? How many of you said, “I have got to be up at 7 o’clock tomorrow, no matter what.” You wake up, you look at the alarm and then it goes off. Has that ever happened to anybody? And you’ve got to say to yourself – you’re thinking about your brain and you go, “How does it know? Is there a clock in there? I can’t understand this – how does it know that it’s exactly 7 o’clock?” And we’ve both had it happen. “I wake up in a great mood every day.” What a wonderful affirmation! All these people who wake up in a grumpy mood every day – I hate those kind of people. Show me how to solve my problem with prospect Smith. You’re trying to build a new division…you’re trying to solve some problem – do not go to sleep at night without putting that thought into your head. Come up with a way to get me what I want. Tell your subconscious to get you what you want. Your mind has unlimited resources and extraordinary and untold abilities to solve your problems, but only if you focus on the problem – I mean on the solutions.

OK, so it keeps working on (this is a really cool experiment.) Normally if we had more time I would do this. I have a bunch of mirrors in my briefcase, and we take – two points of the story. You might want to try this - it’s a really fun exercise – with your employees. And you take a mirror, and you use only the mirror, and you put the two stars in front of them. And you use only the mirror and you try and trace between the two lines. You literally take a pen and try and draw between these two lines. Real easy when you’re looking at it straight. When you do it in a mirror it’s almost impossible. In fact it looks something like that. And you get stuck, and you just can’t – because it’s just too – the brain can’t seem to function, OK?

So they did a study, and basically, group one was asked to do two in a row, and this one took five minutes and it looked like that. And this one took four minutes and it looked like that. Group two was asked to do one, then wait an hour and do the second one. And while they were waiting, they moved on to other material – so if you did this, and we took half the room, and you guys did it two in a row, you would basically have done something like that – on the average. Some of you will be phenomenal at it. For women who have to do their hair like this – for some reason can just – zoom! Right around like this. It’s amazing.

And then this group over here, we’d have you guys do it, and then I move on and I teach you a whole ‘nother segment. And we come back an hour later and we have you guys do it again. And you’ve moved on, intellectually, but the subconscious was like, “I did not like the fact that I could not solve that problem. And let me just…” and it keeps working. And now we get you to do it, and you do it like this, in 30 seconds. Zoom! And you just look at me like, “I can’t believe that just happened!”

Well what’s the message there, guys? The subconscious continues to work to solve problems, even though the conscious mind has moved on. So let’s like put that huge master computer that you have in there to work for you.
You’ve all probably heard this one – Jay was familiar with it. Two basketball teams – Group A practiced four hours per day. Group B practiced three hours per day and visualized for the other hour. The body can make errors in a lay-up shot. The mind can visualize a perfect lay-up shot every time. The results – Group B, the guys who practiced less and visualized more, actually had a 26% more baskets (that is over a six-week period or something) than Group A.

So that’s pretty – you know, in other words, now all athletes have mental training, and very few entrepreneurs are getting that. But all athletes have visualization exercises. All the star athletes have coaches teaching them all this stuff. Well, you guys need to put this stuff on purpose too.

So goals focus your attention and force your brain to attract what you want. Most people spend more time planning their vacation than they do planning their life. So let’s have a little goal-writing workshop right now to focus your mind. OK, I want you to write down… another fortune cookie idea (no, I’m just kidding.) OK, so taking the eight drivers, I’m going to have you write – write these down, and then we’ll do the exercise and you can just work away. Goals for your team – write down T. What are the goals…?

Jay: Why don’t you give them the drivers again?

Chet: I am. Thank you, Jay. OK. Goals for the team – that’s your human capital, right? Goals for the team – what are the goals for your team? Let’s have three goals for each one of these. Goals for your products or services. Now what happens, guys – products or services. What happens, guys, when you start writing these goals? What’d you just do? You just put that furnace to work on trying to fulfill those things on purpose. OK? Goals for your marketing – three goals for each of these. I’m going to put sales, because sales is definitely something I want you to focus on anyway. Goals for your sales increases, OK? Goals for your strategy. You learned so much about strategy – what do you want to do with all that strategy? Goals to improve distribution channels. That means your ways of getting customers, getting to customers, your relationship with the customer – everything having to do with that channel. I’m just going to write “channel” here. OK, and then your procedures. Anybody want to take a crack at writing goals for procedures after yesterday? What do you want to do with your procedures? How do you want to improve them? What will you do to improve them? And then goals for your business model. John Prete, for example – I completely changed your business model today. So it’s very different than you trying to get one-on-one little motorcycle shops. I want to have you out of there, and becoming a rich guy.

OK, so take like – write three goals for each one of those. I’ll give you like, five minutes. And then you can do the rest at a later time. Just write down the categories. It’s funny how…sometimes when I do these, people can’t think of five lifetime goals. How about owning a boat? How about a country home? How about inventing a cure for cancer – I don’t know.
When you put the brain to work on it, remember what Thomas Edison went through with the light bulb. Who here knows how many filaments he tried? A lot of you, right? But I mean most people, when you ask, “Well, how many filaments? Do you know? A hundred? Two hundred? Three hundred filaments? How many was it Mike?

**Mike:** 10,000

**Chet:** 10,000. That’s why, when he was like 3,000 filaments into it, somebody said to him, “You’ve had 3,000 failures. How can you continue?” And he said, “I haven’t had 3,000 failures. I had 3,000 successes.” And they looked him like, “What are you talking about?” And he was like, “I now know 3,000 things that will absolutely not make a filament for a light bulb.” And 7,000 later, he changed the world.

**Jay:** Let me make an observation on that, a real quick one.

**Chet:** Yes.

**Jay:** Is it – when I started teaching the concept of testing and experimentation, the analogy that I used – and it started about 20 years ago. And most of the people that I dealt with then were my peers or older, and so they could relate to this. A lot of the younger people in the room wouldn’t, but when we were children, one of the big gifts you’d get a Christmas - or holiday at Hanukkah time - were these toy robots that if they bumped into a wall would turn a quarter degree to the left or to the right and go straight, and if they bumped into a wall they would do the same thing. And I would explain that if you had one of those toys you could point it right there, and given enough time it would end up getting out the door over there if it was open.

And that was the reference model you should use for testing, because there is no such thing as failure if you don’t bet the farm on it, and you’re conservative, and you’re using it for the purpose of, #1, uncovering viable and non-viable activities, but also realizing that if you figure out that going in this direction is a waste, then you get that out of the clutter of your mind. You don’t harbor the interest in it. You clean it out. You don’t waste the time, the energy, the opportunity cost, and you go here. So you’ve got to look at it in the right context.

**Chet:** Absolutely. Well it’s, like you say, if you have that attitude you’re going to have a bigger impact.

More goals – three obtainable things you – things do you want from your business or job. Just write down the categories, but I find that if I have – just write a big thing on your notepad that says “Goals.” (And that’s something that you really want to come back to. Write down the categories.) What three obtainable things do you want from your business or job? Write them down. And I say job, because some people here are the owner, and some people here work for the company. What do you want out of that job that’s obtainable? What three things will you do with your staff every month to make them more effective?
Jay: That you don’t do now.

Chet: Yeah. And we probably covered that one already, but the human capital thing, OK? What three things will you do to make yourself happier and healthier? How often, and when will you do them? And what’s really smart is to put those on the inside of your medicine cabinet so that every morning when you open that thing you’re looking at them, and you can see my 27 lifetime goals on the inside of my medicine cabinet, and you’d be surprised how often you actually read them. Every time you do you start to mix them together.

Jay: Yeah, some of the greatest achievers I’ve known do that. And a lot of people discount it because they think it’s hokey, or infantile, or it doesn’t connote intellectual strength, or – but I think all he’s saying is, you want to use every upside lever you’ve got. And intellectually, if you can use that reticular activating system to the nth degree of upside leverage, why not? Put it in your car. Put it in – who cares? If it works, don’t knock it.

Chet: OK. So this one really drives it on home. Again, another quote from Napoleon Hill. It’s not about focusing just on what you want. He says, “This next statement deserves your most profound consideration. (Remember, this guy studied the wealthiest people on the planet.) If you can constantly focus on the things you want, and close your mind tight against the things you don’t want…” So it’s not just focusing on what you want, it’s not even thinking about the things you don’t want because every time you give that a thought, you give it power. Focus your mind on the things you want, and close your mind tight. And he says, “Lo…(They used expressions like that.)…a hopeful future will open up to you.”

This guy wrote that book in 1930, I think. ’37. But what’s interesting about this is that he didn’t even know about the reticular activating system. He just got this from studying the most successful people on the planet. And that’s what they did. And now we know, scientifically, why that works, how it works, OK? Misery or abundance – which do you want to focus on? The Bible says that we are meant to live lives of more than abundance. Somebody came up to me after one of my seminars and said that, “You know, it says in the Bible you’re supposed to live a life of more than abundance.” Well, I know what abundance is. I’d like a life of more than abundance. That sounds pretty good, you know?

So use your subconscious to make new business contacts more receptive. *The One-Minute Sales Manager* – are you guys familiar with that book? It was a huge seller. They teach in there to do a one-minute visualization affirmation before you call, because it increases self confidence, it transmits a sense of confidence which attracts others, etc., etc. It helps makes prospects more receptive.

So if you don’t work on feeding the positive goals, attitudes and thoughts into your subconscious, life’s negativity will have a greater impact. Now again, if you’re
familiar with Napoleon Hill, there was one point where he actually told the story of how Teddy Roosevelt turned the country out of the Depression. Anybody remember that story? He said he gathered up all the press, and he gathered up all the clergymen, and he gathered up all the political and religious leaders and said, “We’re going to turn this around. And I want everybody focused on turning it around.” And we came out of the Depression. And it was Napoleon Hill’s philosophy or theory that depression is because newspapers need bad news in order to sell newspapers. You see a newspaper and it says, “Great weather ahead!” you don’t have to buy that. If it says, “Storms coming our way” well, that I need more information on.

So I’ll tell you a true story – and I’m on tape here, so you know it’s true. (Some day they’re going to come after me for continuing to tell this story) But I was a chairman of the National Association for Legal Vendors (which was one of the magazines that I ran) and I started the association as a superior access vehicle, and did it work! Can you start an association that helps your clients, and then you can get the biggest guys in the industry to want to be on the chair – you know, chairman for it? On the board? And anyway, so we started all this. So the Wall Street Journal calls me up, and they say, (You know, this is ’90 or something, or ’89, and it was another one of these “recessions” that we’re in right now, and tumultuous economic times. Sells a lot of newspapers and makes you watch the news at night.) And so she says to me, “Well, we’re doing a story on how the bad economy is affecting the people who sell to law firms.” I said, “OK, great. I’ll make some calls and get back to you.” So I start calling up my clients saying, “Hey, the Wall Street Journal, you know? Chance of getting written up in the Wall Street Journal.” And they go, “Actually, you know, we’re not really doing bad right now because I guess when lawyers are feeling the pinch they want to buy solutions and so they’ve been buying a lot more software and services, and things are really pretty good.” So I called her back and I said, “I think that’s your story.” She said, “No, no, that’s not the story. That’s not the angle we’re going with.” Now that means they’ve decided what the story is before they were even writing it, and that’s the angle that they’re going with.

So what happens is now we’re into this negative thing about the economy and tumultuous times – and again, for guys like Jay and I, we do great in tough times because we’ve got solutions, and we can – whatever market share is left, we’ll help you get it. So if times are turning bad, we’re your guys. We’re going to help you find a way to get what’s left, all right? So it’s fine by us, but for most people it’s a self-perpetuating negativity.

So life’s negativity will have greater influence over your life if you’re not specifically programming it to focus like a laser beam on what you want. Positive self-talk every day makes a huge difference in your attitude. Some great affirmations: “I track success.” I mean again, as a sales guy in the field when I was in my 20’s I used to say that 25 times a day. And I’d come in and answer the phone, and it was a bigger sale than anybody had made in a month. And so I started to believe it, and it’s just, like you just attract it. You become like this giant electromagnet.
“I only think positive thoughts.” That’s a great affirmation. “People are instantly attracted to me.” Another great affirmation – makes you feel good about yourself. “Success comes to me easily and effortlessly.” (These are all things I stole from other people. None of these are mine, originals. They’re all on books and tapes and you know…)

So read motivational books. Listen to tapes. Use affirmation before you sleep and before you get out of bed. Review those goals every day and you will find that huge supercomputer in your subconscious figuring out things you’ve never figured out. I figured out how to do three impossible things by blending them together, because I was reading on that goal list, and they all came together in one thing. And it was like, if I explained it all to you it would take an hour – you’d go, “Oh my God!” It was that big of a “Wow.” That would have never happened if I wasn’t reading those 27 lifetime goals.

Jay: I’ve got some notes, actually, to talk about. I made some insights while Chet’s getting his stuff together. No, no, I mean, it’s important to – you can’t do the great stuff you want without the foundation.

I was chatting in the hall with a gentleman who had been to four or five of my events. And I said, “You know, the challenge I’ve had is that I’ve tried so hard to transfer all these, what I think are profound distinctions and connections and insights and implications and correlations. But I’ve never had the day to day operating system. And so on your own, if I was working with a company on a continuous basis I could drive them. But on your own doing it yourself it falls through the cracks. I really need to get this whole part installed for you to reap the maximum benefit from what you’ve already invested and reclaim it, and then get you into higher and new stuff.

One of the things that – I counsel another company, which is the Tech Group. And they’ve basically organized groups of whatever - 15, 20, 30 companies who get together once a month. And they’ve studied it, and they found that the companies that they have in their organization have something like a 28% higher level of performance, profitability and revenue than the average just because they get 10 to 20 like-minded, but different perspective-based business peers – CEOs of different kinds of approximately the same kinds of companies between a low of $5 million and a high of $200 million, who get together one time a month to discuss one big issue, learn one idea and discuss the implications, and collaborate on their colleagues’ businesses. That process alone, in a disciplined manner, done with consistency, done every month over a period of a year or more will have a 28% tendency to have your company outperform the other.

And what I wanted to say when Chet was going through the process is that please, when you get back (and I’ll give you a method for doing this on Sunday) to forge advisory, mastermind, collaborative, mentoring groups with people that don’t – you don’t have to pay a cent for, but you can continuously – not pick their minds, but plug into their perspectives…plug into their strategic, their tactical, their distinctively different, but not negative paradigms that will completely compliment and expand vastly your horizons.
The Six Steps to Time Management

Getting More Done in Less Time

Chet Holmes

Tape 11

Chet: OK, so this one is about turning your company from mostly a reactive. Is anybody here who’s fantastic at time management? Nobody? Because even if you are, as Jay said before, what’s amazing is that you don’t insist from the same from your staff. And that’s how you get a really well-run organization. And if you’re a one-man army, which I know there’s a few of you in here, then you need this more than anybody, OK? So pay attention. It’s called, “The Six Steps to Time Management.” It’s the old-fashioned method here.

Good time management doesn’t take a lot of time. I remember early in my career when I had those nine companies that I was running and I was so overwhelmed, and I went into one of these time management programs and they said, “OK. What you need to do is you need to write down how you spend your time for the next three months, and analyze when and where you’re wasting it.” And I’m like, “If I had the time for that, I would not need time management.” It was a stupid – I walked out half way through the day. It was like a waste of my time.

So this requires you to spend five minutes a day. This is like a culmination of 24 different time management training programs over the course of a 20-year, super-busy career, being constantly forced to try and get more and more productive. Plus, what’s interesting is that when you’ve worked for the Fortune 500 of $100 billion company, or an $18 billion company, you’d better be very good at time management because these guys – you can’t just call them when you have an idea. You have to be highly organized to interface with them. And so it was another big learning curve for me is to watch how someone who runs something that big functions. Every single minute of their day is totally scheduled, where for most of us it’s all reactive.

The discipline to stick with the program until it becomes habitual, because it takes 21 consecutive days to form a new habit – which means you should actually do this over your weekend. And you will be astonished at how much more fun you’ll have when you actually use this program over the course of a weekend as well.

So – five minutes a day to change your life. And let’s just get right into it, all right? #1 rule – do you know that you will spend six weeks a year of your time re-reading the same information that you take no action on? You know what I’m saying. You come to your desk, and you go, “Oh, yeah, that thing – I can’t deal with that now.”
And you do that six times a day – or some people, twelve times a day – and over the course of a year, they’ve added it up. It’s about six work weeks’ worth of time that you spend reading something that you take no action with. So Step #1 to effective time management is Touch It Once. Now if you touch it, you have to take action on it.

Now there’s another time management course I took that said, “You should check it off with a red pen.” Every time you touch a document, so you always have this red pen on your ear, like this, and every time you touch something you check it. And that gets you really prone to when you see four or five checks on this stupid document, you’re going, “OK, I have got to put an end to this right now.” All right.

So if you touch it, create a file. If you go to my briefcase, I could open it up for you and show you. I have a file for everything. I have a file for things I don’t have a file for yet that says, “Things I’m Not Sure Where To File Yet.” I mean, just create a file for everything. Projects, things you’re thinking about – thoughts. Things you want to read some day. Every single thing on your desk should have a file, and be highly organized. Clients In Play, Clients I’m Working On, Projects In Progress… Put a name on it, put a file on it, and put it – on my desk I have one of those things that - with the stackable files, and that’s where all the important work goes that I’m working on that day. You can imagine with Jay you’d have to be highly organized, because there’s like 16 different projects coming at me every three minutes. So to prioritize and be able to effectively organize yourself, make a file for everything. And write a memo.

And again, e-mail is the biggest time interrupter of the world. And I’m going to show you exactly how to deal with that. E-mail has like, blown time management into smithereens.

So if it requires the action of another, then write a Post-it note on it and send it off to that person, or forward it off to the next person. That’s the one thing cool about e-mail. You can just forward it off to somebody else and say, “Joe, take care of this.” OK, pass it to the next level, move it to the next step – just get it off your desk. Move it on. So that’s Rule #1 – just touch it once. If you touch it and do something with it. How many people here make lists? OK, what’s the average thing on your list, Mike? How many items?

Mike: 16.

Chet: 16? How about you, Jerry?

Jerry: Six.


Participant: 60

Chet: 60 things on your list? OK.
Chet:  Well, they did a study, and they found that when you have lots of things on your list, you know what you tend to do?  You tend to do the easy, least productive tasks to trim the list.  So your focus, instead of being on being productive by having a list of things that you know you have to do, goes to being focused on trimming the list.  You understand?  Your whole shift goes to trimming your list, and so as you go down the list, you pick off the really easy things, and the really important things never get done.  So the rule is, Stick To The Six Most Important Things.  Never any more than six, and by God, you’re going to get those six things done.

Now if you’re a salesperson, it wouldn’t be the six calls you have to make.  You’d plan into your day two hours for cold calling, or 2½ hours.  In fact, if you have salespeople working for you, they need to be cold-calling at least 2½ hours a day or they are not decent salespeople.  That’s decent.  A machine salesperson will do four hours a day.  That’s just prospecting, just looking for new accounts, OK?  So, six most important things, and then by hook or crook, that’s what you’re going to try and get done by the end of the day.

Why only six things?  Well, I already said this first one.  Generally you just try to trim the list.  At the end of the day you’ll feel that most important things on the list did not get completed.  You’ll find that.  You’ll just look down and say, “Oh, I didn’t do the most important things.”  There’s a bad psychological impact in not finishing your list, and so the six most important things…you want to make sure you get them done.  You’ll be amazed at how much you’ve accomplished.  So right now, I want you to write the six things you’re going to do Monday morning.  Just take a quick – don’t plan when.  Don’t plan how much time – those are separate steps and it’s very important to do them in order.  I just want you to write down six things you want to be looking at on Monday morning.

Now wait – you know you’re going to check your e-mail so we can have that be #7, and I’m going to show you how you manage that.  You know that there’s big projects you’re not going to finish, but maybe you should take a look at them.  So the big projects you take in small chunks.  There’s something you’ve been meaning to do?  Well we’re going to help you get that done faster, better, smarter than ever before.  But put it on your list, and we’ll show you how to allocate a little time for it.  So write down the six things you’re going to do Monday morning when you hit the streets.  Don’t write when, don’t write how much time – those are separate steps and it’s very important to do them in order.  I just want you to write down six things you want to be looking at on Monday morning.

All right, got your six things?  Some of you must be writing 15 things.  Come on, it can’t take this long to write down six things.  All right, now – and again, look down at that list, and raise your hand if that would be a really good day if you were able to cross off all six of those things.  Is that a good day, those six things?
OK, now what I want you to do is **plan how much time you’re going to give to each thing**. Do not think about when – that’s a separate task, OK? Just – let’s put a – so you’ve got these six things (well, there’s seven here…somebody made a mistake) and plan how much time you’re going to give each thing. Just one hour, 1.5 hours, 1.25 – plan it in a way, because I’m going to have you add it up. So plan it in a way that you can – you know, 1 hour, or a half hour, 30 minutes…

OK, now **add it up**. Oh – stop. If you have a big project on there that you know you’re not going to finish just allocate an amount of time that you’re going to give it. “I’m going to spend one hour working on this one, because I’ve been putting it off for three months.” So don’t put “six hours” down for something that you know darn right and well that you’re not going to spend six hours on. But give yourself an hour on it, and I’m going to show you how to stick to it. Or an hour and a half, or 90 minutes. I wouldn’t put anything down for two hours – it’s not realistic. If you’re running a business and you’re busy, you’re not going to stop two solid hours of your day to do any one thing. But you can stop anything for an hour.

OK, so now, next step is down here on a separate list, you’re going to actually start **planning the day** now. And now you know what you’re going to do. You know how much time you’re going to spend. How much time, Blair, in your six things how much total time if you did them all and allocated the amount of time, how much total time? Add them up, everybody. Mike, how much total time would you spend if you did your six things?

**Mike:** Like an hour and 25 minutes.

**Chet:** For all six of them?

**Mike:** Yeah.

**Chet:** Wow, that’s great. I’m sure nobody else can say that. What did you put, Howard?

**Howard:** Six.

**Chet:** Six hours. How about you, Ruddy?

**Ruddy:** Five hours.

**Chet:** How about you, Bud?

**Vic:** 4.25 hours

**Chet:** 4.25. Anybody got like eight, nine hours’ worth of stuff there? No, right? Oh, a couple of you? OK.
Participant: Yeah, I’m so time-efficient.

Chet: Ha Ha! You’ve got ____, so - You’ve got yourself out fishing?

Participant:________

Chet: OK, so what’s interesting is, you look down at that list. You say, “That’s six hours, and that’s a helluva good day.” You look down and you go, “If I got all that done, that would be great!” Right? Blair, what was your total?

Blair: Six hours.

Chet: Yeah, is that a good day, though?

Blair: Yeah.

Chet: And normally would you get a full day like that in? Get all that stuff done? OK, let’s show you how.

All right, so now what you need to do, is you’re going to plan when. But let me show you how to plan when. This is everything. OK, so you’ve got your six things, and you’re going to make a separate list down here, and whatever time you start your day it’s going to start – you go, 8:00 – and now you’re going to pick from this list the things that you’re going to get done. So this one’s an hour, and you’re going to pick that, and you’re going to write this one in here. Now wait a second. Here’s the two keys to great time management.

#1, E-mail. The death of time management was when we got – we’re online all the time and we hear that “bling!” when we know we have mail. So you’re working on something else, and your little thing blings, and you go right off of what you’re doing, and you’re completely reactive when you do that. So that’s the first thing you have to stop. You will plan into your day two ½-hour segments that you will check e-mail, and that is it, and everybody will know that that’s how you function. So if you’re a top-level executive in a large company like I’ve been, they just know. “He only checks his e-mail twice a day. So don’t think it’s going to be instantaneous reaction, because the companies who are doing that are in total reactive mode all the time.

Then the other thing you’re going to do is you’re going to plan your interruptions. Let me spell this out a little more before you guys actually plan your day, because I want to see you get the full impact of it. Summary so far – now you have allocated amounts of time for each task. You need to plan when you do each task, so then you do this structure down here, but let me, before you plan when, let me just run through it, OK?

You’ve heard of the One-Minute Manager? Anybody ever read that book? 27 million copies sold? Well, most of us are what I call “the minute-by-minute manager.”
You manage the office by, “Got a minute?” How many people here literally have people coming to their door five times a day and saying, “Got a minute?” Five times a day? He’s holding up two hands. That is how you cannot manage an office in “got a minute” meetings.

So I get this epiphany after my 24th time management thing. I go, “That’s the problem, is that anybody can come to me anytime, and say, “Got a minute?” And what kind of people do you think I would hire? Little wall flowers who are shy? I don’t think so! I have people who demand attention, so they come to my door every three minutes with their brilliant ideas and say, “Got a minute?” And what happens is when you function in that mode, you can’t get anything done. So here I am, I’m running nine different companies. I’ve got 27 direct reports – which I later learned the most anyone should ever have is six – and I am mobbed, and they’re all bright, smart people. And these are my children I’m nurturing to build my empires. And so I want to be available for them. And so I came home from this time management program, and I had this epiphany, and I put out a memo on a Thursday. And it said, “Do not come to my door and ask me if I’ve got a minute, because the answer will be ‘No.’ What I will do, however, is I will put outside my wall – outside my door – a piece of paper. And on that piece of paper it says, ‘Chet’s got a minute’ – literally. And in there, I’ve planned, from 11:00 to 11:30 – and you can take ten minutes, three minutes, five minutes…” But how do you function effectively? Well the first thing you need to do is you need to have…So I had nine divisions that I was running. I had nine divisional meetings. Now this is again – I went from being totally reactive…

OK, I’ve told the story about the zero to $100 million. How many people know that story? OK, maybe I didn’t. I created - at one of the seminars for one of my trade shows that I ran, I created a seminar called “Zero to $100 million.” And we took people who had taken companies up to $100 million dollars in sales a year. To go from zero to $1 million a year – that’s a very rare person. Something like only 13% of companies break $1 million a year. 13%. Only 5% (or is it 10%?) break $5 million a year, and only 2% break $10 million a year. So 98% of companies are under $10 million and never get any bigger. So to go from zero to $1 million is a rare guy. To go from $1 million to $5 million a year, that’s another totally different person. But then to go from $5 million a year to $5 million a month – that’s a very different guy.

And you know what the key is? The key is – you guys got it yesterday – policies, plans, procedures, training – that’s when you go to being a professional organization. When you don’t run your organization by the seat of your pants in a reactive mode. When everybody adheres very strictly to the policies, the plans, the procedures, the standards that you set up as the entrepreneur of your company - and that was a profound discovery for me. As I sat there, the guy who planned the whole thing, created it, got the speakers… And I’m sitting there listening to it, and I’m going – I’m going, “I’m not doing that. I’m in a totally reactive mode.”

So I put this memo out and it says, “We will now have nine meetings.” And they were all on Monday and Tuesday because I like to give the week a good shot, you know?
Let’s get it all started. I’m going to have all my meetings on Mondays if I can. If I’m running different companies, all of my meetings are on Mondays because I want them working on that stuff through the week so it has a little bit of a chance to stick, OK?

So I put the memo out and on Monday, I tell them, “Here’s the meetings. If you have an idea that must be dealt with, you can come to my office and you’ll get a ‘got a minute.’ I’ll consider an emergency OK if you interrupt me. But if you come to me and interrupt me, it better be an emergency, because if not, then you’ve picked a got-a-minute. And if it’s an idea that’s a got-a-minute, then I’d say, ‘You know what? Why don’t you hold that for the weekly meeting that we have on this department? Because if you can hold it for the weekly meeting in this department, do not bring it.’”

So I then put out a memo pad that said, “With Chet,” and gave everybody in the office one of these. And they wrote down every time they had an idea, and they came to me – I had to train the whole staff, now. These were guys who, for three or four years would come in and say, “Got a minute? Got a minute? Got a minute?” So I’d say, “No, I don’t have a minute. Put yourself on the board.” And they’d write it in. “With Chet I need from 11 to 11:10 – Bill. Got a minute with Chet.” And they’d write it on the board, and then at 11:00 you can bet your bippy that (you’d have to be my age to know what that means) that I’m going to be available to take that meeting...that I’m going to adhere to the schedule so that they feel like they’re getting fed. These are your children. You want to make sure they feel like they’re getting fed, OK?

But the interesting thing was that I put this memo out, and it said, “Don’t come to my door and ask me if I’ve got a minute, because the answer will be no. Don’t even put yourself down for a got-a-minute if it can hold ‘til the weekly meeting, because that’s where I want ideas to discuss anyway, OK?” And I put this out on a Thursday. Friday morning came, and nobody came to my door.

Now you have to imagine the state I was in. I was running magazines and newspapers and trade shows, and I was the main creative force for all the stuff I’ve been showing you. The strategic positioning, the funnels, the magazines, the superior access vehicles – I was creating all that material. So I never did any of that at the office. It was impossible. That’s work you’ve got to really think about. You’ve got to have a clean – you know. So I would go, after my 10- or 12-hour day, home and work for two or three more hours. Worked every weekend, the whole time I ran the whole company. Because you can’t get big work done at the office, especially if you run your business by got-a-minute meetings, so I’d go, and I’m sitting there in my office on Friday morning like this. “I don’t know what to do! There’s nobody coming to my door! I can’t work here – I’ve never done that before!” I literally could not – it took me like a couple of weeks to actually be able to bring that stuff that I normally would have at home in the pile waiting for the big think time to the office and do it. And do it in manageable chunks of information.

So it was a profound epiphany to plan into my day time for interruptions. So plan into your day time for got-a-minutes, time for interruptions. Meaning that I’ve got these
six things I want to do, and my client calls me...clients are always first. So I take the client call and it threw off the whole schedule – that’s OK. I can pick it up later because at 9:45 I didn’t have anything I could really fit comfortably. I’ve got “miscellaneous.” I’ve got the time for my e-mail.

So I want you to add to your list “e-mail” – down to your six things – “e-mail, got-a-minutes, and interruptions – miscellaneous.” And now, plan your day. Plan what you’re going to do, 8:00 Monday morning, and pick from your six things adding to it your interruptions, and plan a full day, and let’s see what it looks like. Because if you only had five or six hours on there, that’s 10 hours you’ve got to fill up, right? And if you’re an entrepreneur you’re working at least that. Go ahead, plan your day.

That’s a great day. I’m serious. If you do that every day, you will see this profound improvement. But let me tell you what’s going to happen. You’re going to follow that schedule on Monday, and you’re going to have the most productive day of your entrepreneurial career. And on Tuesday you’ll do about half of it. And by Friday you won’t be doing any of it. So the secret is about the discipline of doing it. It’s five minutes a day, and you can’t have too much of that kind of discipline. And the files and the folders – your desk should be clear. Because everything – you’re at one stage, and you’ve got a file for it. Those big projects you’ve been putting – you’ve got a file for that. Computers are great too, because they’re highly organized – or they can be. I’ve got a folder for everything. I’ve got sub-folders and sub-sub-folders – totally organized.

OK, so this is reactive traits. Managers always accessible and open to interruptions. This doesn’t force anyone to be well organized. Meaning if anybody in your company can come to you anytime and interrupt you anytime they want, then that means that they’re not respecting your time, and you don’t respect your time either.

A few formalized meetings – because formalized meetings actually are highly productive. When you guys start having those meetings on a regular basis, you’re going to see a tremendous improvement in the company. And again, I’m going to give you your subjects for all your meetings for the next year.

A few formalized policies and procedures so that we all must be recreated each time. No assigned goals. Deadlines are a task. – and that means when we’re going to have our weekly meeting with your department, that if you come up with a suggestion there’s going to be assigned deadlines. There’s going to be tasks that are expected to be created… Again, this is how you go to the $100 million mark. This is how you go to the big time, is you’re not playing around here. You’re executing like a champion race horse. And so there’s goals, there’s deadlines, there’s tasks – let’s spell it out. What are the tasks? Who’s going to do them? When will they be done? What’s the deliverable? What can I expect? When will it be done? When do we know that it’s successful? That’s a great question – when will we know we’re successful?
The minute-by-minute manager does not plan their day. Instead they are in
reactive mode all day. The minute-by-minute manager runs a department by got-a-minute
meetings. OK, I already said this.

Now here, this box represents the most things that you looked at. Now if you
look down at your list, look at the thing that would probably be the most productive,
meaning get you the highest degree of results on that list. Where did you put it – first or
last? Who put it last? Just a few of you. (He didn’t even want to raise his hand.) Most of
us put the hard projects last. But if you look at the one that’s going to get the results, it’s
probably the hardest one. And that’s why you’ve been putting it off and you haven’t
done it. So one of the rules of great time management is do the hard projects first,
because 20% of our time – it’s the old 80/20 rule. They found that 20% of your time is
spent on things that produce 80% of the results you’re getting, is from only 20% of your
time.

Now what would happen if you followed this time management plan every single
day, and you were focused at 80% of your time was on things that produced results?
What would happen to this box? I wouldn’t have room to draw it here. So you could
effectively quadruple your time management, but typically by adding these 6 steps, you
see about two more hours a day of productivity. At the end of the year that’s three
months more work per person in your company. Three more months of productivity per
person in your company. What would that do to your company? And those of you who
have a company…who have employees…who have a staff – managing that aspect of it.

Now let me just tell you some other rules. Supervisors can always interrupt.
So you can have your plan. You can have your employees have their plan. When the
boss comes in, the boss can change any plan he wants, any time he wants. That’s the
prerogative of being the boss. The boss can come in and totally change your schedule
anytime he wants. But if he gives you an interruption, and you can go back to your list
afterwards, and you’ve built in two ½-hour time slots just for those kinds of things, it
doesn’t have to destroy you.

And if you’re in a – again, just telling you this for those of you who are running
large companies, or run a company where you’ve got staff and you now want your staff
to start doing these six time management. And one of them is in a reception role. And
she says, “Well, I can’t do it because Joe comes over to me and sticks a paper in my face
and says, ‘I need this done now.’” You know how you solve that? In-baskets.
Everybody has an in-basket on their desk, and when you want me to look at something, in
addition to my got-a-minutes, I’ve got an in-basket. And in my time of my day, I will
schedule time to handle things in my in-basket. But you know what? If that in-basket
becomes something that your employees don’t respect, than nobody’s ever going to put
anything in the in-basket because they know it won’t get done. So you must plan in
your day that you’re going to spend a half hour on your in basket, or two half hour
sessions on your in basket, and that’s where people put your things.
In-baskets were a revolutionary thing for our secretarial staff when we were trying to get them – because I’ve run all these sales organizations. The last place we had 27 incredibly needy salespeople. Because you know what comes with that big ego, right? Big management challenges. So if you have top performers they require a lot of attention. They always think their work’s the most important thing that needs to get done, and that’s why they always get clients, too, because they feel like there’s nothing more important than getting clients. And they will just drive, drive, drive and get business that nobody else will ever get. Because they bring that attachment to everything that they do. And that’s what you want in a salesperson. But getting them trained so that they will use the in-baskets –

And so we started using the in-baskets so that the secretaries wouldn’t be interrupted constantly. So we started in-baskets. Salespeople put stuff in the in-baskets and the secretaries weren’t doing anything, so then the salespeople said, “Well, I can’t put it in the in-baskets because they don’t do anything.” So then we had to get on the secretaries and make them really pay attention to those in-baskets – and I just got the whole thing running like a machine. Guys dropped stuff in the in-baskets...secretary plans it into her day. She takes care of the stuff in the in-basket, and the whole place – the productivity just went boom, boom, boom, boom, boom – like a machine.

So you’ve got to be like a scientist, and these are the tools that you’ve needed to make you into that scientist and that you’re working on that business, making it function like a machine - making it run really well.

OK, so the proactive office. The manager sets their schedule each and every day with specific times for miscellaneous meetings and interruptions. Employees are expected to weekly meetings and have specific agendas. So if you have these weekly meetings, and you say, “When you come to the weekly meeting (and I don’t care how small you are) you have an agenda.” Jerry, you have four, five people. Somebody here has got three, four people? Come to the meeting with an agenda. Things that you would like to cover. And the boss should always have an agenda. Well, I just gave you a year’s worth of agenda. Howard, you don’t know this, but I wrote a year’s worth of meetings for a company to be proactive about.

Unless urgent, employees keep a running tally of items to be discussed with boss. I mean, literally, give them a pad that says, “With Boss” which are covered in the scheduled meetings. Manager has highly proactive schedule each day. Manager expects – and inspects – each employee to do the same. Meaning that you can’t create a new habit in your people – People respect what you inspect. You cannot get people to start using these six steps of time management – Plus, you want a real shock? Have your staff start doing these six steps of time management and go take a look at what they think are the six most important things they have to do. You’ll go, “This isn’t important. How long you been working on this?” “Oh, I’ve been working on that for three months.” “Oh my God!” So now you get a look at their list, where you go, “Oooh, that’s important.”
So it’s a really interesting thing when you want people to – so the beginning of a new paradigm like this, you would literally have in your first five minutes of your day, is to look at everybody else’s list. Go inspect their list, and look at what everybody else is doing. And it gives you tremendous insight and control over your organization.

I said it yesterday, but I’m going to say it again: **Weekly department meetings are held without fail.** People put it on their calendar for the next year. There should never be a dentist appointment, a doctor’s appointment, this thing they have to – an errand they have to run during your weekly meeting, because that’s the next year, and you’ve got it on your calendar. Just write it – have them sit right there and say, “Write this in your calendar for the next year.” There is no avoiding that meeting. Vacations and the death of a loved one - those are the only two excuses that you miss that meeting.

Staff is asked to hold all ideas – I already said that. Ideas are discussed in the weekly meetings. The manager always has an agenda. Tasks, deliverables, and strictly-enforced deadlines are assigned. Manager posts one hour a day for got-a-minute meetings. Manager continually addresses strategic solutions to problems – I mean that’s a really good way to spend their day. Staff plans their day and works their plan. After interruptions, everybody goes back to their plan. So if you look at this manager’s day, it says here, “How much of this day is proactive?” Like, all of it – about 90 minutes of it. “Plan day. Have quick look at staff’s plan.” Right there, it’s on the plan. “Work on strategy to overcome our new most frequent-heard objection. Create a standard promotional piece or standard letter that addresses the problem. On sales call with Bill. Lunch with important client. Misc. – there’s some time for got-a-minutes. (Oh, there’s the got-a-minutes – an hour for got-a-minutes all at once.) Review six months of marketing for the month. Work on better systems. Meet with the marketing department. That’s a really good day. And if you’re a manager, you look at that day and go, “Whew – I’d love to have a day like that.” If you want to grow, that’s how you have to start running the company.

And again, e-mail isn’t in any of these because these plans were created five years ago and it was like, not even a factor. See how fast the world can change? Product life cycles, by the way, used to be five years and now they’re six months. It’s amazing.

Plan day, organize, read inter-office mail… the most important thing I wanted you to see here is that there’s two hours of cold calls, right here, and then another two hours here – oh, that’s presentation – more cold calls – another hour here. So this is a really good day. If you have sales people, you should expect them to be cold-calling prospecting three hours a day, 2½ hours a day. That’s going after new potential business, and if you’re the entrepreneur and you’re the one responsible for getting new business, then 2½ hours of your day every day needs to be spent every day, planned into your day, prospecting, because you’re the one driving the revenue. And if you’re a barracuda it’s four hours a day.

**Prioritizing** – the most important things first. Do the hard projects first. It’s a tremendous sense of control and accomplishment when you do those things that you
know you’ve been meaning to do all along. So that’s step number five. Most people put off the hard projects until the very last minute.

And then how do you know what the most important projects are? Ask the results. Many people do busy work and get few results. Have you ever had one of those people? “Oh, I don’t have any time!” And yet they’re really – their productivity is just terrible. I’ve had those employees where they’re like, they’re so busy—and you look at what they actually get done, and they’re one of those people that have 25 things on their list, and they never do any of the important ones because they’re too reactive. “Oh, oh oh!” So make those people do the hard projects first.

What would happen – I already said this. OK, and then #6 – how many of you are guilty of this? Will it hurt me to throw this away? How many people keep everything. Well that’s the rule. 80% of all filed information is never referred to again. How many people keep their e-mail files? Of every single thing you get? How often have you referred back to those? Once in a blue moon, right?! 80% of the time, you never go back to them. I don’t go back, so I started throwing those away either – with the question… Here’s the determining question before you throw something away: Will this hurt me if I threw this away? Meaning if you can get that again, get it from somebody else, get it back, find it when you really need it – then throw it away, because you’re never going to look at it anyway. You’re never going to need it. You’re never going to refer to it again. So if it won’t hurt you to throw it away - toss it. Just get it off your desk. Get it off your plate. Get it out of your e-mail.

OK, so in summary: Plan, plan, plan. That’s the secret to time management. It’s just plan your day, plan what you’re going to do, plan how long you’re going to take, plan everything. Plan for interruptions. Organize when you do tasks. Stay on the schedule as much as possible. When something interferes with your schedule, go back to the list. You’re hearing this from a person who practices what he preaches. Who tries to adhere – and here it is, all in one page that if Carl wants to make a copy for everyone, that’d be a good page to copy. What do you think? There they are, one through six, right there. Post it up on your desk. Look at it every day. Give it to every employee. Want to do that Carl?

OK. The next segment, we start to drill down with the sub-strategies on how to get customers.

**Jay:** Ask if there’s any questions.

**Chet:** Yes, any questions? That’s a good sign. No, go ahead, Blair.

**Blair:** Do you have any guidelines for handling incoming phone calls?

**Chet:** Well, if it’s not in your schedule to be interrupted, don’t answer your phone. If I’m working on something where I need to be deep in thinking, that’s – what did I hear, one time management expert said, “That phone is there for my convenience.”
It’s not convenient for me right now to answer it. So anyhow – but if you’re in sales, and you’ve got to know when those clients are calling…clients are first, man. You take those clients calls, but that’s why you’ve got that time built into your schedule for that stuff – the clients calls, you got swept away taking care of something. You know, it’s always good to get swept away for a client call, or a new sales call. But when you’re done, you go back to the schedule. But if you’re in a planning or a supervisory position and you’re not getting sales calling coming to you as the entrepreneur, then you only answer it when it’s in – for your convenience.

Participant 1: What’s your definition of an emergency by one of the employees?

Chet: Something that’s got to be handled – you’ll know. Yeah, something that’s got to be handled that day, and you as the boss need to say, “That did not need to be handled right now.” You know when something’s an emergency. You’ve got a project going awry, or some customer is bent out of shape, or – you know, you know. And your people will know. But you need to have discipline. And I’ll tell you, that is going to be the hardest part, is you, as the entrepreneur, have got to be tremendously disciplined, and force everybody else on the staff to be very disciplined. Any other questions? Yes.

Participant 2: Chet, what about the other 53 things that we just took off our list? Is there a system for like, just kind of keeping them somewhere so that if we go back to them when we’re thinking through strategically what we should be working on?

Chet: That’s a good question. You will find that the most important ones will come to that list, you know what I’m saying? They’ll just come back to you. I have a to-do file. I have a think file. I have an ideas file. I have a projects in progress file. I have…

Jay: Chet?

Chet: Yes?

Jay: Do you allocate time to review those files? How do you do it?

Chet: If I want to.

Jay: Well, what do you do with it?

Chet: Like I say, if it’s – I get to them… I find I don’t get to them. I find the most important things seem to come to that list every day. That’s why I do the six, and I get them done, and I’m religious about it, and my productivity is enormous. Jay will tell you, right?

Jay: Chet’s an animal.
Chet: My output is – thank you. I mean, the amount of stuff that I get out in a day is like, four times what anybody – most people I’ve ever worked with, because I’m so disciplined about the time. If I’m working on something, I will not answer every phone call. I will not – that e-mail coming in. It’s, this is what I’m doing. And fortunately I’m in a position where I’m not reactive to sales calls, but when I was a salesman a client was always first. I just want to make that really clear. And anybody who has sales people. Any other questions? Yes.

Participant 3: So we could show this to our employees.

Chet: Absolutely. In fact, once a week I would recommend it. Or once every three months, actually, is what I recommend. There’s twelve segments in all, and if you want to really follow the system that I normally use with these, it’s one hour a week spent on each one of the skills and so in the course of three – because there’s twelve areas of skill – strategy vs. tactics? Every time you come back to that, you’re going to go, “Well I’m not doing that. Oh, I hadn’t thought of that” every time you come back to it. Getting customers, training – every time you go back when you start doing the training. You go back to that training segment? You’re going to pick up five more things you’re not doing in your training that’ll improve it. So there’s twelve segments – that’s three months if you just do one a week. They’re all about an hour. One a week – that’s three months of really, highly proactive training on the twelve competencies. At the end of the three months, what do you do? Somebody tell me.

Participants: Start again.

Chet: Exactly. Just take that first module, and now it’s been three months since you did the time management. You’re sitting there with your staff and going, “You know, we’re really not doing this.” And so remember? It’s that repeating of a learning curve. Each time you accumulate a little higher degree of skill. Any other questions?
Jay: Now, we’ve covered the foundational strategic elements. This next one is like an arc. It’s part strategic, and it’s part tactical.

Chet: Right, very good.

Jay: We’re moving now to tactical, right? Any other parenthetical comment before you start?

Chet: I think that that’s a good summary. These are now the substrategies, about an hour – if you’ve got your story down, that funnel thing, and you’ve really got that down…which you don’t necessarily have down, and we do want to help you drill down on it. And this will help you drill down even more. But if you’ve gotten your funnel built (and I went over this with everybody, right?) and if you’ve got that funnel built, then now how do you want to go get the customers? So we’re going to lay some foundations, and then we’re going to get into the nitty gritty of now you’re talking to the customer, and how do you want that interaction? We’re just going to keep going deeper and deeper and deeper. So this is a sub-strategy.

OK, so this one is called, “How To Get Customers,” and these are the case studies of rolling out the story that we’ve been working on for the last 2 days. All right. And how does the Ultimate Strategic Position (a different USP than what you see from Madison Avenue) translate to the revenue gains at the tactical level. So we’re going to cover targeting best buyers and building loyalty. That’s a big thing for me, and for Jay. We’re going to target stack marketing – how all your marketing can add up to stuff. And then the most potent form of marketing that you have at your disposal – you probably don’t even realize it. And then, repetition is the real answer to success, and that’s what we want to do.

So, targeting the best buyers – who is your most ideal buyer? It’s what I call “The Dream 100” sale, meaning that there’s people who are the perfect buyers you could ever imagine, and then there’s people that – you know, there’s all buyers. And the perfect buyers is always a smaller number than all buyers, right? Meaning, Marshall, if you’re going to go after guys who sell swimming pools, wouldn’t you want to go after the 100 biggest sellers of swimming pools first? You’re going to spend the same amount of energy, practically, going after the guys who sell one or two a year as you will going after somebody who sells 25 a year. So it’s just for the same amount of energy you can be getting a greater yield if you pick your best buyers.
So let’s give some definitions. **They are successful.** They have the money to spend if they want to buy, meaning…Adrian - (Where’s Adrian? There you are. I thought you were over there.) You’re not going to go after low-income neighborhoods when you sell $15,000 stereo systems. So for him it’s obvious. But for other people, they don’t always think about who would be the ideal buyers.

**They want or need to buy.** Let’s go after the guys who want or they need to buy. Now they may not *know* they need to buy. You may have to be the one to teach them. You may have to be the one to create the pain. Is geography a factor? Are you regional? Do they have to be in a specific area? In some cases it’s not, but let’s design your best buyer list.

**Size of sale** – who can buy the big things, the biggest things that you can sell? If you sell to consumer, you can target by neighborhood now. You can buy lists by ZIP code of the wealthiest neighborhoods. I mean, everything is so available now. Information is unbelievable, OK?

And then, **repetition of purchase,** meaning that if you sell something that can be sold again and again and again, you would want to sell to the people who would buy the biggest things.

So the fastest way – I’m going to stretch this out a little bit, and then we’ll do a little workshop on it – the fastest way to grow your business is to target the best customers. Paul, in your restaurant business, obviously. You want to get a guy like me who eats out three nights a week, have a relationship with me where I look at your place as a second home. I can get special attention. You know what kind of steaks I want. You know how I like them. I come in, the waiter knows what wine I want, how I want my salad, on and on. Now, I have a restaurant like that that I go to now, and I bring people there from everyone who comes into town, and I send people there. I must be worth $50,000 a year to some - the right restaurateur who gets me as a customer. So wouldn’t you want to go after just those guys in your neighborhood, or in the neighborhoods that can afford to be those kinds? In other words, all people may go to a restaurant occasionally, but some people go every week. And if you go into a restaurant – and let’s say there’s a restaurant right now, and I say, “Excuse me, can I have a show of hands on how many people eat out at least once a week?” This is probably not a good crowd to do that with, but in an average restaurant, you’re not going to see more than 20% of the hands go up. So *those* are the guys you want to fill that restaurant with, and you’re just making sure that your monthly nut is going to be met, because you’ve got your best buyers lined up outside the door waiting to get in there.

The other thing is that **they have influence.** A guy like me as your customer – I have influence. Meaning that because of my (and I know Jay hates this term) “celebrity status,” but because of my position in the world and who I am in the community, and etc., etc., if I say to somebody, “You’ve got to check this out” it has more influence. So your best buyers have more influence.
So this is an example of, I took over this magazine. Their database was 2,000 advertisers. And they told me, “OK, here’s our advertisers.” And so I quickly did an analysis, and I looked at who was advertising in the competition, and out of that 2,000, there were 167 executives that accounted for 90% of the advertising. Those 167 executives were in like 100 companies. And that was my Dream – I called it the “Dream 100.” That’s where I developed the concept.

Every market niche has a smaller number of ideal buyers vs. all buyers. Here was all buyers…here’s the ideal buyers. The best buyers buy faster when other best buyers buy. (Translate that, why don’t you!) That means that as I started to get the bigger advertisers to come into my magazine, it was easier to get the other big advertisers.

I ran a publication called “Beauty Digest” and it sold to the beauty industry. And when I got Estee Lauder in the publication it became a lot easier to get everybody else, because everybody else just follows Estee Lauder. “Oh, you have Estee Lauder – well.” And all the wannabe’s want to follow Estee Lauder, because they’re the crème de la crème of the beauty industry.

So once you get the best buyers, you start to get more best buyers. So they help you gain faster social acceptance. It’s just like if you put a fence in in a neighborhood – I recently had my alarm system upgraded, and that little beggar who put it in there hit like every single house in the neighborhood. So I said to him, “You know –” (because he mentioned the woman next door, kind of went like this at him, like ‘no soliciting,’ even though she didn’t say that on her door) And I said, “Well what did you say?” He said, “Well, ‘Hi, I’m working on Chet Holmes, blah, blah,blah.’” (He dropped my name – social acceptance.) and then he said, “Yeah, I’m working on his alarm system and right now we have a special deal where we install the alarm system for free and you only pay $32..” He had the guy’s whole speech. He got five of my neighbors to take his deal – five. That’s a really good day. Using the social acceptance that I have in that community.

So these are all sub-strategies. And then, this is an example of – for an industry…let’s use Ruddy and Rhonda. When you want to get – or the guy who sells the to health clinics, where are you? Mickey, is it? OK. You – or the guy that does the ISOs too. When you go after the best buyers in your particular area and you get them, you automatically gain social acceptance with the other best buyers, you understand? Now the beauty is if you’re smart, you go after your Dream 100 all at once, at the same exact time. Why? OK - let me tell you this story.

We had a client who needed to get their product into the law firms, and for five years they had been selling down into the bowels of the organization, and down with the smallest law firms that you could sell to because they were easier to get to. So they didn’t, from a strategic standpoint, put together their story. They didn’t find the superior access vehicles. They didn’t do any of the stuff that I’m telling you. And you can be – if we look at all the law firms, or all the accountant firms, right…Here’s – so this is almost any industry. I just have to translate it to every one of you in the room, but here’s the
accounting market or the legal market. But the accounting market is an even better example. In the accounting market there are the big four, and then there’s 50,000 other law firms, of which most of them are solo practitioners. And or actually, the solo practitioners are like 300,000 just by themselves. You could sell 50,000 solo practitioners and they wouldn’t care. But if you sold two of these guys you could get the rest of the market like it was a waterfall.

So what you want to do in your market, if you want to grow fast, is you need to go after the biggest players that you could possibly want to get to, because they will give you social proof. When I get on the phone to get an appointment with Carl Reichardt, the Chairman of Wells Fargo Bank, how many big names do you think I drop? Five a minute! “Well, I’ve met with so-and-so at such-and-such and such-and-such, and they all hired me. But maybe you’re smarter than all those guys. I don’t know.” Well, I actually have a module that shows you how to get appointments with top people, and so then I’ll get into the nitty gritty of how exactly I’ve gotten meetings with the top executives in the world.

So this one, what we did is, you go after your targets all at once. You pick the five firms that you want to penetrate, and you get all the names of all the targets that you want to go after so that you can name drop them to each other. You can’t lie. You have to say the right things, but what we found is that you can make statements like, “So we went after the large law firms in California…McKutcheon and Doyle, Baker McKinsey – largest law firm in the world, Pillsbury, Madison Suttro – so let’s just say those are three right there. And we found out who the managing partner is, right? That’s this guy right here, because in a law firm, that’s the hierarchy, this basic structure. The managing partner, then he most of the time can make decisions unless it’s a big purchase. Then it has to go through the executive committee. Then you’ve got your senior partner of each specialty…so like the litigation department, the intellectual property department, etc., etc. Then you have the attorneys that work under them; and then you have the paralegals; librarian down here that runs the library; MIS director down here; acquisition directors for various departments.

And most people, when they try to sell to law firms, sell down here and that’s what this client of mine was doing. And what I did is I designed a program that would be interesting to this guy. What would make this guy that was an easier sell, meaning I’m not going to come in there and try to sell this guy software – that’s a waste of time. But I will give him an orientation on the five most dangerous trends facing law firms today, and it’s sponsored by the software company. And I’ll spare you on the details of what you say to get that appointment, but basically then you say, “Well you know, as a matter of fact we’re meeting with McKutcheon and Doyle, or we’re meeting with Baker McKinsey, and…” We’re in touch with, you’ve got to – you cannot lie. Never lie. “We’re in touch with Baker McKinsey, we’re in touch with…” and that’s what you do. You call all five of them in the same day. And then they say, “Oh yeah? Who are you talking to at Baker McKinsey?” “Oh that would be…” and you name the name, because you’ve got it right in front of you. And let me tell you something, it’s amazing social
So now what I’d like to do is have you guys design your list of ideal buyers. Let’s do – Jay, you wanted to get involved here? Just what is your ideal buyer? Let’s put your criteria down right now. These are the best buyers. Let’s design your Dream 100 candidates.

**Jay:** And one of the things that Chet preaches, which is research – and he’ll say, “I did an analysis.” Most companies that I’ve looked at and worked with, taught – don’t really know squat about buying tendencies of their own list too. But you want to – before you can target your Dream 100, you’ve gotta **know what the criteria are.** And you might want to start with a little soul searching internally to see what the buying trends are. Who buys what kind of things? What kind of companies? You might find that unbeknownst to you, 70% of your business is coming from a category, or a geography, or a certain kind of decision maker, etc. So do a little bit of insight into that first.

And then second, **start listing** who would be – most people also don’t have a great database. If they have a great database of company names, they don’t know who the key influences are. Also, do a little bit of pre-orientation and **figure out who you know who already knows the people you end up with this list on.** If you list the top 50 companies in the category of X industry, or X niche, or X distinction, then you want to know, first of all, who are the key decision makers there. And you get someone to find them out for you.

Then you want to find out if in your current scope of relationship – and you understand the six degrees of separations – you know what that is? Everybody basically knows almost somebody who, within six phone calls, or contacts, can get you to almost anybody you want to reach. Well **figure out who already knows them**, and knows them in a favorable way where they are respected...where they are credible...where they have good will...where the full force of their experiences, their reputation, their relationship can be accessed.

Think through, literally, **who are the biggest influences in the industry you want to reach**, and then basically make your list. And do it right now. If you don’t know who they are, all the more reason why you’ve got to do it. And if you know who they are, and you’re targeting – and again, Chet’s right. If you’re spending all your time targeting the little companies, and yet one big one could be worth not only 20 or 30 little ones, but it could influence all the other little ones to come on board - go for it. OK, so take your time and make your list.

**Chet:** …I would build the program that would make the bureaucracy a lot less bureaucratic. And that’s like, you go in to that CEO where you can affect them, but you have build that thing where he goes, “Ooh, I want to see that.” And then, like, we have a program just for that, and we have a person – actually, she’s sitting in the back of the room – who does that for us. Who’s job it is to get us appointments to get to these top
CEOs, and we’re building tools and approaches, and all kinds of things to make her job easier. But if in the meantime you have to feed the baby, then you’ve got to prioritize. Plan it into your day.

**Jay:** But if you take this – if you say, OK, there’s two categories. There’s three categories. There’s little companies, there’s the big, bureaucratic companies, then there’s the top end of the medium to larger smaller companies. That’s a little bit conflicting, but if you had a list of the top 100 in that category, and the top 100 here and you balance it, you’re still going to have leverage.

**Jim:** No, but my problem isn’t _____.

**Jay:** Jim is sharing that he’s got a dilemma that his problem is the little companies he can sell don’t have the resources to execute – we can relate to that. And the big companies he can sell are so bureaucratic, they take forever to execute, and you can –

**Chet:** I think it’s a numbers game. My experience is that, if you’ve got a compelling story and you’re resetting their buying criteria – that’s what the whole key is – and then you take that to the right executives… I have seen CEOs that have built multi-billion dollar conglomerates on a Thursday and had a check for $80,000 on a Tuesday to start a project.

**Jay:** Well also, Jim’s got a unique –

**Chet:** It’s just getting with the right guy who has the need, and say, “Write the checks.” It happens very quickly.

**Jay:** And his dilemma is he’s got a service that requires a significant, continuous degree of efforting and follow-through on the other side. But I would say the following – and then you’ve got to go back, because we’ll divert their focus on this, Jim. I would say that you have ability to design the kind of clients you serve by the criteria you establish. And if you can bite the bullet as you’re basically moving up, and not accept transactions, client situations that don’t adhere to the criteria that you establish, you will manifest what you want more and more, don’t you think?

**Chet:** Mm hm.

**Jay:** Anyhow. Good luck

**Jim:** Thanks.

**Chet:** So, if you have your list of Dream 100 clients – now this is customers for life…
Jay: Let’s do a little interaction for about two minutes with the mike. We’ve got a mike? Let’s just go around the room, Chet, and ask if anyone had an insight that they’ve never thought about that they –

Chet: Absolutely.

Jay: Yeah, I think that’d be good. Just pass – anybody got an insight that came out of just doing this list, and listening to this that’s truly profound in the implication that it’s starting to stir in your mind? Nobody had any insights from it? OK, pass to the people that have the mike, the hands up. Stand up – stand up if you had an insight so we can find you easily. Stand up, everybody.

Participant 1: It’s not really a demographic, but I just thought people who are trying to lose weight loss, they’ve tried many options that haven’t worked. But more than that, they’ve probably quit in the past, and so it’s just the distinction that the follow-up is very, very important.

Jay: OK. Whoever else…?

David: I’ve been trying to decide on what new markets to focus on for awhile. The notion of designing the kind of clients I want by the criteria I set…setting the standards first makes a whole lot of sense. It could organize everything else around that. Once you have the standards and the criteria, then you can find the market, what they want, how to reach them, design everything else around that.

Chet: Hey, I wrote you a fortune cookie promo, by the way. I forget – your name is..?

David: David.

Chet: David. You had the coaching business, right? OK, so here’s your fortune cookie – remember the thing where they read it? And it says, “You will find a way to make your business more profitable and rewarding than ever before.” I forgot to read that one off. I don’t know why. Anybody else? Targeting best buyers?

Participant 2: To do a lot of the preventative medicine that we do they have to have more money, and we found –

Jay: You’re all elective aren’t you, probably? A lot of yours is elective.

Participant 2: Yeah, we don’t do any HMOs or Medicare and Medicaid, and any of that type stuff. And so a lot of the farmers and ranchers carry their own way, and some of the business owners – small business owners – carry their own way. So what hit me a few minutes ago is how we need to target the preventative medicine-oriented people, so maybe – you mentioned something about that there are lists of those type people.
Participant 2: And there’s lists of heart people, and maybe I can also get lists of the wealthier farmers and ranchers, things like that.

Jay: Chet, that’s a good – and that’s a good point. When you’re talking about best buyers, you’ve got to think also about most compatible buyers too, because a lot of people spend all their time going after markets that are marginally viable, when in actuality you can today find so many markets that are 10 or 20 times more viable just by distinctions you can learn about.

Participant 2: Yeah, I got a good idea of the people I want to target. Now I’ve got to find out how to get lists that will – and maybe there’s some way that I can merge those lists. You get this list and that list, and computer-wise, there’s got to be a way that you can have people that satisfy all three criteria.

Chet: Mm hm. OK, great. Tony, did you want to comment? I saw you raising your hand.

Tony: It’s funny how when you hear something, that reticular activating system makes you think about – you know? Well, just this past week I received a fax and it reminded me of something as you said this, that each year there’s a publication – or, in one of our trade journals there’s a list of the top 100 volume-dollar landscape contractors in the United States.

Chet: Oh, God. That’s your Dream 100 – somebody made it up for you.

Tony: So that’s pretty cool. And then at the same time there’s a list that I just got ahold of, which was the top either 10% or 100 truck sales people within the Isuzu Motor Corporation Dealership.

Chet: Wow. There you go. You’ve got one less ____, and one less to build your case. And John, for you, for example, your Dream 100 list are like all – I gave you like five or six of those categories, and then within there there’s a Dream 100. And you put your sales – your category…what did I call him? Your segment director – put him on each one of those categories. OK, Mickey.

Mickey: We have, in the mental health, or the ___ health community there’s an elite group of community health centers called “Mental Health of America.” That’s about 95 major community mental health centers. And I’ve never targeted those.

Chet: Somebody else built your list for you, bro.

Mickey: They did, and as I think about it, that group meets quarterly in a –
Chet: Oh! You better have that story, though. You don’t want to go in front of that group with just a straight presentation.

Mickey: Right.

Chet: You want to have your ultimate five things they should all be worried about orientation.

Mickey: As I was thinking about that, they just through meeting in Seattle, and if this gentlemen would target groups like that that are coming to Seattle, he could fill up his restaurant.

Chet: There you go. Put your marketing person on it.

Jay: Anybody else? OK, continue.

Chet: OK. So this is lifetime-value customer, and this is just showing – and this is really Jay’s area, but just a little touch on it. A Wal-Mart customer spends $408 vs. a Target customer spends $210. And I tell this story of, I was snowmobiling, and I needed a snowmobile suit. And I was in Minnesota, and we went into Target and I had to ask four different people. “Oh, it’s in sportswear.” “No, it’s in menswear.” It’s like nobody knew where the darn snowmobile suit was. And then I get there, and they didn’t have extra large anyway.

So I walk into Wal-Mart, and as I’m walking into Wal-Mart there’s this guy standing in the front of the door with a bowl of candy. “Hi, how are you doing? Welcome to Wal-Mart! Have some candy for the kids.” He gave some candy to the kids who were with me. I said, “Do you know where the snowmobile suits-?” “Yes sir, right over there, Aisle Six and - ” And it was just a whole ‘nother thing. So Wal-Mart understood that even though their price per purchase was only $24 and Target was $30, they’re getting 17 – this is ten more visits per customer, and when you extrapolate that over the course of the lifetime value of a customer, you’re looking at $12,000 – well that’s worth giving a couple of free pieces of candy away for that, all right?

So this is what Hertz called their “Conquest Strategy.” And that’s when they found that the average consumer’s spending now on Gold Service – Hertz Gold Service – just us frequent travelers. There’s three of us in the room, but man, you wouldn’t have it any other way, would you? Howard?

Howard: ______

Chet: Yeah, I heard about that. I heard about that. That’s where they bring the car right to the airport and you come down…

Well, when you’re a frequent traveler, the one thing, you don’t want to be standing in lines, waiting for your rental cars. You want to get out of your car… So
Hertz, back in – I don’t know how early you were in joining, but I was one of the first guys to join because at that point I was traveling, like 45 out of 52 weeks or something. And normal – you rent a car, you go, you wait in line, you show your driver’s license, you show your credit card, they fill out the contract and you sign it, you initial what you want or you don’t want, blah, blah, blah, then you go out to your car.

With the Hertz Gold Service, the bus drops you off in front of this thing that says, “Holmes - Stall 40.” You get in the car and drive out of the place. That’s all done in advance. You show your driver’s license at the gate, just so he confirms that you are the person that you’re supposed to be.

And so they gave me this letter and it said, “Since you use Hertz, it’s going to be $45 for this but what we’re going to do is we’re going to give it to you this year for free to try it out.” Well after I tried it out I would have easily paid $45. But what it did is it started capturing so much market share – because all the busy executives were joining it like crazy – and it gave them a strategic – they reset the buying criteria. Now everybody has the stupid thing, but if you’re the one to come up with that conquest strategy that changes the way your buyer thinks about how they buy, that breeds loyalty... that encourages loyalty... and this is as old as United Airlines having airline miles that rack up. But what’s your conquest strategy for gaining those customers and taking away from your competition? And it was worth it to them.

So the following year I get a letter from them and it says, “We decided we’re not going to charge you for this.” And it didn’t say, “Because this is the best damn way we’ve ever found for stealing customers, and we sure as heck don’t want to have people not sign up because they have to pay $43,” but it was actually implied in the letter. I don’t know if you are like me, you were like, one of the first guys to get this, you will recall the letter saying, “This is going to be free from now on.”

So what’s your conquest strategy? You know, Hertz Gold Club...do not wait in lines, blah, blah, blah, so it says, so what are you doing to breed unstoppable customer loyalty? So in addition to a conquest strategy that captures loyalty...that shifts the buying criteria in your favor...is there anything that you’re doing that encourages them not to use somebody else? Conquest strategy. Something that builds up, or something that – Jay? Comments?

Jay: My mind was thinking about – repeat the questions. I’m sorry – go ahead.

Chet: Just saying, did you want to contribute anything?

Jay: Well, my whole – the body of my work has always been how can you get people to become more of an affinity? More of, in today’s Internet world they talk about a community. How can you get the affinity and the distinction? How can you get them to feel recognized? How can you get people to feel so much more a part of something – or get them so many perceived benefits and advantages that they are only too eager to be a part of this in lieu of the more cold, static alternative that your competitor gives them?
And that’s really the key. And normally – I think I’ve said it earlier when I was talking about the strategy of preeminence – the key in life is not – and again, I’m not ever in conflict with Chet, but I just come at it differently. I believe the key in life is not necessarily what you say or do. I think it’s how much value you’re able to convey in benefit that is so irresistible that it’s harder for someone to say no than yes. And you’ve got to be able to be in somebody’s mind.

And it’s back again to what Chet says, “What’s the pain they feel?” Well, go into an airport – the pain they felt was, “Oh shoot – I’ve got to find the booth. I’ve got to go stand in a line. I’ve got to go fill out the card. I’ve got to go get on the bus. I’ve got to go to the thing and do it again with the paperwork. Then I’ve got to go find out where it is.” Well think about where the pain is, and how you can create such an incredible affinity type of a service in this application that can basically preempt and provide all the benefits that they aren’t getting…can salve all of the wounds…and get tied into such a proactive service that they think, “Wow, they’re thinking it all for me. They’re doing it all for me.” Etc., etc.

Chet: So here’s some philosophies that basically say what he just said, so it’s perfect: Treat each customer as if they were your only customer, and if you do that it really changes everything. Now again, the psychological profile of top producers is, that is their nature. They go after every account as if that’s the only account. They go after every customer like it’s their only customer, and that’s why the new guy comes in who’s got that psychological profile – and you’ve got five salespeople now – and within six months he’s outselling all five of them put together. Because that’s what that beast is made out of. And I’m going to show you how to find that beast, and all that stuff.

But you should have it as standards and rules in the organization that set up what the behavior or treatment is going to be. And ways to treat – your only customer. Take a deep interest in their success. Take a deep interest in their life. Provide them with remarkable special treatment. Make special treatment automatic. Build it in – these are the five standards.

With the rug carpet cleaning company I mentioned to you, we wanted them to sell Gold Service. Everybody agreed to sell Gold Service. They all like the idea of Gold Service. Nobody was selling it. Yes?

Jay: I would like to make another comment here, with your permission.

Chet: Please.

Jay: Yesterday – and Howard, you didn’t get the benefit of this, but I was reiterating an axiom that I believe very strongly in, and that is that it was grounded in the core essence of the strategy of preeminence. And it is that most companies fall in love with the wrong thing. They fall in love with their product or service, or they fall in love with their company and being the biggest or the best.
Instead, if you fall in love with your client, your whole orientation, and your whole way your mind focuses… and Chet talks about re-wiring your mind or your paradigm. It changes, and all of a sudden, as he’s saying, but at a much higher level, your whole focus, your fixation is thinking about – like in your case, Howard – how much more successful the resort’s going to be… how much more commanding their rooms will be, their appeal will be… how much more revenue they generate from their events... how much more of a joyous and a sumptuous experience the people who go there are going to be… how much more of a reputation it’s going to generate.

Somebody who’s – Mickey, you’re going to be thinking about how much safer all the health care facilities that use your software are going to be, and how they’re not going to get penalized, and how their process of the day and all the data is going to be so simplified, and how the people – they’re not going to have not that problem to worry about so they can deploy their people and their capital.

And you’ve got to start forging ahead so far in your connection that it’s really just an embellished attitude about what Chet’s saying. But I have found that when that is in fact inculcated, installed, really a thread that runs throughout the mindset of everyone in your organization – and even your vendors and suppliers and partners – that extraordinary transformation of the relationship that you establish, and how you are seen by your prospective clients and the prospects – it’s just like night and day between you and everybody else. No matter how great they are, no matter how compelling. Because your focus is so different. Your vision is just so far beyond just transacting the product or service and walking away from it.

Chet: OK. So the standard procedures. And, I just mentioned Howard because he set up his thing and he missed yesterday, but in this carpet cleaning company, again, they agreed with it, and everybody liked it, but nobody did it. And what we did is we role-played with them. We had every single person on the staff do it in front of every other person on the staff. Then we critiqued it. Then we added to it. Then we asked them what their opinion was of it. Then we took our great brain design, and we said, “What do you guys think the structure should be?” And we had them do bullets of what the structure was. And then we took the best ideas. So they felt like they were helping to create it, and that’s how you get the buy-in. And then once they all decided on the structure, I said, “You guys all decided on the structure. Now let’s see you implement it, OK?” And then we would rehearse them. And it’s just – just stayed in their face, and then six weeks later – Boom! It’s working like a champion, and they’re – it’s not as good as I wanted to, but it still worked.

So, little things mean a lot. Cards, letters, special greetings, provide information, etc. Write down the things that you can do to make your customer feel special. I think I’ll just keep going here. It costs you six times more to get a new customer than it does to sell something to your current customers. The most underutilized asset I have seen in any client that I have worked on of Jay’s – and it’s certainly not his fault – is that they don’t capitalize on the reputations that they set. They don’t capitalize on the relationships that
they already have. The Immuno Labs has 265,000 people that they sold that food toxicity
test to, and they never sold them anything else. That was it.

Jay: Or used them to get referrals.

Chet: Nothing. Well, they’re working the heck out of the referrals, now.

Jay: Yeah, that’s true. They do.

Chet: They’re on it like you wouldn’t believe! Every which way you can imagine.

Jay: And – I’m not trying to step on Chet, but we discussed last night that I was going to make parenthetical comments in this section. One of the things that’s very important is, I have gone out of my way to teach these to you, but I’ve not been able to provide the operating system. So as Chet makes these points it’s critically important that you re-refer to the fact that I’ve already taught you these realizations. But knowing them intellectually is useless if you don’t exploit them…if you don’t actuate on them. And this is the real key right now.

Chet: So how can you utilize that asset? What else do these people need? So that is a really valuable workshop. You did it on your form. You say, “What do they buy before they buy what you buy? What do they buy after they buy what you buy?”

Let’s have a workshop where you actually write down what else can you benefit to yours? So let me give you an actual story. So we had a client, and they owned a computer store. And we had a client, and they were an accountant. And the computer store sold business systems to small business owners, and they had a list of 5,000 business owners. And the accountant had a list of 2,000 clients that he did taxes for, and most of them were businesses. So we got the business – the computer store owner – we got the accountants to give away a free tax analysis. There’s no accountants in the room, right? A financial planner, but you would do a free analysis on my finances for me, wouldn’t you?

Participant: Sure.

Chet: OK. We got him to do that. We had the computer store write to the business owners and say, “I have fiercely negotiated for you, on your behalf…” Well, I actually started off and said, “We’ve found, again, Ross Perot pays only 6% in income tax. How much do you pay? I have an accountant who has helped me maximize my opportunities to not pay taxes, and I am so impressed with him that I went to him, and I fiercely negotiated an arrangement where I can actually have arranged as a bonus for you being my customer, I have arranged for you to get a free tax analysis, no obligation is necessary.”
And so they set it up. I can’t remember all the details of it, but the way it worked out is he got from those 5,000 people, something like 200 people who took him up on the tax thing, and 90 of them who became clients. And extrapolated over the lifetime of the deal it was like, $6 million in revenue…from an asset. And 10% of that went to the computer store. So the owner of the computer store actually made more money – more profit, because it’s pure profit for him. The accountant paid for the letter. And the accountant paid him a percentage of it, and the owner of the computer store actually made more profit from that than he did from the computer business. So the owner of that computer store is now going, “What else can I sell this month?” Because that’s an asset. He’s built it up. That’s why I asked you about your database, and you go, “No.” All those people you sold swimming pools and fences to, and all those people buy everything every month. And if they had a relationship with you…

Now, my carpet cleaning guy, with the way he was where they call every three years, he doesn’t have a strong enough relationship with them that he would have any affinity, but now that he’s in the Gold Service where he’s cleaning their home twice a year…where his people, when they get into the house, the driver – you can imagine, carpet cleaning guys showing flip charts now, when they get in the home – of dust mites, of bacteria in your carpet, enlarged versions of carpet fibers with this stuff clinging to your carpet fibers. That’s pretty compelling stuff, so the salespeople – that’s what I’m talking about. We integrated the strategy right on down through every aspect of the company. It started off up here, with the high-falutin’ strategy stuff. We got that strategy down into the salespeople, and the salespeople doing it. Now when the guy, the technician goes in to clean the home, he says, “You know, I see you signed up for Gold Service, man, and I just wanted to tell you, that’s a really good thing. Because let me show you.” And he takes out a flip chart binder and flip-charts the woman. It takes him three to five minutes. He’s showing three or four panels a minute. But it’s scary! And I’m having it FedExed to me. I’ll show it to you guys tomorrow, and you tell me if you don’t want to run home and get your carpets cleaned! You will want to sign up for the Gold Service, but unfortunately this guy is not in your neighborhood.

OK, so that’s an asset that you have – your customer list. What else, if you have an affinity to them, and you look like you’re serving them – that’s how you position it, you know?

So then, it went the other way around. Now the accountant says, “I have a technology advisor that I use who supplies all my technology needs. And yes, today you can get computers anywhere. But have you ever been frustrated trying to find out how to make them all work? Have you ever been frustrated…?” We all know. There’s lots of pain in there, right? It’s a shame we don’t have a technology consultant in the room, because it’s like, I have three or four different people that I use. I wish I had one turnkey place that would come and handle whatever my needs are, and I would use them in a second.

And so in this case, the accountant wrote a letter saying, “I have this technology company that we’ve had these problems, da-da-da. I have fiercely negotiated a free
technological analysis for you, and this would typically cost $300, and I’ve negotiated for free for all my clients as a way of saying thank you.” So these guys went in there to his – that letter went out to his 2,000 clients, and again, some extremely high number, like 10% of them took the technology analysis, and half of those guys turned into clients, etc., etc., etc.

So your asset is your list. That’s your reputation. You’ve spent money, you’ve spent energy, you’ve spent time, you’ve spent talent building that reputation. As Jay’s book says, getting everything you can out of what you’ve got. And then at the tactical level, how are you executing that strategy?

So every month you should be looking for one thing that you can endorse to your list. One thing that you have “fiercely negotiated to get you this special deal.” One thing a month, because that’s your back end. You’ve earned that. You’ve got the right to capitalize on that.

Then, if you add to that, that 30% of your customers will buy more products or services if you offer at the point of sale, and most people just do not take advantage of that… Right while you’re – you’ve already spent the money to bring the customer to the door. And what does that cost you? That’s six times more expensive than what I just gave you the model for. Six times more – you’ve already spent the money to bring that customer in the door. They’re already in front of you. They’re already buying something else. What does it do to your profit if you sell them another thing that they weren’t going to buy? It’s like people get into a buying frenzy. They get into a buying – when they’re buying, they’re really buying. Yes, Rhonda?

Rhonda: Chet, you’re getting kickbacks from the person – like what percentage _____?

Chet: You have to negotiate every one of those, but 10% is fairly common for a Jay deal. It depends on how profitable it is for the other company. Now we have a deal that we just did that we believe is going to generate about $200,000 a month in passive income for the next five years, that we took 30% of it. Because the entrepreneur that we got the deal for is going to make more money, more profit from this one deal than he’s going to make from his core business in 15 years. He’s going to make more profit in one month. Because he’s got a helluva reputation, and his reputation wields influence that he has never used. That’s an asset he’s had in his bank account for 15 years, that he has never taken advantage of.

So at the point of sale when people are buying, what little bump can you give them where they buy something else? 1/3 of them will buy it, offered at the point of sale.

And now, you know, these are all concepts that Jay actually pioneered, but now, has anybody responded to an infomercial lately, and then you call in to the 800 number to buy whatever it is they’re selling, and then they try to sell you four other things? They just keep going. “Yes sir, and I have here this…” And you can tell they’re reading. “I
have here this handy-dandy device. It slices and dices, and it is something that I want to
give to you for only $19.95 if you take it while you have this other order.” And they just
go, and I say, “No, I don’t want that.” And then they go to the next thing, and I go, “No,
no, I just want the…” Because they will literally keep going.

Catalogue companies do it now, as well. You call up to order from a catalogue
company, they try to sell you four things. Not all of them - but the ones who are doing it
are selling some other things. And it’s wonderful if you can make it like it’s a special
deal, or whatever. And if you don’t have something that you can add on at the point of
sale, then you should get somebody else to give you something that you can add on at the
point of sale. I would love you to come to me and say, “Hey Chet, when we get a
business client, how about we offer to have you give a free orientation on how to double
your sales in 12 to 18 months?” And I’d give you 10% of that, every day of the week
that you get me one of those clients. Get me the appointment – I’ll get the client.

So 30% of your customers will buy more products and services at the point of
sale. What can you do? This is your best stuff, and you missed it. This is like, Jay 101,
you know.

Jay: Can you do it again? They already know it. I mean, if you’re connecting, I
trust you.

Chet: So, you know, what else can you offer at the point of sale? In fact, why
don’t you take a few minutes and think about, what else can you sell to your current
customers? What might be a good thing that you can add on? And A – even better – you
don’t stock it. You don’t store it. You don’t ship it. You don’t service it. With the
computer example store I gave you, he did nothing, and the accountant did all the work,
and he made $6 million on it. The accountant did all the work, and I think by the time
they were done, by the way, it’s probably like almost a wash. But both were really
thrilled with the arrangement.

OK, so what could you do that you could add on? Maybe go to somebody and get
them to give it to you, or have them be thrilled to go try your prospects, and then what
could you add on to your sale at the time of sale? And Jay, do you want to comment?

Jay: Just say it again. We’re going to do some workshops, maybe, on this?

Chet: Right on this. This is your milieu. This is your world.

Jay: Good. Good.

Chet: So, what do they want to sell to the current customers, and – that they’re
not selling now, that capitalizes on the reputation that they already have? And what do
they want to add on to a sale when they’re already making it?
Jay: And can I – when they’re writing this down, could I broaden their perspective a little?

Chet: Please.

Jay: I just want to apologize, because I started getting a piece of something printed up that we’re going to do. I apologize, but I’ve got to go over it – 200 pages I’ve got to read, so I was just trying to make sure I have it here for you.

The key to this is partially grounded, or founded, in this philosophy we talked about yesterday of seeing yourself, as Chet says, in a broader, more global context. What did you call that? The – You talked about the three…?

Chet: Basic, strategic, and broadest possible view.

Jay: Yeah, because so many companies – and Howard, who is not in – oh, there he is now…even talked about he saw now that maybe it was appropriate to provide more services, and while its not yet – oh, he was talking about the - it’s not yet fully, necessarily manifest yet, but he’s got consulting now, he’s got design services.

Well, you’ve got to look at what is it – and a colleague of mine used to call this philosophy of mine the – not the continual moving parade, but the cycle of life. And he said, “Look at the generic product you sell, whatever it is. Look at two things.” I said this yesterday. What is purchased before? What is purchased during? What is purchased after? What should be purchased before? What should be purchased during? What should be purchased after to enhance the…(and then fill in the blank, depending on what’s appropriate) protection, payoff, profitability, enjoyment, protection of your product or service at work?

Ask yourself – and also look at who else is out there selling quality – whatever the answers to the generic issues you just asked were - those kind of products, but maybe doesn’t have good distribution, or who has meager or limited sales. And whose products or services could you, #1, take over… #2, license… #3, private label… #4, joint venture? Because one of the biggest mistakes that – or simply endorse. But one of the biggest mistakes that I find people make is low self-esteem relative to the value your company and your good will and your affinity brings to the table. And by that I mean…

It’s like when I do occasionally – and I don’t do a lot. I mean you guys – I’ll do enough stuff to my list anymore just to service our overhead. We don’t do a lot of things anymore, because it’s not the area that I’m involved in. But when people come to me and they want to do a joint venture, they’ll come and say, “Well, I’ll give you such-and-such.” And I’ll say, “No, you have to understand what I’ve brought to the table. I’ve spent 15 years building this list. We have spent over $25 million investing in this list. These people have spent time with me totaling something like 2800 hours, and for me to turn that relationship over, and to turn that distribution channel over…Unless you want to reimburse me for all that, I’m going to basically retain the lion’s share of the profit if it’s
And #2 – and I didn’t do it to be a shit – excuse my language. I did it because that’s what I believe the relationship’s worth. If they want to reimburse me 15 years, and $25 million and all the time, then hey, I’ll split profits with them.

But – and a good example is we – well, you might have heard this, but it doesn’t matter if you’ve heard and you didn’t do anything with it. We, years ago, we did something like six or seven times increase to companies’ businesses by just taking the same concept. They were selling exercise apparel, workout type clothes for athletic-type clubs, and health clubs. But they were selling it through Nordstrom’s, Park Lane Hose, K-Mart – they had like 3,000 distributors, and they had two products in their line, and the products were starting to become stale. And they came looking for a breakthrough, and I said – and they didn’t have any – they were just a couple of guys who were making a lot of money because they created two really neat little hot products. And I said, “You guys don’t realize what your real asset is. It isn’t your product. It’s your distribution channel. You’ve got 3,000 retail outlets that trust...you’ve got a buyer in the category of sports apparel who trusts you, and made a lot of money on your product. All you’ve got to do is go to all the quality cities in the country, and go to the hot health clubs and every one of them has got a little store in them. And there’s some local artisan who’s created something really hot that he or she designed, and they’re selling two of them a month. Find that artist. Make a deal to take over their product and sell it to all the other outlets other than those two that you’ve got. You’ve got a distribution.” And these people said, “Well, we don’t want to be reps.” And I said, “Then don’t. Give them a royalty. Give them 5%. You have the right.”

And one of my old philosophies that I forget to reiterate a lot is that in life today you’ve got two choices. You can be parity, you can be molded by society, you can be generic, you can be marginalized by basically doing whatever anyone else traditionally wants you to do – or you can draw a hypothetical line in the sand, and decisively take a stance, and for once and for all, say, “We’re not going to play the game. We’re going to change the rules. We’re going to do everything the way that it makes sense to us. And yes, everybody probably won’t do business with us, and yes, everybody won’t want to play by our rules. But if we design the life, and the vision, and the reality that we want, and the dynamics we need to make it work, we will find enough people who will go along. And we will find quality associations and relationships.

So boy, I mean, there are situations – and one of the problems that I have is I have so many scenarios in my brain that unless I come armed with 3,000 case studies, they’re just so cluttered that I can’t remember them, or remember many of them. But we have cases in our files where companies ended up making more continuous profit on the ancillary areas than they ever did on their main business. That’s why you’ve got to be at least open to stretching and broadening the arc of the business model, and seeing – what do you call that again? The thing you just shared with me? What do you call it? It’s broadest view?
Chet: Yeah. Broadest possible view.

Jay: Because also, if you adopt the strategy of preeminence, and your goal is to look out as a trusted advisor and fiduciary, if you know that your client is not going to be better served by buying fragmented from other people who are not going to have the same integrated concern for their overall performance and the holistic, let’s say, well-being of the whole organism and the entity — and you are, you’ve got an obligation…a moral responsibility. Not just an opportunity, but you’ve got a literally, you’ve got an obligation to extend yourself to really provide those services and products if you can in good conscience, and if you can provide the support or the expertise necessary. But when you broaden that viewpoint, it gets really exciting.

Chet: So if you guys would work on who else is selling to your customer that you know off the top of your head… But let me give you a great lead source - the trade journals that service your industry. If you will page through them, you will find other people trying to sell to your clients.

Jay: And particularly the small ads, because those are the ones that have good products, but they don’t have good distribution and marketing.

Chet: That’s exactly right. Those are the guys that you can come in and you’re the master.

Jay: Take over the product. Buy the company. Take over the product, get exclusive on the markets you distribute, get an option to buy the product, buy the company if you do a minimum volume. It’s all up to what you want to envision in your mind.

Chet: So what are the trade journals that serve your industry…(They’re trying to sell you stuff anyway. They’re advertising to you anyway) …that you could pick up other products or services to? You’ve got one of your trade journals right there? What’s your name?

Darren: Darren.

Chet: Darren. There you go. He’s looking through it right now. I meant to tell you all to bring them. I screwed up there.

Jay: OK, why don’t you guys go home for a minute, and come back, bring your trade journals. We’ll wait.

Chet: But the trade journals that service your industry are a great place for lead sources of other people who are reaching your clients, as well as people who you might want to add on.
So let’s have a little workshop on this, and then let’s hear their ideas, Jay. Because this is where you’re going to spin way beyond anybody’s imagination.

**Jay:** Yeah, why don’t you make a list. But again, think about this concept of the –

**Chet:** Broadest possible view.

**Jay:** Yeah, and the life cycle, or the buying cycle, before, during, after. And again, also, think about – the most wonderful thing for you, if you’re established, is if in so many people coming up with so many new breakthroughs and technological products and services in the last few years – and they can’t market their way out of a paper bag. And half of them came out…they got the product developed, and then all the venture capitalists pulled out the funding. And so they’re basically either – they’re sitting dead and they don’t have any infrastructure or distribution. And even if they have infrastructure, none of them can sell.

One of the guys that is a colleague of mine who will be here just to watch works for a bunch of startup tech companies that are greatly funded, but they can’t distribute worth a darn and they can’t market worth a darn, and they can’t sell worth a darn. You know that, because you’ve counseled some of them.

**Chet:** Yeah.

**Jay:** So think about that, too, and make your list, and then we’ll go around and we’ll talk about it, and I’ll give you some more perspective on it. Go ahead and take, like, four or five minutes and do it right now.

**Chet:** Who else can sell what it is that you want to sell. Or who can endorse you to their list, and what could you endorse to your list?

**Jay:** Think generically first. Think generically, because once you come up with a category, then all you have to do is have somebody, internally or externally, research every company in that field. And then you’ve got to basically – it’s just nothing more than a screening process, and a presenting process, and a numbers process, and a figuring out what your model is that you want to go to them with.

**Chet:** So write it down. Who else could help you get a faster leg up into your market?

**Jay:** Well, actually, this has got – this is a dual valve – a double-edged valve. Where’s the doctor – the heart doctor? It’s a two-way valve here. Because you’re looking at products, services and companies that you could actually control, or acquire, or at least distribute.

**Chet:** Or endorse.
Jay: But you’ve also got the other – all of them have, even if they’re little they might have dozens and dozens, or hundreds and hundreds, or thousands and thousands, (depending on the application) of past, current, and future clients, doing it their own that they can sell your product to. So it goes both ways. (gap in tape)

Jay: …But today, more than ever before, sophisticated, large corporations are realizing the strategic benefit of gaining a toe hold in advance of a buying situation. And that’s why American Express, for example, has purchased some number of, two or three hundred accounting practices. I doubt very seriously if they care a lot about the fee income generated from the accounting practice. What they care about is having a perpetual, lifetime affinity hold preemptively on hundreds and hundreds of thousands of entrepreneurs and professionals who are going to be extraordinarily needful of #1, investment services; #2, financial services; #3, some number of those companies are going to grow and need sophisticated business services. They’re going to do IPOs. They’re going to do mergers. They’re going to do acquisitions. They’re going to do incredible sales that are going to require enormous succession planning and wealth preservation and all kinds of things which amount to enormous quantities of windfall income for American Express - all because they are getting in at the very first rung of the transaction.

And you might think in terms of this too, that - why would you want to control or align with somebody before your transaction? Because you would have a preemptive hold on the whole thing. You would have advance intelligence. You’d have the favorable inside track. So it goes both ways. It’s a lot of complex, and all beneficial additions to the economic advantage, and the dynamic. Go ahead. Keep doing it. (gap in tape)

Jay: …share a couple of your insights. Like two or three, each of you, until I say stop, and we’ll – because we’ve got to break for you at lunch by - in about 20 minutes. But I want to get – and when you’re hearing other people, it’s so important – so important - that you think what I call extrapolationally. Meaning, you think about what somebody says, and you mentally extrapolate, and you say, “What would the implication of that be to me, that I hadn’t thought about. Because I’m hopeful that you’ll see so many twists, and turns, and connections that you hadn’t thought about, even on your list. So go ahead, quickly, please. (chatter)

Participant 1: Oversized clothing, health clubs, exercise equipment, fitness tapes and books, diet books…

Jay: And you are what? What kind of products are you?

Participant 1: Weight loss.

Jay: Weight loss – OK, pass the mike. This same person is weight loss, and let’s see what a different perspective he came up with.
Participant 2: OK. If you’re going to sell products like the LGT’s that she was referring to, pill holders, informational reports, timers for exercise, running shoes, exercise towels, videos, CD-ROMs which could either be informational or inspirational… After the initial sell they could be interested in things like water filters or other dietary products, exercise equipment that’s going to help them not only –

Jay: OK, good. Now, before you – pass this, but before he starts – and you’ll see another whole perspective that his other colleague has. One of the greatest points in this, when you get back – I don’t know if it’s one of – it probably is not one of the workshops that Chet is going to give you, but one of the greatest recommendations I might have to you is to take this particular topic - teach it. I would go through part of this process with your team and ask them to brainstorm on it too, because they might come up with spins and angles that you hadn’t even thought about. And a colleague of mine grew his company from a million to $180 million just by letting all his team keep coming up with ideas like that. You know, never discounting any of them in public because he never wanted to do anything but stimulate creativity and contribution. And through that process, 80- or 90% of the ideas weren’t usable, but 10% were. And given 10% contribution every month from his staff was a mindblower.

There’s a book in print, still, called I Power, which stands for “idea power.” It’s by Martin Eddelston, who is the founder and the president the CEO of Bottom Line and Boardroom. But he’s a really bright man and a good friend of mine who I adore, an older gentleman who’s not in really great health right now, but a really brilliant mind. And he wrote this really simple book called I Power, which is a distillation of the whole process that he uses. And I think they have it on tape too, if you ever call his company, which is Bottom Line in Greenwich, CT. I think they sell the tapes for – it’s a non-profit organization because he’s so committed to getting people to stimulate, and generate all the contribution from their audience. OK, next one, go ahead.

Participant 3: All right. We’re the network managing people, and we’re – I was thinking back-up power supply companies for the remote sites. And also enclosure for the rack mount equipment – people who make the enclosures, so.

Jay: OK, pass it. Just two or three.

Participant 4: I came up with air conditioning companies for the sites, sensors, transport providers.

Jay: OK, pass it around. Eric, did you come up with something different?

Eric: Yeah, they got most of them, but - installation companies. Companies that are already installing our stuff. If we got them to sell to other places, then they’d have more work to do.

Jay: Now, when I – people look at me weird because they hear things, and I’ll embellish it and they’ll wonder why. But you said they got most of them, but they didn’t
get all of them. And that’s just the brilliance of getting lots of people to do their take on it. And I would also even go to other people in other technical fields who aren’t competitive, and ask them to give you perspective on it. Because each one can uncover hundreds of thousands, or millions of dollars of revenue, and you can’t have too many alliances like this. You can’t have too many products you’d consider. Maybe you can’t handle them all, but you can certainly have all of them handling you to the outside market. So it’s a two-way valve.

But we have this one client that Chet and I work on, and he’s making a million dollars a year more from one of these. And when he showed me I said, “Well, why don’t you have ten?” “I never thought of that.” But that’s good. OK.

Participant 5: All of mine have been spoken for already.

Jay: All of them?

Participant 5: Yeah.

Jay: Well, that’s a rare exception. So why don’t you come up with one more right now? If you had one that they didn’t, what would it be? Give me one more. There’s always one more. What is – it’s…

Participant 5: Yeah. Physical development.

Jay: It’s weight loss?

Participant 5: Yeah.

Jay: OK, so weight loss. OK, so OK. What else do you think people do before, during, and after they lose weight? When they’re getting weight loss they probably want other cosmetic things that will make them look more beautiful, don’t you think?

Participant 5: Yeah, sure.

Jay: They might be interested in everything from breast improvement to improving the look of their legs, to cellulite, - which, cellulite is not weight loss. It’s a different phenomenon. Clothing that will make them look more attractive, right? To learning (now that they’re feeling better about themselves, if they’re single) – learning more about relationships. If it’s a man, particularly, wouldn’t you think?

Participant 5: That’s right.

Jay: OK, see, there’s more. There’s always more. Pass it to that table.

Participant 6: OK, we’re EPS Telecom, again, and I was thinking pre-fab shelters – you can’t have outside equipment without prefab shelters.
Jay: OK.

Participant 7: Sellers of the test gear and the installation companies, and possibly even the lease companies for financing the remote hubs.

Jay: Great. I mean, keep in mind, auto dealerships are really – you wouldn’t know this, or you might – auto dealerships are really five or six businesses. Their service department, if it’s done right, provides what they call “100% absorption of their overhead.” They’re retail sales, they’re used car sales, they are a wholesaling company, they are a service organization, they are a parts organization, they are a body shop organization, and about half of their additional profit comes from finance, insurance, and other related services and additional products like that. So it’s a good insight. Next.

Participant 8: We sell foundry equipment, and additional services could be the installation of the equipment.

Chet: You don’t do that now?

Participant 8: No, because there’s contractors involved, and union issues. So that would be something to look at –

Jay: But you could have a joint venture with contractors that you basically – who are union members, and you could still make – I mean, believe me, right now…

See, keep in mind, when you’re trying to figure out what would you pay…” To penetrate a new market, if you were starting from scratch, you’d need to hire salespeople. You’d need to make commitments. You’d need to run advertising. You’d need to create an additional group of internal staff. And when you’re making your advocacy to the companies that you’re going to try to make these ventures with, you’ve got to point out that if they were going to penetrate the market, they would have to do that too. So you’re saving them all that. So it should be to their great advantage to share with you, particularly if they’re making 30% on something like yours. Yours is probably less profitable, but a higher ticket, probably. What do you think it costs to install a $10-, $15,000 unit?

Participant 8: Well, it’s between 30 and 40% of that

Jay: Yeah, so there’s another $4,000 involved, and there’s probably another $1500 of profit. If you make $500 on that you’re probably making almost again the same amount you made on the equipment. But it’s a good idea. I like that.

Participant 8: The initial thing is in equipment rebuilding. In other words – or reconditioning. Then leasing and rental of equipment, which we don’t do right now.
Jay: I’ve never thought about renting. That’s interesting. You could become – now what is the exact title of the equipment you’ve got?

Participant 8: Foundry equipment.

Jay: Abbey Rents Foundry Equipment, right?

Chet: I don’t want to come in late and not know what you’re talking about, but did you already address your past customers who have all bought from you? Have you addressed what else you could sell them? Did you talk about that with them?

Jay: Well no, I didn’t really actually get into them. But you’re right – retroactively you can keep going – what do they buy recurring? That’s another thing. What do they buy on a continual basis? Because one of the great –

Chet: Or what could he endorse? He could just write a letter and say, “I have fiercely negotiated…”

Jay: Well, we went both ways. We went both ways. We’re going both ways. What they can sell, and also who else could sell for them.

But keep in mind, if you are committed to being a strategic optimizer, one of the key elements is reclamation of relationships. You spend an enormous amount of effort, of time, of real capital, and of human capital building that relationship. It either – and again, by the way, you can still recommend and offer other product to people you didn’t sell. And I told you the story before of how we made a million dollars from somebody’s non-converted prospect list. Because you’ve invested all this effort. Just because they didn’t buy from you, doesn’t mean they didn’t respect you. Maybe the situation was wrong, the dynamics were wrong – maybe the pricing was wrong, but it doesn’t mean they don’t have the utmost of trust and respect for you.

So this reclamation is a huge avenue of earnings improvement, of windfall growth, and of changing the whole model of your business.

Participant 8: One more point I’d like to make is that in having the relationship with a customer, in visiting them on a continuous basis we found that the customer really approaches you as the vendor, and says, “Hey, I’ve got a problem here. Why don’t you take a look at it? Can you help me with that?” In other words, they are just as much in need of services that we don’t know that they need as they want it done.

Jay: Yeah, and then if you ask them, “What’s your biggest problem besides this? What’s the biggest thing you need the most of? What’s the biggest area you’re struggling with?” When they ask you for the name of a good vendor for something, or a good supplier, what do you think they’re saying? They’re saying, “Hey, there’s a business you might want to consider.”
And again, you can make the rules. If inventorying something is a problem, as you’ve seen – they get this gentleman to inventory. There are a lot of people out there that are stuck with a lot of inventory right now in their warehouses that aren’t selling. You can control –

Control, to me, is really better sometimes than owning, because you don’t have the yoke of the day-to-day responsibility of the storage, the maintenance, the staff, the overhead, the salaries. There’s so many creative ways you can commandeer functional control without even having to put a dime up. But there’s so much out there, and there’s so many organizations that have fine products, fine services, fine ways to make a situation perform or yield greater productivity, performance, profit to somebody. But they don’t know how to sell. They don’t have good distribution. You are their godsend, if you really think about it. OK. Thank you. David?

David: The surgical instrument companies, breast implant manufacturers, soft goods, companies that sell practice management software for the finance companies, perhaps partner somehow with the trade journals themselves, and other opportunities to help them with their marketing.

Jay: Yeah, if you found a company that sold – and again, I don’t know enough about the technical aspects, but it might be that every time a certain procedure is performed there’s replacement, accessory items that are $500-$600 that the plastic surgeon has to buy, and that that manufacturer would be induced to be a partner with you. Because the more you get people to ask for that procedure on top, every time they do that they get – they make an extra $500 every time, or whatever. That’d be pretty interesting, wouldn’t it? I like that. OK. Thank you. David?

Mickey: Well Jay, when I came to your conference several years ago you presented this concept, and I went back. And we were providing about $1 million a year to a networking company and we weren’t getting anything off of it. And I wanted to talk to them and get some kind of commission or something. And they didn’t want to talk to me about it. So now, we started our own networking company, and we’re now doing $2 million a year doing that. So –

Jay: That’s impressive. So that’s a great confirmation.

Mickey: A very good confirmation.

Jay: And it also makes – you’re probably – your services to your client even stronger and better, doesn’t it?

Mickey: That’s the main reason we went with doing our own, because the company that was representing us - we spoil our clients and they weren’t taking care of our clients the way we wanted them taken care of.
Jay: So there’s a higher purpose to it. You’re actually – if your goal is to make sure – always – you never compromise your integrity for money. It’s always what’s going to be in the clients’ better interest. And if you always do that you’re going to be amazed at how many really wonderful services, products you can create, you can come up with, you can offer. Continue.

Mickey: One of the big issues that we deal with that our customers deal with continually is the recurring cost for telecommunications. Most of our customers are spread over a wide area, and they have a wide area of network, and those costs are enormous. So we’re constantly trying to work with a telecom company to reduce those costs. And we have strategic relationships with most of the large ones across the country.

Jay: And besides bringing great benefit to the client, they’re economically meaningful to you as well.

Mickey: Yes.

Chet: What did you write down as what else you can do?

Jay: What do you want to do? You got any one that you’re putting…?

Mickey: The other thing that I was thinking about is the accounting firms, because all of these have to go through large audits each year. And we get involved with the accounting firms. I never deal with them, though.

Chet: Wow.

Mickey: So…and it might be even a little opportunity to get with one of the big fours and endorse them across the country for all of our customers.

Jay: And keep in mind, some of them are professionally restricted from sharing revenue, but it doesn’t matter. They still can do – they can invest, they can underwrite your activities, they can underwrite events for you, they can underwrite big mailings and dispatching…

Chet: They can pay – not on a per diem basis, but they can give you…they can buy your mailing list, they can…

Jay: But the point is there are ways that you can do high ethical strategic arrangements with them where you can come out extremely advantageous, because they will. Great – that’s good. Thanks, Mickey.

Participant 9: Before today I never really understood how I could be doing joint ventures. I want to thank you especially for your mention of trade journals. That opened up so much, I could go off on a thought bubble for the rest of the day.
In addition to which, financial planners, insurance brokers, merchant accounts, other business consultants with complimentary approaches.

**Chet:** That’s great.

**Participant 9:** Practice management software, office equipment, phone services, etc. I’m going to be – this list is going to keep growing for probably a couple of days. Thank you.

**Chet:** Ha ha ha!

**Jay:** So that’s good. And when you do it, by the way, you’ve got to – then you want to prioritize it for two things: practicality and ease. Because you’re going to find all of a sudden, most of you, that there are going to be dozens, if not hundreds, if not thousands of opportunities. And you’ve got to make sure that you’re very selective for both what’s going to be the easiest for you to qualitatively control, and what’s going to be the highest thing. But one thing you’ve got to always be mindful of is performing your due diligence. You never can let filthy lucre be your intimidator. You’ve got to always put performance enhancement for the client in the more global sense of what the client’s ultimate outcome should be as your primary focus. Because then you want to make sure that the products and services you either take over, sell, joint venture with always have a qualitative control on the way they are rendered, and that they are always going to basically not be a problem for the client that will compromise your reputation.

**Wally:** Well, this is the exact principle I’ve used. The average purchase when I first started was $100. Now it’s around $300 a week.

**Jay:** And how are the – I don’t remember your first name.

**Wally:** Wally.

**Jay:** Oh, right. He’s, what, quintupled your business in about, what? Three years?

**Wally:** Three years.

**Jay:** Just by – and he has added almost no new clients. So just by focusing he was a seminar attendee of ours. He learned that. He bought a business that services wholesale products to the convenience store market. They’d never worked on trying to increase their –

**Wally:** Four markets. Four market segments.

**Jay:** OK.
Wally: But I did some calculations about a month ago. I could potentially, conservatively, I can sell – they have the buying power of $1,000 a month – so I can triple it without increasing my clients, - so adding more products.

Jay: And you give them better margins, or greater terms, and it’s better for them too.

Wally: Yeah, well the products I’m adding, it’s just the same prices as the competitors, but…

Jay: But once they’ve come to you, why not buy it from you?

Wally: Right.

Jay: Yeah, that’s great. I like that. OK, good.

Mike: We belong to a group for our referral program, which is real minimal, but it’s called “Le Tip International.”

Jay: I’ve heard of it. Is it good?

Mike: It’s probably added in the last year, probably $8,000 worth of jobs.

Jay: And what do you do, just go to a meeting once a month.

Mike: Yeah, once a week. And it’s for referrals.

Jay: And there’s like 30 or 40 people there, and you just sort of share leads and ideas.

Mike: The only problem – and I’ll have to research it – is they might have a problem with paying somebody for the referral when that’s the purpose of the group.

Jay: Then you non-linear think. Maybe you create your own Le Tip. And it’s a compensated version.

Mike: Right. Well, that’s what I was thinking. Well, if something is more valuable than what I’m doing there…

Jay: Yeah, that’s OK. What else?

Mike: But within that group, it’s really high professional people – computer service, like what you’re saying. Mortgage service – we’re dealing with people that own houses. Interest rates are down. Let’s see what your – I mean, here’s a free service. I have nothing to do with it, but if you give it away to somebody for a free evaluation…
Jay: You know, also, think about this – but this is really interesting. I’ve always suggested this, and none of them have ever done it. If you had a relationship with every realtor in the area, and every time they showed a house and somebody was thinking about a house, and they said, “Well, they could have a swimming pool, and they could have a fence, and this…” I mean, it’s perfect for you, isn’t it? And vice-versa, if someone comes to you and says, “You know we’re trying to fence it and clean it up because we’re getting ready to list it…” I mean, it’s just thinking about things like that.

Chet: Throwing it to the real estate brokers.

Jay: Yeah, and you get both ways. It could be a passive or an active transaction as long as you have a qualitative way of controlling it.

Mike: Right. And then we had – well, also involved with an investment counselor, and insurance…

Jay: How many people have you installed fences for in the last three years?

Mike: Well unfortunately, I don’t have a database where I can pull this up…

Jay: But you’ve got the data, and you could hire a high school or a college student who could get it for you in a week.

Mike: I’ve had work orders for the last five or six years…

Jay: How many? How many you got?

Mike: There’s probably like a file drawer like that.

Jay: So quantitatively, how many?

Mike: Thousands.

Jay: Now what do you think would happen…this is going to be a shocking thought to you. It’s a little bit tangential to this. What do you think would happen if you communicated to the people who bought swimming pools and said, “Do you need a fence?” and the people who bought fences and said, “Hmm. You might have wanted to upgrade your house. You do know we do pools and jacuzzis?” Do you think you might get any business from them?

Mike: Well, the one day that – Wednesday when I was heading this way, I had a fence customer walk into the office to pay her bill.

Jay: And?
Mike: “Oh, you do spas?” she said. “I had this other guy, this other outfit coming out because I” – she just bought this house, put in this spa, we broke it – and she said, “But I’d rather have you do it, because you’ve built fences for me for the last two years.” And I’m thinking, “Big dummy!”

Jay: Well, but theoretically, if all you did (and we’re getting a little bit on a tangent) but if all you did was put somebody on the phone to call everyone who ever bought each one, and first of all, say, “You know, you did this. I don’t know – a lot of people want to upgrade their fences, or add more fence, or do decorative fence, or – and we also do spas. And we’re just letting you know because we always extend first access to our scheduling, and preferential pricing to our past customers.” If you just did that alone…

Chet: You right that down and make sure that I drill down on that with you, because later on we’re going to cover how you can hire that person, how you can pay them…

Mike: That morning I’d just had a coaching thing with Scott Haldman, and this stuff was just slapping me in the face on that referrals, and the mailing out of, “Here’s our other services and stuff like that. So…”

Jay: OK, good. Mike?

Chet: Before you go, Mike, I should say that we have created an accelerated place for these kinds of deals. And it’s effectively called “The Synergy Club.” It’s something that they’ve been promised. And what we’re going to do is we’re going to create a website, and we’re going to promote it to Jay’s list, and every company who is here will be among the first – I mean, at some point we picture thousands of companies that go to this website.

Now here’s the advantage, is that you can go out if you’re a real estate broker, and say, “Hey, maybe when you sell a pool…” And you go, “Oh, yeah, OK.” And then how do you get them to do that? And there’s processes and policies and procedures. To get other people to understand Jay’s concepts is way easier if they already understand his concepts. Do you understand what I’m saying?

So what we’re going to do is we’re going to create a site that’s going to be called “The Synergy Club” where you can go and everybody on that site will be totally Abraham trained. So you can go and look for strategic partners on that site, and you guys will be the first among maybe another 30 or 40 companies that we’re going to do it with.

So it’s just a way for you to get into deals a lot faster, because everybody on there is like, so trained in this idea. Meaning that the carpet guy I mentioned to you got this idea from Jay and went out and spent four years trying to get a carpet selling company to endorse him, that when they sell carpets, that he’s their official carpet cleaning company. And he got them to do it, and now he does $1 million a year. But it took him four years
to get that deal. Now he didn’t have all the tools and training and all this stuff that you’ll see tomorrow, because I did have all the stuff that we built for these companies that I’ve been talking about. I’m having it FedExed so I can show you. I should have thought of that too, it’s like…

Jay: Oh, next year.

Chet: No. Tomorrow!

Jay: OK. All right. What time does everybody have? Let’s do three more, and we’ll pick up the rest again when we come back. But Mike?

Mike Fry: This is a – this is actually a sideline idea. I don’t know if this is even applicable, but one thing that came to mind, talking about that carpet thing – maybe with the swimming pools or with the hot tubs or something, maybe there’s some really neat, wild graphic way via flip chart to show people who filthy-dirty their pool is, and what they’re jumping in and what their kids are jumping in, and why they need to hire you. So, I don’t know.

Chet: And you do pool cleaning as well? I didn’t realize that. Oh.

Jay: Do you do fence cleaning too?

Chet: I didn’t know you did pool cleaning. How many pool cleaning clients do you have?

Mike: Oh, we’re in Southern Oregon, so it’s…

Jay: Thousands. 25,000. Do you do ice skating rinks, too?

Chet: Oh, half a dozen. Do you want to grow that business?

Mike: Sure. We’ve got our half a dozen because I did a direct mail on them.

Jay: Do you think maybe if you had a big business that was out there, if there were 400 people to have, you might feed all kinds of repair business, other construction business from other referral business?

Chet: Oooh.

Jay: OK, we’re going to run out of time, because I’ve got to get you –

Mike Fry: Show kids jumping into a pool of germs. The three concepts – two things that I’ve done in the past that I’ve never done anything on – probably two of my strongest things ever. One was with an insurance agent who sent out fortune cookies to a cold list. He was with AFLAK, and he sent them out to 100 different offices, and I
worked kind of with Jay’s concepts and we came up with this powerful little fortune. But using that fortune he got in the door 23, so I had a 23% conversion rate to a cold list.

**Jay:** So did you send that out to everybody in the whole industry, and…?

**Mike Fry:** Nobody. So nobody knows about it. The other one that I did one time was with meeting planners, and that was they were trying to do a gala ball and they used a large fortune cookie with confetti, and it was really cool. And when they got it, it was like the highest conversion ever. They had like 85 or 90% RSVP getting this giant fortune cookie, and…

**Jay:** So you of course ran that out and told everybody…

**Mike Fry:** I told every – nobody!

**Jay:** High attendance, higher…

**Chet:** He told nobody. OK.

**Jay:** Secret.

**Mike Fry:** No, the other thing I am working on, I just actually – this is pretty cool. To my knowledge, I’m probably the only one that’s doing anything with this, but I found this in a little store, and I contacted the – one of the main guys that handles this product. It’s a little electronic cookie that you break it open and you can read information.

**Jay:** I saw that.

**Mike Fry:** And so what I’m checking on is to see if I can make the messages per the client, because I just had a couple of clients say, “Hey, can you do these at 10-20,000 quantities. And so –

**Jay:** What do they retail for?

**Mike Fry:** $9.95, $12.95.

**Jay:** That’s impressive.

**Mike Fry:** So they said, “Yeah, this company is not moving them via the toy line, so maybe via the ad specialty industry it might work.

**Jay:** OK. Marshall?

**Marshall:** We can’t sell other pool-related items to our dealers because we sell to large distributors also, and we’d be competing against them. But we can sell frames for
their buildings to put graphics on their buildings – billboards. We can sell truck graphics. We can sell pool dealers murals for their stores, and other related printed items. And we are starting to work with artists to print their work on an enlarged format, and we’re starting to work with photographers.

Jay: So there’s all kinds of ways they can take value-adding art and put it on vinyl and make it a mural, or make it décor, or make it external or internal, and it can add the value. So those are great relations. OK, good. OK, pass it one more time. Is that -?

Chet: Wait – a comment on that.

Jay: Yeah.

Chet: I’ve just got something that again, Jay takes some of this stuff for granted but for me, some of this stuff is such a “Wow” that I think I’d like to mention it. Another thing that we might be willing to do is we have a lot of training programs between the two of us. One of them that was very successful was the “Guerilla-Gorilla Karate Master.” I don’t know if you guys – it was like “900-lb. Gorilla Jay Abraham meets Guerilla Marketing Master”…

Jay: It’s tactical stuff, though. It’s tactical stuff. It may or may not be the appropriate thing, but it’s tactical stuff.

Chet: Yeah, but my point is if you’re on a new business launch as you’re trying to get customers, we might be able to do a deal where you can buy that thing at just above costs. So something that you can say, “Here’s a $1200 gift for doing business with me, and you’re paying $40 for it, or $50 for it” as a way to induce businesses to do - For somebody who sells business to business, to be able to offer them a $1200 training program...

Jay: What has worked good for people – I’ve done some stuff like that – is if you give part of it and disseminate the rest over time so you’ve got a reason to keep coming back to deliver it…

Chet: Oooh.

Jay: And just say, “Here’s the first three parts, but I’ll give you the rest once a week, or once a month, and you have a reason to come back, and you make sure that whatever you give them, whether it’s something from his inventory or mine or something, you go from somebody else is really stimulating. You don’t want it to be mediocre or lousy. So you’ve got to make sure – but that’s a good idea.

Participant 10: What Marshall said, we’ve got the same problem. We don’t really deal with the end user. We’re waiting for the dealer or distributor to come to us.
Rather than wait for them to come to us, we’ve got to bypass, go directly to the home owner and try to drive them to a dealer that would come to us. Realtors…

**Chet:** That’s not very efficient. You want to go to the homeowner and sell them a pool, or a pool liner?

**Participant 10:** No, no – not sell a pool directly to them. But we want to get them thinking they need a pool liner and drive them to a dealer.

**Jay:** Well, and – OK, nothing wrong with that. It’s not appropriate fully for this session, but I think we should build on it. We’ll make sure we spend some time with them on Sunday. We’ll work them through it. Good. OK.

**Chet:** Way easier for you to –

**Jay:** Yeah, it’ll be way easier for you. We’re trying to stretch your mind. It’s all right, I mean, if the trajectory’s off a little bit at least the mind is functioning in a non-linear manner. That’s great. So if we say, “no, no” we’re not saying it’s a bad idea. We’re saying it isn’t giving you optimal leverage, and we want to teach you how to think in terms of optimization.

**Jay:** Chet made a comment which I don’t disagree, that I should go deeper with you in these areas because these really are my skill sets, and what I want to do is let’s go around the room…here’s what I want to do. I want to revisit the concept for a minute from a deeper vantage point. Let me give you the psychology of it in a nutshell.

You have a brand. You have a relationship. You have affinity. You have the trust. You have products or services that may or may not be the complete providence, if that word’s right, but the complete (what’s the word I want to use?) It may or may not render the completest, most comprehensive result that a prospective client could get by having other products or services working for them, #1.

#2, You may have one product, one service. At the end of that there are other requirements…other opportunities. Not for you, but for the client to – always focus on what’s going to help the client get a better outcome. And if you always keep your mind and your focus on what’s going to help the user, the client, the buyer get a better, more productive, more constructive, more profitable, more enjoyable, more – not all those things, although they could be, but whatever of those things applies to your area outcome, focus on that. Focus also on the fact that many of the providers of those products or services left to their own devices wouldn’t have the depth of understanding…the knowledge of the client…the relationship…the trust…the market depth of familiarity or posture. So they, rendering their own product on their own, may not really provide the same outcome for the client as that product or service rendered through you.

Flip your mind around and think, “Wow. All those clients who I can help broaden the market have some number of buyers…have some number of users…have
Think also about the fact that you have inactive clients. You have prospects that you have spent an enormous amount of time— I mean, truthfully, up 'til purchase, you spend the same relative amount of effort, emotion, commitment, investment, both in human and in financial capital, on somebody who buys as you do somebody who doesn’t buy, don’t you? Really, unless you hold back. And if you’re holding back that may be why they’re not buying.

We always believe attitudinally, and it’s something that you should think about, and it’s an aside that doesn’t belong in this segment, but I’m not sure what segment it involves in, so— or it deserves to be in. And it’s basically this: I always try to deal with somebody as if it’s only a matter of time before we have a compensated relationship. Consequently, I do not hold back. I don’t want to wait until the clock’s ticking and money changes hands for me to start conveying value, contribution, in my case, expertise to them. And most people don’t think in terms of that.

If you start thinking—not just attitudinally, but in a belief system using what Chet talked about— your subconscious… You know, I was thinking about that. Most people do think of their unconscious mind. It’s like you’re in a permanent marketing coma. And it’s probably true, but based on what most people do, including a lot of people that have been trained by me, but have been intellectually educated and entertained, but not really transactionally done much.

But if you believe that everybody out there that you want to have a compensated relationship with, you will. And it may not all happen today, but it’ll happen in a matter of time. And you start systematically conveying and investing value and treating them like there’s already a compensated relationship going on, it’ll blow your mind how differently you proactively respond to scenarios. And it will transform the degree of preemption and distinction that you enjoy in their minds and in their hearts.

But again, without getting too conflicted or too tangential, the point here is—this is a big, big, big revenue opportunity. #1, what other products or services can you provide your clients? How do you provide them? Let me count the ways.

You first of all identify the providers of them. Or you think through what might be an incredible product or service that they need, and you don’t pay to have it created, because odds are today in the world, somebody already spent a million dollars, $100,000, ten years of their life creating it and don’t have a clue what to do with it. So you do a
search on a website. Or you do a search with the patent bureau. And you figure out who’s got it. Who’s sitting in their garage and don’t know what to do with it. There’s only about 10 million, or 20 million, or 100 million like that, and now that you’ve got the World Wide Web, you find them world wide.

And then you start, first of all, carefully due diligence evaluating the construct, the performance characteristics. And you establish your buying criteria for buying into their product, meaning the advocacy you want to convey in representing the needs and the interests of the clients you’re going to basically be serving. So if you know they need this or need that, and you find 20 products, then you start basically carefully evaluating those products on a very rigid criteria and you establish for the protection and the enhancement and the care of the client.

And once you find the two or three that satisfy that, then you’ve got a lot of options. You can, depending on whether the company has really good distribution or not, you can tie up the rights to first and foremost put it through your distribution channel, through your clients. If it works well, you may have an option you can get to distribute the product for them. There are tons of companies out there that, quite frankly, would love not to be marketers. They would love not to have selling organizations, don’t you think?

Chet: Brilliant inventors…

Jay: Yeah, they would love not to have the overhead. They would love to either have a strategic alliance or you took over everything and all they did was tinkered and manufactured or produced, because a lot of them just can get some outside source, and they could sit around creating new stuff or licking the wounds for all the money they invested in the product or service to date that they haven’t recaptured.

That’s one. The second is you just make a private label deal. The third is you make a niche market-exclusive deal. The next is you make a non-exclusive deal, and let them do whatever they want, because you’re selling them anyhow, and you just get protection on the accounts you get. The next one is you get the product, but you get the right that if you sell a certain amount you get an option to buy in.

There’s a company that I’m negotiating counseling, and it’s a division of Franklin Covey. And Franklin Covey has this coaching division, and the coaching division does a pretty big business. And they were owned exclusively by Franklin Covey, but one of their biggest clients, one of their biggest accounts represented 50% of their business. And one day they came in and said, “We either want to buy half or we’re going to go start our own.” And they said it in a nicer way than that, but now they’re half owners. And they didn’t pay a premium for the half.

So you have a lot of options there, because if you could every time – instead of thinking just in this – a static income stream, but you thought any time you opened up a huge secondary market for an incredible product or service, the odds are, #1, that you
could be the tail wagging the dog for some provider. So if you had an option on either equity or acquisition of the product, or perpetual right to that market, that might be worth more of an asset value than you could imagine. #2, you might find that if it works well for you backwards to your client, you might want to develop a separate selling organization to go out and sell that product to your market – not even for a profit, although it could be very profitable, but for a preemption because it could give you an advance access to the whole market for your basic products or services.

You might, upon evaluation, realize that your products or services are nothing more than a lead generator for other things, and it can all of a sudden make your business infinitely more strategic and ambitious and aggressive and dynamic, because all of a sudden, if you know that every time you get 100 clients or buyers of your main product, you can sell $500,000 in profit of these other products you’re taking over, and you can sell that seven times a year and that $3.5 million is twice what you’re making right now…all of a sudden you can spend a helluva lot more time building the first.

Are you seeing what I’m saying? Am I going too fast, or too abstract? Right after lunch I’m groggy – you probably are a little bit too. Chet put me up here so he didn’t have to. He’s not stupid. He’s –

**Chet:** I’d have you all standing up, though, you know. By now you’d be three or four times already.

**Jay:** Did you bring all your scarves? Where are they?

**Participant:** In the room

**Jay:** So we might do a scarf trick. Did you guys like to learn how to juggle scarves?

**Chet:** Yeah – karate demonstrations.

**Jay:** People come back and say, “Well what did you learn for your $15,000?” “I’m glad you asked. Look at this!”

**Chet:** They go, “Wow!”

**Jay:** But think about it. Every time you juggle it would be neurolinguistic conditioning. It’d be basically an anchor to remind you to all these things, wouldn’t it? So every time you got in your office and you started doing that, it would remind you of all the things we covered. It could be pretty powerful, couldn’t it, in a subliminal way?

OK, so do you all understand that there’s far more here than just making a passive list, and sort of lightly doing the exercise and going around the room, and just thinking about it lightly? Because this could easily double and redouble again, not only the profitability of your business, but the very viability of your business. And this could open
up incredible new markets, products, services, assets, wealth creation of high magnitude. You could create interest in entities that you could sell off for incredible – literally, incredible windfall profits. If you find a little provider with a brilliant product that can’t market or sell his or her way out of a paper bag. You tie up the rights with an option to buy the business. You take the option after you validate it. You flip the option to somebody else and sell it for a huge profit. You make ten times on your money and you didn’t put a dime down. That’d be pretty interesting.

Chet: I tell the story of somebody who took some of what Jay is saying, and he went and he was trying to get to lawyers, and he had a software package. So he went in the magazines that advertised to lawyers – the trade journals. And he looked through, and he found some little ads in the back for some kind of cool software, and he checked out a bunch of them.

So imagine you’re this inventor of this little software package you’re trying to sell, and you’ve got four clients, and the other fellow – let’s call him Company A – he was a big player in the market, and he went to one of Jay’s seminars. And this friend of mine said he called up some of these little companies and goes, “You know, I have 3,000 law firm clients, and I’m looking at another 3,000 this year, and I was thinking of maybe giving you distribution into 3,000 law firms.”

So imagine you were that guy who you’ve busted your tail. You’ve built this thing for three years. You’ve just sold your first three sets and it took you six months, and somebody says, “I want to give you 3,000 customers.” “Well, what’s the catch?” He says, “Well what I want to do is I basically want to buy…” (and this is when software was just a couple of discs, before we even got the CDs, like ten years ago) and he said, “I want to buy the disk at your cost, at a dollar apiece, I’ll - ” You sell those for $1,000, but the hard cost of that disk is only $1. I’m going to buy the disk at $1 a piece, and I’m going to install you into 3,000 law firms, and then if they want it - he had a maintenance agreement. It was $300 a month, or something like that. But it gave him like $900,000 a month in income.

Jay: They’ll try the upgrades.

Chet: Yeah, and the upgrades every time there’s an upgrade in the software…

So anyway, it just – it got him his other… because he said, “If you buy my software program, which is $1,000, you can have this other software program. It’s $1,000 program, and I’m going to give it to you as a bonus. It’s a free gift.” So it gave him superior access to his list, and it took this little nobody and got him in to 3,000 law firms in just no time, like that. And then he took a piece of that back end revenue stream, and ten years later, he’s actually still making, I think it’s $90,000 a year in passive revenue from that income stream that he helped create. So – that’s Jay… that’s…

Jay: And keep in mind that there’s another spin on this, and that is that besides being able to take that – remember, I talked to you before lunch, and I think perhaps a
little bit when I just walked up here. You’ve got to revere what you’re bringing to the table so that you can negotiate, not heavy-handedly, but equitably. If you – and the way you do that is the same way that you do everything that I teach you. You measure, you quantify, you denominate, you correlate, you contrast. You say, ‘Look. You’ve got a little business, and you’ve got a great product, and we are one of the few people who really probably recognize the power of it. Most people don’t. On your own you don’t have a lot of capital, it doesn’t look like. You don’t have a sales force of your own. You probably can’t even afford to run full-page ads in your trade journal. It’s going to take you, if you’re lucky, three, four, five years to gain distinction if you can last that long. We could have your product being national, and if we do, we’re not looking just to do a promotion with you. Frankly, we’ve invested too much in our brand and our infrastructure and our reputation. We’re going to be around for a long time. We want the right to either buy all the business, ¾ of the business, half of the business, at least own the right forever to this market - ” Whatever you want to do. And that simple, throw-away, additional consideration that’s intangible could be worth millions of dollars to you. It certainly could be a negotiating chit to give it back to somebody in the future, #1. #2, Don’t minimize if it’s a larger company. If you can’t make an acquisition deal. You still can make a distribution deal.

But you can get – like Chet’s analogy was putting somebody into 3,000 law firms. Well let’s say somebody had 3,000, and let’s say there were 25,000 law firms, and somebody already had distribution to 3,000, and somebody that they wanted to distribute their product to you had distribution into 2,000. Well you go to them and you say, “Well let’s do an analysis. We’ll warrant to you that we won’t go after your product in the markets you’ve already got. But let’s overlay your list and ours. Let’s do a merge/purge.” And what if you found that 1500 of the law firms they were in you weren’t? Well all of a sudden, you could pick up 1500 more law firms for you too, couldn’t you?

Chet: Mm hm.

Jay: So it gets more and more exciting. And I hope I’m not being too abstract, because my oxygen is in my stomach digesting my lunch instead of in my brain fueling my clarity of communication. But does this make sense to you all?

Participant: Yes.

Jay: Does it?

Chet: Let’s go deep with each one of them, though. That’s what I…

Jay: Well, what do you think going deep with each one of them means?

Chet: Well, hear their ideas and see if we can help them…

Jay: OK, let’s just go around a little more. Where did we stop?
Chet: Ah ha! We moved everyone!

Jay: Oh, you know…who hasn’t done – go to the mike if you haven’t done it yet. Take ten first to the mike, who haven’t done it. OK, and then to make it easy for everybody and me as well, state the generic business you are in first, and then state the best three that you came up with, OK? OK, go ahead. Is it on now, James? OK, go ahead.

Participant 1: OK, we are in the physician recruiting business.

Jay: And you do it nationally.

Participant 1: We do it nationally, and …

Jay: And again, I’m going to ask questions, and… So you have roughly, right now, how many clients?

Participant 1: We have serviced 275 clients.

Jay: Those are organizations that need physicians.

Participant 1: Yeah, so at the beginning of our business.

Jay: OK, and I’m going to ask fast questions, and if you start answering and I step on you, it’s so I’m trying to make points and I get it, and I’m not trying to be rude. I’m trying to respect your time.

Participant 1: I understand.

Jay: How many physicians do you currently have placed?

Participant 1: 100

Jay: How many physicians have you in your database?

Participant 1: 300 and…

Jay: That you’ve ever worked with, are in process – that you’ve ever talked to, whether you placed them or at least dialogued with them favorably.

Participant 1: 500.

Jay: OK. So when you’re thinking about the opportunities and you’re making your three lists, you’ve got to break down three categories because you have three different asset bases. Does that broaden your focus? So don’t just think about what you
can do with the relationship you’ve got with the organizations. Think what you can do with the relationship that you’ve got with the existing physicians that you know really want mobility and relief of some of the burden of operating private practice. Think also about all the physicians you’ve talked to who haven’t yet made the move, either because the deal wasn’t right, but they’re still interested. Because you can exploit ethically all those three categories in different ways. OK, what are two or three of the concepts you came up with?

Participant 1: Great. We thought about practice management groups, because they have a database of physicians that they service, and we could do some kind of alliance there. We also thought about contacting universities, or the American –

Chet: Do practice management groups – I’m sorry to interrupt like Jay does, but I like it when –

Participant 1: No problem. They serve a lot of different purposes. They handle billing and a lot of the operations that…

Chet: Yeah, so what would you do? What was your…?

Participant 1: The idea is that we would partner with them in some way to – that we would be getting endorsed by them to be their preferred physician provider for these practices.

Chet: So if they have a physician who – Oh. Oh I see.

Jay: So to the practices they have, right?

Participant 1: When they need a physician, or they lose theirs in surgery, whatever, then –

Jay: But see, you almost could do it two ways. You could also have – what is a placement worth to you in…what is the normal duration of a placement? How long does it last?

Participant 1: Average is three months.

Jay: And what’s it worth to you. Not in gross revenue, but in profits?

Participant 1: Sure. In profit it’s about $12,000.

Jay: Profit - $12,000?

Participant 1: Uh huh. Over three months.
Jay: So you could literally have some considera- I mean, I would think two things happen. A lot of the practices – a lot of the people that feed your side come from the practices themselves too, don’t they?

Participant 1: Yes.

Jay: So you could probably have some other form of going to the practice and saying, “Look. If somebody’s going to leave you, if you refer him to us we’ll give you credit on the placement for whatever – if we can place them too. I mean, if they’re going to leave anyhow, put them through us because it’ll end up giving you a reduction” so you could have it be a two-way valve, couldn’t you?

Participant 1: And we do that – not formally, but

Jay: Does it work?

Participant 1: Yes.

Jay: But you ought to. Because you can say, “Hey, if they’re going to leave anyhow…”

Participant 1: right.

Jay: “…and on their own they’re going to try and figure it out, why don’t you put them in touch with us, because we’ve got a program where if we place them, basically, it’s worth a reduction in your fee to us of $3,000 off the top.

Participant 1: Yeah.

Jay: Or over time, or off the bottom. And after they’ve been with you at least – or have some way that the cash flow works for you. Because they can feed it both ways. It’s a recycling dynamic.

Participant 1: It is.

Jay: OK, what’s the other one?

Participant 1: The other one is in order to reach physicians through CME programs, opportunity medical education programs through universities or their American Association of – or, Board Certified physicians all have an association. So to work with them and their list to – Howard, ______-

Jay: You know what else, just as I’m throwing it out, just as I think about it. There’s probably a number of financial service providers – financial planners and the like – that specialize in the medical community know the physicians that are ready for retirement, or are retired, or getting ready to do that. And the old adage was when people
were working on 401K’s and all, they wanted to meet people about a year before they were ready to retire so they could plan it. And if you could start getting introduced to physicians about a year before they were ready to make a move and slow down or torque down, you’d have both ends that you’d know about the practice that was going to need a replacement. You’d also know about – and you might find some of the physicians that wanted to sell practices, and you guys could get into practice sales, too.

Participant 1: Right. Many have asked us to do that. We just haven’t known how to –

Jay: Well if you have – see, the trick is – let me tell you a quick story. And it’s an embarrassingly funny story. For awhile, for years, earlier in the 80s I had this guy who was the #1 broker of accounting practices in California, which probably makes them the #1 or #2 broker of accounting practices in the country, wouldn’t you think?

Participant 1: Sure.

Jay: And all I got him to do (which was silly) – he would do two mailings a year. (This was in the grand old days when it was easy.) He would do two mailings a year, and there were 30,000 CPAs. First thing he would say is, “If you’d like to sell your practice, I’ve got hundreds of all-cash buyers who will pay a premium whether you want to stay or not.” And he’d get like 600 people that would respond. He’d pull the 600 off the 30,000. He’d take the 29,400 that were left, write them a letter and say, “I’ve got 600 people that want…” the opposite – whatever. And he’d always just match them. It was a match game! And he made millions of dollars a year just matching them. That’s all he did. The last I heard from him…he used to come once every two years to me for a tune-up, and – No, I was impressed. I dictated a couple of letters. The letters worked, and worked, and worked and worked. And until the guy went through some financial or marital problems he was making millions of dollars. And then I think the thing on the ___ because his wife wanted to spend the money different, and he didn’t, and they went their separate ways and they sold the business.

But it’s really easy if you have – again. Go back to this concept of strategy.

Participant 1: Right.

Jay: But there’s probably a lot of financial planners all over the country that specialize in physicians. They know who’s ready to retire. And when they retire, three things happen. If they’re part of a practice, the practice has to be replaced. They need someone to fill in. If they’re going to torque down, they need – they might want to work two hours a day somewhere else. And you might.

Chet: Look in the trade journals. I bet they advertise to those guys now. Look in the trade journals. You’ll find them in the classified section, you know. “Physician advice for retirement and - ”
Jay: But normally – you can ask. You could call around and if you guys called – it’s a great way to build relationships. You can call a bunch of medical practices in every city and say, “Well, who’s the financial services provider for you?” Also, “Who’s the consultant?” There must be a bunch of medical consultants too, that specialize not just in practice management, but in entrepreneurial practice. Because today doctors don’t – they never were trained on being entrepreneurs.

Participant 1: You’re right. That’s great.

Jay: So, OK. You got any other ones, or is that enough? OK, good. That’s good. OK, next?

Chet: Seriously, the trade journals for you – they’ve got to be full of leads for you.

Jay: And guys, all of you, don’t just go, “Oh, that’s so neat.” Think as everything I say, even if I’m mumbling a little because of my oxygen deprivation right now, think about how could what Jay just said, or how could what that person just came up with translate to my business? Because if all this ends up being is intellectual entertainment, it will be a very expensive weekend for you. Go ahead. Tell us the business you’re in again.

Participant 2: With the physicians’ offices we do weight loss is the particular part of the practice.

Jay: OK.

Participant 2: The ones that have a tie-in, when they lose weight they always need to go to the clothing stores. It’s a broad category though. I was trying to figure out how to niche that a little bit more, since it’s such a broad category.

Chet: You need a wardrobe consultants.

Jay: That’s not a bad idea. If you have somebody that’ll help them look the very best they are at whatever place in the weight loss cycle they are, that’s pretty good. And wardrobe consulting can be $1,000 fee.

Participant 2: ______

Jay: OK.

Participant 2: Working with exercise equipment, either to purchase or access…

Chet: Absolutely.
Jay: See, that’s great. Getting them a membership – that’s brilliant. That’s very good. I like that. Next.

Participant 2: And usually when we do that, the same thing we see is they change their hair, their makeup – that kind of goes in the image consulting all the way around.

Jay: OK, all right. Can I make another suggestion to you?

Chet: Turn key program.

Jay: You think maybe – now where are you? What city are you?

Participant 2: Amarillo, Texas.

Jay: OK. Amarillo’s not big, but you guys could – if you pooled – a lot of times, the other ideas, like you have to share it with other colleagues who have a similar ilk. Meaning other physicians who are in the same basic discipline, but not in the same city as you. You can go to a Standard Rate and Data list directory. You can get lists of all the people who have bought weight loss books, and weight loss products, and weight loss stuff. You can basically rent those names anywhere you want. The odds of them having the minimum rental normally is 5,000 names. The odds of them having 5,000 names in Amarillo are low. However, if they normally rent them for ten cents and you offer to pay 50 cents, they probably would rent you 500 names, or 612, or whatever they had. On the other hand, if you pooled your rental with five other physicians in five other cities, the odds of finding 500 – or 5,000 names are good. If you went and you saw the category, there’s probably 25 million names you can rent right now of people across the country who bought something to lose weight or have a cosmetic impact on their life by mail. You think those people might be good prospects?

Since, basically studies that I did – I did this – a lot of you are on my list. I’m doing this work with this company that’s called “The Thin Millionaire.” And they did all this research, and the average person goes on – first of all, 25% of everybody who’s over, I think 21, is on a diet or going to go on a diet this year. Of that, the average person on a diet does three different regimens in a year. You’ll do Nutri-Slim. You’ll do the protein. You’ll do Dr. Atkins. You’ll do this. And even if you get a result, all of a sudden what happens is - you probably know this. It hits the wall. Maybe it fasts, and then either drops or starts going up, and you want a new drug, figuratively speaking. Or literally. But – and then there’s all these holistic weight loss programs. But man, you could go massively crazy with that, couldn’t you?

Participant 2: Yeah.

Jay: What else?
Participant 2: The other – we do pain treatment as well in the clinic, so the orthopedic beds, and – I tried to think of some things along that line, just for chairs, chairs that…

Jay: You could hire – this is going to be a joke. You could hire people to stand in front of the aspirin counter at all the drug stores.

Participant 2: Yeah, I was trying to figure out some ways to correlate that with the pain.

Jay: And with pain?

Participant 2: Yeah, we do a –

Jay: What is – pain stimulated by what? What are the pain – give me the causes of the pain.

Participant 2: It’s chronic pain. We do –

Jay: I know, but if there’s chronic pain there’s normally going to be five, six, seven categories or areas that it’s going to be basically, it’s going to be concentrated. It’s going to be – it’s like the ___ principle. It’s going to be 80/20. If I look at 80% of your people, they’re going to have pain in –

Participant 2: Knees and backs.

Jay: Where?

Participant 2: Knees and low back. We do non-surgical ligament reconstruction.

Jay: OK.

Participant 2: So we can’t get nobody else –

Jay: What if you went to a chiropractor, and when they’re done with a client – because most of them have – well, I mean, like again, if after they’ve gone their 4, or 12, or 37 treatments, the odds are they may or may not go back to the chiropractor. If they got relief, then it’s wonderful. If the chiropractor knew he could do some kind of reciprocal arrangement ethically that you could both benefit from.

Participant 2: It actually makes chiropractic treatments last longer – or more effective.

Jay: Well, then that’s even better, isn’t it?

Participant 2: Yeah.
Jay: That’s great. All right, thank you. Hello?

Participant 3: Hello.

Jay: Can you – will that reach?

Participant 3: I got it. Thank you. Keeping in mind that we’re in conception, so we’re starting up.

Jay: Work in progress.

Participant 3: Pardon?

Jay: Work in progress.

Participant 3: Yes, yes. We’re in the business of training, enhancing lives, changing lives, OK?

Jay: OK.

Participant 3: You have a question for me?

Jay: No. You’ve got an answer for me, right?

Participant 3: OK, I’m just trying to be ready for you.

Jay: Over-poised.

Participant 3: So, we’re in the business of changing lives and enhancing lives, and so the list – you want to know what my list was? The –

Jay: The three sources that would be really good of either/or – products or services to go forward or other people to take your products or service to.

Participant 3: Other people to take my products or service to.

Jay: Or ones that you can go to. I guess it’s – you don’t have clients now, but presuming you have clients, what else can you – once you – see, you don’t really know what the scope of your service is even going to be yet, do you?

Participant 3: Right. Not to the fullest, but when you helped the young man over here with the weight loss, and he thought he was all tapped out of his options, and then you shared with him that there’s always more, and it caused me to think when you said that, more funnel than tunnel. And when I looked at that...
Chet: She’s been paying attention, Jay.

Participant 3: When I looked at that - because when I saw how you helped him think beyond, I said, “Well, OK, let me go outside of what we would normally look at in terms of those who could use our services.” And I came up with – and this is very serious. I’m not making this as a joke. I came up with Jay’s list and Chet’s list. And the reason I said that was –

Chet: Ha, ha, ha!

Participant 3: Chet, the reason I said that, and then you just had shared an example about someone that you just helped in terms of the business and he was making all this money, and then his wife made divorce – see that’s what we’re in the business of doing – helping to change lives. And so as you helped to build their business, that works for them. But we want to give them a full, well-rounded balance. And then you can direct them to us.

Jay: Well, what we need to do if you’ve never done it… And this is what I hope is the ultimate byproduct of this weekend, because I have such benign frustration for having tried so hard, but not having, let’s say, the operating system to move people always to the right action in the information I’ve shared.

Everyone in this room - I don’t care how sophisticated your business, or how mundane – should sit down at least for a weekend with the *Standard Rate and Data Directory*, and it depends on your economics. If you’re a small enterprise, go to the business library and read it. If you’re a big enterprise, for $500 a directory you can get it online. And they’ve got lists, first of all, broken in two ways: direct response buyers, if that’s appropriate, and compiled lists. They’ve got 40-, 50-, 60-, 70,000 lists, and you can see what’s out there, #1. You can see the publications out there who could joint venture with you. You could see the newsletters out there who could joint venture with you. You could see the associations out there who could joint venture with you. And until and unless you’ve seen it – I’m saying it for you, because while you are right, you’re – it’s not optimal. You could get lists of people who’ve bought specific products on forms of spirituality…forms of religion…life crises… It would seem like those people in and around the geographies that you wanted to reach would be ten times better prospects than trying to find needles in a haystack in mine. Although there area people like that in mine, and there probably are people like that in Chet’s.

It’s like, when I went to – I did a promotion to Tony Robbins’ list a bunch of times, because even though he draws people who are in life crises, I realize there probably are a lot of entrepreneurs who made a lot of money, but once they made money it wasn’t fulfilling and they were searching for other things. And my message was high performance, high fulfillment, high purposeful business growth and fulfilled enrichment, financially and otherwise. So I would spend a lot of time, if I were you, looking at the *Standard Rate and Data Service Directories* – plural. And as I said, if you guys have
plenty of capital, buy it and get it online so you can play with it, you can look at it, you can use it for creating your databases. If you don’t, go to a business library and just have at it, because it’ll – And the mail order one, and the compiled one will blow your mind. Because you won’t believe how many sorts and slices and dices… and now they’ve actually got lists of the e-mail lists we’ve got. And Howard, this is something you might actually be interested in.

There’s a gentleman who, hopefully he’ll be here tomorrow or the next day. He’s a colleague of ours who’s involved in another business dealing with us. And he’s a specialist in helping expensive software companies that sell million dollar-plus software target entrepreneurs for it by very sophisticated, but very humanized e-mail, endorsed e-mail programs. He does joint ventures with quality e-mail list owners for these companies. And he sends a report out, and then he sends a series of migratory, or graduating, or evolutionary sort of communication that keeps advancing these people. And it’s a very expensive – and they’re all CEOs that he targets. And you might be interested in taking – But if he’s here for the weekend, I’ll have him meet you and you can take him to lunch or something. He’s a very, very – he’s been totally trained in my stuff. He’s been using my stuff, then translating it up to sophisticated CEO marketing, and he worked for Oracle, and he worked for Sun Micro, and he now works for a very well-capitalized start-up that’s got a bunch of big financers, and it’s million dollar-plus software. Or it’s actually a combination of exchange and software. But he’d be a pretty interesting person for you to talk to, because it might break away that you can access your market from one more vector or vantage point. But look at the lists, OK.

Participant 3: OK. Thank you.

Participant 4: _____, and our business is training. But some of the lists that I thought of were the professional associations, for instance, National Association of Professional Women that would do seminars, or training, that would want to –

Jay: You’re going to have a slightly different - not problem, but challenge. Because of the inordinate religious bent that yours is going to take, you’re probably going to have to go to private list owners that already have – not a prejudice, but a bent towards that. That’s why I’m thinking of what I suggested to your colleague is probably going to be the easiest, first line of defense. Because while I joyously respect and celebrate for you what you’re doing, you’re going to have some challenges in certain areas. And I think you should start with the least resistance, low-hanging fruit. That’s why I would go through the categories of religion, spiritual, new age, pop-psychology – all these categories, because those are where people are groping for help. Those are where people really already acknowledge that something’s wrong in their life. Those are people who are looking for connection to either a higher being, or more spiritual purpose, or something, and you’ve already got ¾ of the problem licked, if that makes sense? OK.

Yeah. Keep coming to the line, if you haven’t been up yet.
Participant 5: We work for an ISO registrar, and the things I thought of first is that we can sell lab testing services, because some of – a lot of the things we do, we deal with analysis of –

Jay: Where the void is.

Participant 5: Where the void is, right. Because if they test equipment right, and we find that there’s lots of voids, and then all of a sudden we can’t approve them because their lab testing was not proper. This is a void there.

The other thing is we deal with a lot smaller entrepreneurial-type manufacturers, and we could sell the financial service, tax services, accounting services, because a lot of them are very weak in their financial infrastructure. Also they had to be forced into doing the ISO infrastructure. And then we look at the infrastructure, and when you’re looking at one you can see the other weakness, and you can say, “Look, there’s other opportunities here…”

Jay: That’s a good idea. Keep in mind one other thing: If you have professional integrity concerns, you can represent three quality, and say, “Look, we represent not one, because we want you to be able to choose. We’ve got three here, and we evaluated what we think the relative strengths - not weaknesses, but pros, cons, or advantages of each are, and we urge you to interview them all.” That way you’ve got incredible confidence that you’re doing a very super-ethical thing for them, and they make the final choice. You can say, “We looked at 25, and these are in my opinion…if you trust me in what I did here, you should trust me that I audited the lay of the land pretty well. And these are, in our opinion… We have a relationship with them. We are involved with them, but these are in our opinion the most ethical, the most comprehensive, the most appropriate… And all three of them are good. Different ones have different attributes and may or may not be as compatible, but here’s the list.” And that way, you’ve even got the best of all worlds, because you’ve got tremendous integrity added.

Participant 5: Good idea. The other thing we thought is that we could sell some non-ISO quality issues, like 6-Sigma, Black Belt programs – other things that we don’t specifically audit, but our auxillary programs which are very important to the larger manufacturers.

Jay: Let me give you a name, and it’s called “Qual Pro.” You know what Qual Pro is?

Participant 5: No.

Jay: Qual Pro is the leading practitioner of multi-variable testing, and I think they would be incredible, because they can come in and they can make quality improvements. They can make – they’ve got technology, if it’s a big enough company, that can do extraordinary things.
Chet: That’s a good question. What level of company are you ___?

Participant 5: Well, it depends.

Jay: What would the variance be? What would the variation be?

Participant 5: We have variance from Fortune 100 companies down to a one person company. And that’s our whole –

Jay: But the point is, if you had in your armament a scope of options for them...

Chet: There you go.

Jay: And you had a relationship... Because the point is, they’re going to need it done. On their own it’s going to take them away from doing what they already do well, because they’re going to source, their going to have to interview, the odds are equally as high they won’t make the right decision, and it’ll be a bad decision, it’ll be a mediocre outcome, and they might have to do it again. If you champion their interest and you get compensated as a bonus for doing that, how bad is that?

Participant 5: It’s great.

Jay: OK. And I bet in every audit you find at least two or three things that they probably could use. Imagine if you made $4- $5,000 extra from every audit, and you did them a service in the process.

Participant 5: We’d be very well off.

Jay: Yeah, I bet it will work. And if it does work, you can tie that concept up and you can go to even your competitors and sell into them, and say, “Hey, we’ve got this and we’ve already got it sourced for you. We only want 25% of the profits.” And if they were actually making you money at the same time it would be pretty interesting, wouldn’t it?

Participant 5: Yes it would.

Jay: That’s a good idea. I like that.

Participant 6: Nevada Corporate Planners, so we have entrepreneurs that are starting their first business or people that are starting their tenth company and they want to incorporate and form an LLC and they call us. We have about 1,000 clients, probably 6,000 leads, so the obvious things for us was everything that goes into running your business, from marketing to accounting to legal services, estate planning, human resources...
Jay: But you should, if you think about it. And the truth of the matter is, 95% of them can’t market worth a darn. 95% of them have to go out and spend the most precious thing they’ve got, which is time and focus – figuring out all these things. If you have different packages for them…and the neat thing is, those packages exist. They exist, and most of them, the markups in them are about 10,000%. You find the providers of them, you evaluate them, you source out the ones that are the best. You make a great deal with them, you probably make more on that than you do on the corporation, and you can keep feeding them other products or services as they grow.

Participant 6: Absolutely, and I think…

Jay: That’s exciting.

Participant 6: Yeah, and the key distinction is what I talked to Chet about – you know, this conference call. Since I haven’t done a lot of back end products, it would be ideal to start off with a bang with something that’s really exciting like something that you have to offer, a conference call…

Jay: That’s a good idea, yeah.

Participant 6: To get the momentum starting so when I get the next…

Jay: We do group conference calls to affinity groups that can’t afford to, and we’ll do like 3-, 4-, 500 people who will pay $3- $400 a piece a month to be on it – a 12- or 18-month call.

Participant 6: So then when I come back with a second product, a third product, I’d rather start with something that’s ___ like you guys vs. the estate planners going to send a letter out, and that’s their first offer.

Jay: I agree.

Participant 6: Then the other distinction is, we’ve had maybe 6,000 leads that have called us and for whatever reason have incorporated through us. And I know a lot of them have somewhere else, and so obviously that’s an obvious list for all these back-end products anyway. It doesn’t make a difference if they buy from us originally. It’s still a list we have.

Jay: Well, you might also, even, once you get that down… Keep in mind, the greatest revenge is to profit from your enemy.

Participant 6: Sure.

Jay: And Howard…

Participant 6: Feels the best.
Jay: Howard just shared how three companies aligned and they already have eight projects together, which is pretty exciting. I mean, if you can build a model that works for you, but there’s three or four people out there that are four, five, or six times as big – or if there’s 25 companies that are as big, and you can be their back end as a separate entity and say, “Hey guys, we may be vicious competitors on the front end, but how’d you like me to make you an extra $500,000 a year that you can use to try to put me out of business? I’ll do it for you.” I mean, think about it.

Participant 6: Sure, sure, absolutely.

Jay: It’d be fun.

Chet: Well, we’ll definitely explore that one then.

Jay: OK, good. Thank you.

Participant 6: Thank you.

Jay: Jim?

Jim: My business is marketing business development, and the three that I selected are associations, banks and CPAs.

Jay: In Australia, the banks are much more entrepreneurial and tend to endorse and sponsor stuff more.

We had at one of our programs – I am so lucky, and I’ve got so many memories and experiences I don’t remember much, and we had the top two producers for New York Life in the category of succession planning. We also had the top independent accountancy in the country, and that - it’s totally coincidental. They were separate entities.

But these guys from New York Life, they had a deal with Chemical Bank where they persuaded Chemical Bank to sponsor events that they conducted along with a high-ranking titular designate – in other words, the man may or may not be that impressive, but he had a title that was very neat and exciting and sexy. And they were very smart guys. They were very ethical, but they figured this out.

Chemical at the time had half of the New York market they wanted for the business owners that had – the entrepreneurs that had $5- to $25 million companies. They persuaded Chemical to sponsor it with mailings to the outside market because Chemical wanted new clients. But they knew, statistically, that if they rented a list that Chemical’s name was behind, that half the people on that list were Chemical clients. So they got the implied endorsement of Chemical to Chemical’s own clients, and it worked really well for them. And these guys were making $2 million a year back in the early 90’s, which
was pretty good money. And they were using this, and they were clients of mine, so they used our methods. But you might think about that, because some of the banks – But you know banks, too, right?

I mean, a lot of these banks, if they trust you will sponsor really neat things, and rust you and introduce you to their clients. And all you’ve got to do is convince them that the more revenue – what’s in it for them? Well, two things: the more revenue you generate for the client, the more services they’ll get to take advantage of. The more qualitative value added the bank gives that are out of the realm of just discounts on the fees, or this or that, the more value they’ll have…the more the bank is seen as caring more about building, sustaining, enhancing the profit, the success, the growth – not just parasitically sapping the revenue from the services…the more of a bond they’re going to have with the client, and the more loyalty. That’s good. I like that. OK, thanks.

Dan: Pennsylvania Institute of Taxidermy. We deal with customers need to use supply companies to buy their materials afterwards.

Chet: There you go.

Dan: Need to work with tanneries, and equipment manufacturers.

Jay: Now, when they go out in the market do you help them with their marketing too?

Dan: It’s in house. They go through a business course.

Jay: But you could have a tiny little ad agency for them. You could have a…you could do direct mailings for them. You could basically get all the readers and subscribers to the hunting and fishing magazines in their geography for them. You could make deals with all the specialty travel agencies that specialize in sports-type – you know, in fishing/hunting type trips and adventures, couldn’t you?

Dan: Yes.

Jay: You could book that all, and you could make those relationships and then feed them out and charge them. It’s like Chet – tell them about the service you used to have that you sold to that guy…the one where you booked the…

Chet: Yeah, that was a good business.

Jay: Well, tell them about it.

Chet: Also, he’s missing his – the 600 – you started on him yesterday about it, but you should have some ideas for the guys you don’t sell, that you’re going to give us.
But anyway, yeah, we had a business. Jay and I did a live research laboratory for 650 chiropractors, and they paid $300 apiece to be on a conference call with myself and Jay. (I think I told you this story yesterday.) But the difference is that during this process I built all these things that I’ve been taking you through for the chiropractors. I built in an orientation, their corporate story. I built their Dream 100 for them. I built the letters and how to go after them.

Well, we built all that and then we – they had it, during the course of the event. And some of them took off with it, but most of them, they didn’t get out and make – the core story was if you’re a chiropractor and you’re in Sheboygan, MI, you should go after the Dream 100 – which, if I’m a chiropractor and I want to build a reputation you go after the most influential people in every community. It’s what we say – you get the social proof. You get the biggest doctors recommending… In fact, we found that if we got a chiropractor about 8 doctors referring patients to them regularly, it was almost more than they could handle in terms of new patient quota need, because the second most frequent visit to medical doctors is for back pain. And chiropractors – once they convinced the medical doctor that they were legitimate. But they needed a tool to do that.

So we built a corporate story that really, like – and I’m showing it to you. I’m having it FedExed here tomorrow. But after the fact, after I built all these tools for everybody we then sold the stuff that I built out of that LRL as a package deal, and then we found that they weren’t doing their own speaking engagements…they weren’t doing all the stuff. So we started a side division to do all that for them. We called it “The National Consumer Education Bureau.” And a chiropractor paid us $800 a month to have us go and set their speaking engagements for them, to have them – help police their Dream 100 program for them… And for us, one rep could handle about 8-12 chiropractors, depending upon the rep. And you know, that rep is not costing you $9,000.

Jay: And that rep was – he or she basically, they booked them, they scheduled them…

Chet: They booked them, yeah. And they just called up and say, “I’m with the National Consumer Education Bureau, and we are a group that provides doctor-sponsored (we never say medical, because they’re not really considered medical) doctor-sponsored educational programs. And for a limited time they’re going to be available in your community. And would you like us to have a doctor come by and talk to your people about how they can be healthier and more productive?” And that’s bridging the whole thing, but most guys would go, “Yeah, sounds kind of cool. Send me some information.”

Jay: And it had two different sides to it. Certain larger organizations did it as an educational service to their team. Small or medium-sized organizations did it as a draw so that more people would come that day to their facility. So it has –

So without going too much into it, does that give you any ideas?
Dan: Yes. I also thought about years ago I had a supply business myself. That was before I was a genius marketer, after... But I thought about maybe going back into that with what I know now, but maybe doing it a little bit different. Instead of buying all the inventory, just use it as distribution channels for all the people I know that produce things and they could send them to me, and as I sell them then I would pay them that way. I wouldn’t have to put all the money in and tie up all the cash. Cash up front, you could...

Jay: So you – it’s up to you. It’s up to you. I thought about you. We were in Cabo, and my kids went deep sea fishing for the first time and caught a 6 or 6 ½ foot marlin. They threw it back, but they wanted to get it stuffed, and I thought about you. It’s interesting.

Now, do people normally use taxidermists there, or do they bring it back – what do they normally do with it?

Dan: The salt water fish are reproductions.

Jay: Are they really?

Dan: Yes.

Jay: They’re not real?

Dan: Yeah. They were at one time. They were a cast outfit.

Jay: They don’t do that anymore?

Dan: Yeah. You can still get one. I could still do one for you.

Jay: That’s interesting. That’s interesting. OK. All right. Thank you.

Chet: So what about the guys you don’t sell anything to? I wanted to hear some of these things. It’s bothering me.

Jay: What are you going to do? What are you going to do with the 555? They’re sitting there, these poor guys, they’re looking to you for help. They want to get out of the doldrums.

Chet: You brought them to you. You know who they are...

Jay: They want to make money with their hobbies. They want to basically want to live, eat, sleep, animals, hunting, wilderness, games, fishing – what are they going to do?

Dan: I was going to sell them a report on how to be able to get the money to go to taxidermy school.
Jay: How much does it cost?

Dan: The training with everything involved – housing and everything in our premium program, ends up being a little over $22,000.

Chet: Ooh, they’ve got to really want to do it then.

Jay: Now let me ask you a question. Is there any kind of an interim? Is there one or two kinds of a first-stage thing that they could do first to make some money that they could graduate forward to?

Dan: In Pennsylvania, they have to pass a test, so they already have to be at a competence level before they can do work for a client, so…

Chet: You should have five other choices of five other things that you can sell them.

Jay: Yeah, you really should. You should. See, I think that’s not right. I think you should go and look up every category of business opportunity out there, and I’d go on the web because it’s an easy source and get rid of all the network marketing, and all the other. But look through it, or go into an SRDS and find some of the magazines and have them send it to you, or go to the – there’s associations for things like that. Or go to Entrepreneur, or go to…

Chet: Inc.

Jay: …Inc., and look at all the ads. And then I’d figure the companies that look like they have the best offer. Because if somebody – if you could sell 100 people a $10,000 quality training program of somebody else’s, and that person would give you $5,000 of that – which they probably would – and you basically got another $5,000 times – what’d I say, 50 of them?

Dan: I’d do a lower – I have a program that’s ends up being about $15,000 with everything.

Jay: You do?

Dan: Yeah.

Jay: OK, but the point is, it’s not just the front end. The point is – what you have to realize – and this is what a lot of people… If you see your – what do you call that 3rd category again that I can never remember?

Dan: Broadest possible view.
Jay: Broadest – if you say, “My job is to help people extricate themselves from the …

Chet: Drudgery.

Jay: …the drudgery of their current situation and get them closer to what they want, which is the freedom to be more in touch with hunting, fishing, and hopefully, maybe make a living from it some day. If you can find five different alternative business opportunities – because they’re saying, “I want to change my job.” If you could find one… Part of the problem they have is not just – see, you’re missing the boat. It’s not just coming up with (and I hope you see this) – it’s not coming up with just $22,000. It’s being able to come up with $22,000, support themselves for the better part of what?

Dan: Seven months.

Jay: Seven months. Then, not knowing if they can be profitable when they go back…not knowing what the heck they’re going to do to support themselves for the next maybe perpetuity, because they may never make a lot of money at it. If you said, “Well, maybe if I helped them find something they could do for…” And if you wrote them a letter and said, “Look. I know you want to be a taxidermist. I want to help you. I’ve found one, or three, or two really neat business opportunities you can be trained in over a week, or over a weekend.”

Dan: There’s plaques that he could sell as a customer appreciation program, and…

Jay: No, but I’m talking…I’m being serious, Chet. You get one that’s ___, you don’t want to jerry-rig it. You find one that already exists that’s good. You check it out and make sure people take it, if they really follow it they can make – there are a lot of programs out there that they really can. You tell them, “Hey, this is $10,000. It will only take a week. You won’t have to quit your job, even though I know you loathe it. You won’t have to risk the farm, both on time…” Because basically, it’s not $22,000. It’s $22,000 plus the lost income for seven months, plus the uncertainty of the future. That’s why you have a problem. But if you say, “Look, I’ve figured a way that you can have your cake and eat it too. For $10,000, you can have this training. If you just do partial, you’ll make enough that you can save enough that over a year or two of doing this you could be in my program. You might even do it faster. If you do…” And that’s what I would do.

Dan: What if I started a supply business again, or a tannery, and while they were in school, let them work in the evenings and over the weekends so they would continue to gain an income, maybe to help pay the bills.

Chet: Yeah, that’s a good idea.
Jay: If you had a business, you could do that. You could do that. Thank you, Carl. Thank you. You could do that. But you’re fighting the fact that – you’re fighting being a little bit broader. That’s a lot more work. I mean, you’re saying, “OK, basically, instead of making $225,000 right now easily, I’m going to probably spend $225,000. I don’t have enough money at my facility to go, but I’m going to start another business. I’m going to have them all do this. They’re going to do stuff they don’t want to do, and they’re not going to have any time to study, so instead of taking seven months it’s going to take 12 months.” You can do it, but why? Take the easy road first. You’ve already written those off right now. What do you do? And how often do you mail those 535 people, once they don’t convert?

Dan: We usually do a follow-up phone call, and

Jay: And then?

Dan: And then we forget about them and move to the hotter stuff.

Jay: Of course, they couldn’t change their mind. They couldn’t change their circumstances three, six, seven months down the pike, could they? Noo. No, no, no, right? You couldn’t say to them, “And if you want to I’ve got programs…” Do you have any kind of financial aid programs for them?

Dan: Yes.

Jay: I mean, if they’ve got equity in their house, you can go to a mortgage broker and work a deal where maybe they can get a loan for $50,000 that only costs them whatever – let’s call it $612 a month (and maybe that’s not the right numbers) but – so they could have enough money to support themselves and you made that possible. You might get twice as many people again.

Chet: Plus I think Jay’s right. If you built a full-blown turnkey marketing program for them, where they had their own presentation to position themselves in the market…where they had direct mail letters, or they had a program to approach hunting stores, and bait shops, and all the guys who feed hunters who would feed taxidermists. You know what I mean? You could create a whole program for them, and then they could pay on a monthly basis to be way more successful because you made it easier for them. So that was your idea.

Jay: What do you spend on marketing a year?

Dan: Probably about $25- to $30,000.

Jay: OK. Divide 600 into 25- or 30,000. What did each one of those leads cost you?

Chet: Anybody got a calculator?
Jay: We’re such great analytical minds, aren’t we? Let’s see, you got a calculator? Got an abacus, anybody?

Chet: We probably could put guys in there.

Jay: How much?

Dan: 500.


Chet: What is it, guys? You’ve got a calculator.

Jay: 600 – well maybe it is. Say it is. Is it 500? Is that what it is? OK. So let me make a point to you. I’m shamefully…

Dan: About $60 a lead.

Jay: Is it 60? 6 times 5 – no,… 30,000 divided by 600 – what is it? Is it 50? OK, who knows what it is? We’re not going to enter you in the National Math Championships.

Chet: James, can we cut this off the tape? I don’t want this on the tape!

Dan: $50 a lead.

Jay: OK, so stop. So you’re spending $50 each. You are – this is not relevant to anything more than a piece of a reality check to you. You are spending $50 each, and you are stopping communicating with them after two attempts. Is there anything wrong with that picture?

Dan: Well, there’s more than two attempts, but it’s – we take them to a certain point. We try to get them to make a decision by a certain date, because if they don’t – if they don’t have a deadline…and I’m not…if there’s no deadline, they keep saying, “Yeah, I’m going to do it,” but they just, “Yeah, I’m going to do it…yeah, I’m going to do it.”

Jay: OK, but writing them off, you already spent $50,000. What would it take once every six months to spend a dollar more on them?

Dan: $1 more.

Jay: $1 more.

Chet: Ha ha ha!
Jay: Now wait – now, if you get them in for the $17,000, what do you make on it? If you’re filled, you make a lot on the incremental next, last, three, four, five, and the 15, don’t you?

Dan: Yeah.

Jay: Are you filled every time?

Dan: Just recently – the last – just the last couple classes –

Jay: But you’re not always filled. So you think a $600 investment twice a year - $1200 – on top of the $50 you’ve already invested in them might get you one or two more who maybe graduate…their circumstances are different. The security, or the outlook of their job looks more mundane, or a dead end, or…

Dan: Mm hm.

Jay: You think so? And if you had financing for them, which you probably don’t, right?

Dan: We do.

Jay: Do you have full financing?

Dan: Mm hm. Just as long as they have some credit.

Jay: OK.

Dan: Poor credit’s tough.

Jay: You could end up owning a lot of houses if you put – I mean, think about it. If you took a lien on their house, gave them $17,000, took a first on their house, right? Or a second, but as long as they had equity in it, you could end up repossessing it and making a lot of money, couldn’t you? And they could be your handymen, right? You could say, “Taxidermy built this.”

Dan: I’m a nice guy. I don’t do that.

Jay: I’m being funny. I’m being facetious. Then we could send them to the soon-to-be-formulated Life-Changing Crisis Clinic, right, and give you the back end. That’d probably work. I mean, OK – anyway. Do you get what we’re saying? You think you’re going to…

Chet: You’re glad to get off the spotlight. Look at him – running back to his chair.
Mike: I think he needs to – this is as a quick inside. I think he is – needs to do Chet’s concept, which is, he needs to hire a top producer. He seems like he’s probably super, super-knowledgeable at taxidermy, but maybe not a super salesman.

Chet: Do you do the selling yourself?

Jay: Who’s the sales department?

Chet: Dan? You’re the salesman, too? Are you the trainer too?

Dan: One of the trainers.

Jay: Are you the professor? Wait – are you?

Dan: Not every day. Not all day long, but in every day.

Chet: OK, we’ll cover that when we get to that module. Thank you, Mike, for that insight.

John: I’m curious as to – could that be a home study course?

Jay: He’s saying because of licensing it can’t, but –

John: You move the corporation to another state that doesn’t have the licensing…

Jay: That’s not a bad idea. Is there a way to disseminate that training on a distance basis, and have them only come in on weekends, like four times a year, to get basically the hands-on part?

Dan: We could, _______

Jay: But do other people do it that way?

Dan: ______

John: There’s a lot of correspondence courses out there. You know, I could write a correspondence course.

Jay: Or could you have – excuse us for taking into your time, but you initiated it.

Chet: Yeah, you started it!

John: I’m trying to help the guy!
Jay: Could you in fact have most of it be on a distance learning, but could you have four regional places you went once a quarter so they could fly in easily on a weekend at a convenient time and get the rest of it? And that way they wouldn’t have the pressure of having to do it in seven months. If they wanted to take 15, or 18 – who cares?

Dan: Yeah, we could -

Jay: Why don’t you think about that? Because that might change your whole model. And if you could make that back end, and if you can convert some of those 535 to somebody else’s $10,000 programs, or to – before you do this, then you could use the capital you make on the profit sharing to fund the creation of this.

Chet: He might go – if he’s got to build the study, he might go to somebody who’s already providing a home study.

Jay: Well, you might, if you get a license for their stuff just for part of it, and know you’re going to build a bunch of higher quality, interactive part of it.

Chet: And like you say, those are his leads.

Jay: Or you might even buy somebody who’s got a home study so you could basically combine the two.

Dan: Well, I could write one in two weeks.

Chet: Well, there you go.

Jay: Yeah, but what I’m suggesting is before you – and I don’t know what your cash flow is. If your cash flow isn’t great, try converting those 535 people to somebody else’s program first, because all of a sudden that’s –

Chet: If he can write it in two weeks, that’s – you know…

Jay: That’s good. That’s good. And what would you charge for it? I mean, think about it. If they could pay for it at any – it doesn’t matter. What do you want to pay? I mean, you want to pay it over 22 months? Do you want to take it over 25 months? Do you want to take it over your lifetime? Who really cares, as long as they’re always ahead of the game on their terms.

Chet: It’s incremental income you’re not getting now from 550 people who you could be…

Jay: Who could all of a sudden be 5,550 if you really had a reason to step up your marketing. If your ad said, “Learn at home. Never leave. Keep your job. Prepare for retirement. Do a…” Whatever you want to do. You could broaden your model, or your business model tremendously.
Dan: Then I would need to get into the supply company for sure, because I would have to back end that with all the supplies they would need.

Chet: There you go.

Jay: Is that so bad?

Dan: I was trying to slow down, but I guess I can speed back up again. What the heck.

Jay: Well, you know what you do? Even better is this – here’s another thing. Stop! Create it, and sell the rights to that to somebody – one of these guys who wants to have a business. Sell the rights – sell them the rights to do the home study for you, and you’ll just come in – they pay you to come in and do the live. Let somebody – I mean, who cares? Think about it. Or not.

Chet: Thank you, Dan.

John: Hi. I make customer appreciation plaques, and one of the ideas I had before I came here – but something I will certainly look into – is perhaps adding a Fuss Program to my service. And a Fuss Program would be nothing more than having the dealer who is faxing me the information that he wants put on a plaque to give me, perhaps the birthday of his customers, or anniversary. And we would send a birthday card, or an anniversary card when it was appropriate.

Jay: Now, would that be another service?

John: One less thing that the dealer would have to be reminded of.

Jay: Yeah, that’s good. And little companies like that. And there is a market for doing that, and they will pay – whatever. $5 or $10 a year…

John: Exactly.

Jay: And if they don’t have…

John: If they just put it on their fax and –

Jay: And that could be an automatic – that could be a computer-advantaged – almost a virtual business.

John: Right, exactly. And the other thing would perhaps be offer some related ad specialty items. Go through the litany of items that are imprinted and select a core…

Chet: How many dealers do you have…______-
John: Motorcycle dealers, around 190 automotive dealer are probably in the 80 or 90 area, and real estate, very…

Jay: Now, what kind of automobile dealers would they be? Who would do…would they be high-end auto dealers?

John: We have one right here.

Jay: Which one?

John: Newport Auto Emporium, here in …

Jay: But they’re selling, probably, expensive…

John: Ferraris, Beamers, …

Jay: Yeah, but the point is…that’s good, I like that.

Chet: How much – he charges the same $69 for the… Wow.

Jay: One price fits all.

John: The same thing.

Jay: See, with the motorcycle dealers – not with the high end ____, but with the motor cycle dealers you might also be able to source for them premiums or bonuses that might bring people to closure. In other words, if somebody’s going to spend $10,000 you might be able to source for them something that had a perceived value of $500 that you might be able to source for $50, charge them $100 – they could add it to the transaction as a closing device. And that might be really neat. If you had 200 dealers buying six or seven or ten of them from you a month…?

John: Mm hm.

Jay: So you might think of that, too. Being a bonus or premium – a different kind. Because that might be – ask them, what would it be worth to close another 40% of the people that come in your store. If they say -

John: Well, I think the Harley deal is probably closing all that they need to close.

Jay: Are they on allocation, still?

John: And you haven’t bought a motorcycle in a long time, because they’re not $10,000 anymore.
Jay: Are they $20,000?

John: $25,000, $20,000.

Jay: Are they really?

John: Yeah.

Jay: Wow. All the better. What kind of margins do they make on it?

John: 14% - 16%.

Jay: In other words, they’re not really great margins for what they’re doing?

John: No.

Jay: But they turn them fast? And you’re saying – Harley sells everything they get?

John: All the –

Jay: Now, do you have a Harley? Do you have a motorcycle?

John: Just sold mine to – about four months ago my wife pillow-talked me into getting a Corvette.

Jay: A new one, or an old one?

John: She doesn’t like bugs in her teeth, or her hair all –

Jay: The new ones – I go through – every couple of years I get the hots for cars, and I buy a bunch of them, and I get rid of them. And I always trade with clients. Everyone wants to trade me cars. I’ve traded for so many cars. But you get them, and then they’re a pain. Then you’ve got to maintain them. And then you’ve got –

John: Oh, you’ve got to stay on top of it, that’s for sure.

Jay: OK, thank you. Next.

Participant 7: Mackay Restaurant Group, and the different people who are selling to our customers before or after, and during the sale are multiple categories of retail – cigars, fine wine, jewelry, clothing, hair, makeup, florist, gifts… And then, we’re in an area that’s high development, so real estate agents and property management. Sports equipment, sports and health clubs, travel agents, grocery stores – huge list.
Jay: It’s – and again, if there was a way to utilize… And it may breach the integrity of your concept, but if there were a way to utilize the off time for special events that you got these people to sponsor and pay for in the off hours, it could be interesting too, couldn’t it? And if you knew you were going to get $4,000 for a special event at that quality of people, and it was going to bring new people in who were great, but it was also going to access your market at the same time. And if it worked, they had to prepay the cost of the thing which you made a profit on up front… and if they sold the thing, you’ve got that – that was like a draw against your back end, it could be pretty interesting, couldn’t it? All right, that’s good. Thanks.

Gerald: OK, I’ve got two parts to this, so don’t let me forget the second part.

Jay: Give us the second part first.

Gerald: OK. Right now, legally you’re not supposed (we’ve got a new part we’re just trying to get started.) Legally you’re not supposed to be able to use injectable growth hormone.

Jay: But I’m told that the tests on them were fabulous.

Gerald: They are.

Jay: I mean, every doctor that I’ve talked to says that they’re just fabulous.

Gerald: Yeah. And some of us that are in anti-aging, and preventative medicine, and alternative medicine got together, and we got an investigator drug number for a study that’s going to be an FDA-reviewed study. So we can now give injectable growth hormone.

Jay: As part of the study.

Gerald: Right.

Jay: That’s pretty clever.

Gerald: So we can treat these people –

Jay: They’ve got to sign waivers, and everything?

Gerald: Yeah. And – but it’s something that by the FDA’s rules, the only way we can advertise it is by saying it’s an FDA-reviewed study, patient funded…

Jay: Which actually has a lot more credibility and integrity.

Gerald: Yeah, it’s great.
Jay: That’s fabulous. I mean, you guys could say, “If you’re interested in the effects of aging, in a new…” I think that’s fabulous. So towards that end…?

Gerald: Right. Well, we can’t tell the benefits in the ad. But, when they come in, we can show them studies and so forth that tell –

Jay: Yeah, but your marketing could be fabulous for that. You know, what you ought to do - is there a big group behind it?

Gerald: Well, there’s – we have a number of centers around the country.

Jay: Yeah. You ought to tell Chet, because maybe – I mean, you couldn’t _____ but at least syndicate all those doctors and talk to Chet, because there might be a way that we could get involved helping you, if you did it in numbers because you couldn’t afford to do it singularly. It’d be too costly, but it might be an interesting way. That’s pretty intriguing. But go ahead.

Gerald: OK, well that sounds great too. But the idea I came up with first was to try to make an arrangement with the Downtown Fitness Center. Because that’s going to be the business people that are trying to keep fit and stay young-looking, and so forth. And try to get their names from them. And then the second part of it was that I got thinking, “Well why limit ourselves to just there?” For one thing, we’re not in a high-income area like California or something like that. So we’re not going to have as many people that are –

Jay: You’re what, Amarillo?

Gerald: Yeah. So the range on charges – I mean, it’s expensive.

Jay: I know.

Gerald: And the range – the -

Jay: How many shots do you get? What’s the frequency?

Gerald: Well, the way we’re doing it now – the original studies, they gave it about three shots a week, and gave strong dosages, and they had some people that had side effects. They had some people that got arthritis, some people that got carpal tunnel syndrome, and some people their sugar went up. But we found since then, by giving smaller amounts and giving it more often, you don’t get any of those side effects.

Jay: Did those actions subside when they stopped getting the injections?

Gerald: When – yeah.

Jay: So it was only temporary?
Gerald: Yeah. I mean, there’s nothing bad anyway, but doing it this other way you don’t have that problem.

Jay: Which is more injections, but less –

Gerald: Right. And we can teach these people to do it just like a diabetic. They take it home, give their own shots, -

Jay: So that’s interesting. So, so that’s good. So you can go to those organizations – what’s another thing you’ve got?

Gerald: The other thing was that we should be able to do it nationally, especially ourselves, because in the study –

Jay: How long is the study – how long is the charter good on the study?

Gerald: OK, we have the initial study for a three-year study.

Jay: Oh, wow.

Gerald: All we’ve got to do is go back and say we’re studying another part of it.

Jay: And then, if you’re reasonably successful at that – at the end of a study, what is the normal process that goes? What do they do? What does the FDA do afterwards?

Gerald: Well, then they have to have the repeat studies to prove –

Jay: So you get another three years.

Gerald: Yeah.

Jay: So now you’ve got six years.

Gerald: Well, yeah. And then, what we’re doing –

Jay: That’s very clever.

Gerald: And we’re doing our study – is to show the breathing capacity, the fat body percentage differences…

Jay: What’s the most visible – not necessarily just superficial – what’s the most dramatic impact that you’ve seen? Because as I said, some doctors have told me some really remarkable things about it.
Gerald: Yeah. The most dramatic thing is your feeling of well-being and energy changes almost immediately. Within the first week or two.

Jay: Really?

Gerald: That’s dramatic.

Jay: And what does it cost to be administered? What do the shots cost?

Gerald: The people in our group that are doing it – and again, each place has different overhead. So they say you can charge –

Jay: What’s the minimum?

Gerald: It runs between $9,000 to $16,000 a year.

Jay: So it’s expensive. But the person that’s concerned about his or her longevity, or vanity, or their – what’s the optimal age to take it?

Gerald: In the study we’ve got where we can take anybody over 40.

Jay: Really?

Gerald: Now actually, we’re doing a two-part study, actually. We’re doing a study on growth hormone releasing hormone vs. growth hormone itself.

Jay: And I don’t understand the difference.

Gerald: Well, growth hormone releasing hormone will cause the body to produce -

Jay: To generate its own. OK.

Gerald: We think that up to the age of about 60 your pituitary is still adequate. It can produce its own growth hormone.

Jay: And the person that told me about it is a good friend, and he’s involved in research too. And he said it in a really interesting way. He said, “Unfortunately for you and I (he’s about my age), we’re over the age where it’s going to change and elongate our lives a lot.” But he said that if the research bears out, it’s going to have such a profound effect on younger people for their life, quality of life, and also their longevity.

Gerald: Oh, yeah. It’s very interesting. It works on people our age, too.

Jay: Oh, no, I didn’t say that. We were just talking about prolonging longevity. Real longevity, saying at age 50 or something, it’s not going to get you to 120, but he
said the inroads that they’re making now, once they bear out, they’re projecting that if you start young enough it’s going to be incredible.

Gerald: Right.

Jay: Yeah, it’s interesting.

Gerald: Back to where I was going to answer you on the growth hormone/releasing hormone – we feel like if they’re up to age 60 their pituitary is still capable –

Jay: So what would they take for that? So is that a different shot?

Gerald: Uh huh.

Jay: And so, half of the trial group would take that?

Gerald: Actually, on the study, the patient has the choice.

Jay: But you do the study – so you can do this directly in two separate studies. Now was it hard to get that approved to the FDA?

Gerald: Not really.

Jay: What does it cost?

Gerald: I don’t know.

Jay: Did you guys just pitch in and fund a …?

Gerald: Yeah.

Jay: That’s pretty interesting. OK, great.

Gerald: What we did is we found a guy that worked at a big university that had done a whole bunch of FDA studies…

Jay: He already knew how to do it.

Gerald: And he just ran it through.

Jay: That’s amazing. That’s interesting. Good luck. That’s interesting.

Gerald: Yeah. Anyway, we’re doing both parts.
Chet: A comment - Another thing that Jay’s taught me, and we’re doing it with several clients – I mentioned the carpet cleaning company… We’ve got that model working so well now that we’re actually going to sell that as a “business in a box.” So not only is he doing whatever – you know, millions of dollars in his carpet cleaning business. Now he’s going to bring – there’s something like, I think he said, - something unbelievable, like 160,000 of these carpet cleaners.

Jay: A real cottage industry. It’s not – and they’ve succeeded in spite of themselves. They don’t market, they don’t have a system, they don’t have anything.

Chet: Yeah, so you take, you know, and you offer $20,000 for a four-day weekend for them to come and learn how to run their business like his, which – and we show it – it’s amazing. He’s doing like, way more than the average carpet cleaning company, so he’s really got something he can sell. And we give him the business in a box. Here’s the Gold Service… here’s the presentations… here’s the blah, blah, blah. And the hard cost of his materials is…

Jay: How many people are there in your group?

Gerald: There’s close to 100 people, but there’s only a small amount of that that are really doing much yet.

Jay: Yeah. I mean, at such point when you get it perfected, you might want to codify all your stuff. Because at that point in the near future, if your projections and if your beliefs are borne out, there’s going to be a lot of physicians that are going to jump on the bandwagon. And then they’re going to grope for how to promote it and market it. And if you guys…

Chet: Well, even if he has a successful clinic now, it’s still something that –

Jay: Yeah, you’re right. That’s right. I can help you. And we asked – what’s the volume of your clinic? Is it really pretty impressive for the population?

Gerald: We do a million and a half.

Jay: Is that really impressive?

Chet: And most of these guys are making 120.

Jay: And so does it require a lot of staff to support it, or not?

Chet: Is it profitable?

Gerald: We have 15.

Jay: Is it very profitable?
Chet: 15 people – can’t be that profitable. Not too many businesses I’ve dealt with…

Jay: Well, it doesn’t cost that much – I mean, staff probably isn’t that expensive in Amarillo, is it?

Gerald: No, our overhead’s probably 60%.

Chet: Oh, OK.

Jay: 60% isn’t bad, given the fact that the average person in that profession probably makes –

Chet: Yeah. That’s totally sellable.

Jay: Yeah, well what Chet’s saying – if you went to non-traditional oriented positions and said, ‘I’ve got a practice that makes three times the norm in a city that’s 1/10 the size of an average one, and the system is totally translatable to you. And I’ll gladly teach it to you.” We’ve had lots of people – we had, one time, an attorney that we – everybody does this after I teach them. There was an attorney that had a system where he was making $1.5 million with two people, and he taught all these other attorneys outside of his geographic area how to do it.

So think about that. We just have to go forward. But that’s great. Thank you.

Chet: But that’s applicable for about half the guys in here.

Gerald: A million and a half - there’s going to be way more than that already.

Jay: Well, so you might think about that, as you get it to three years, two and a half, you might say, ‘Wow. There’s probably a lot of struggling physicians that go to them because they can’t make a living, that you might be able to do a real interesting job for, to help them practice-build. Or you could license it to a practice-building organization that already had the relationship with 10,000, but had no new – and they’re all looking for new products and services too.

Chet: I think that’s a great idea. A great idea.

Jay: Because they’re getting their $1,000 a month, but if they got a windfall $25,000, and you got half, and they got half, that’d make them pretty happy. All of a sudden you might make $3-, $4-, $5 million – like that.

Chet: And they’re all advertising.

Jay: So there’s a lot of possibilities.
Chet: Did you get that? Or did he give you too much, too fast?

Jay: He’s right – OK, next?

Chet: That’s really a good idea.

Jay: Hello.

Jean: Hi. I’m from the “Life Saving Crisis Center,” as you called it. And we will be.

I heard what you said to my colleagues, my sisters there, as far as how our training would probably be marketed to those that are in – that are seeking –

Jay: It’s the lowest-hanging fruit.

Jean: Yeah. Like – yeah. And I can understand why you would say that. And probably most – and that may be where we would go initially, or at some point. But looking at the broadest possible view, I was looking at things like sellers of women’s products, and employment counselors, day care centers… And the reason being, I was looking at the tunnel that was drawn up there, just wanted to ask what you think about this.

Like we would present it to them, and first they might say, “Well, OK, this is religion. No, no.” But if we present the pain first, and kind of show them that, and give them some testimonies, as far – and some personal things. And then we can, by the time it gets down to the bottom, they’re like, “Yeah, you’re right. We’re really in trouble and nothing’s helped yet. What do you have?” And they may be more receptive at that point. Yes?

Jay: And I think you – and I urge you to broaden your vision. Part of my sense of fiduciary responsibility is to try to get people sequentially, to get always the safest way to parlay their business. And if you can start with, say, - this is not meant to be a pun, but it’s very appropriate. If you can speak to the choir first, that’s probably going to be the easiest way to start. And then you use the positive cash flow – the profit, or if your non-profit - the excess capital that comes from reaching people who already raised their hand and said, “I realize that I’m in pain. I need to connect with a higher being. I’ve got crisis in my life. I’m looking for somebody or some organization that can give me clarity and help my marriage, or help my sense of connection with my family, or help my sense of why I’m here.”

If you can do that, and then use the proceeds of that to then be a lot more experimental and find the right message that will let you translate it to the outside open market, that’s just how I would do it. Because I sense you have a successful congregation that’s probably financing it, but I know that most things in life don’t get out of the gate as fast, as easy, as profitable as you want. And I’m just trying to protect your
success prospects, your viability, by saying go right where the felt need is the most acute in the beginning. Use that as your safety, your safe harbor, just to create validation, etc. Yes?

Participant: What about the TV shows that have lists of people that have sent money in?

Jay: Donors are available in some markets. Go look at the SRDS. That’s good. Did you want to make an additional comment? (There’s a speaker mike right there.)

Jean: Thank you very much Jay. That’s very helpful. And I didn’t mean to – I just want to add to what you were sharing… that we’re probably at that point that you’re talking about. This is not being financed by the church. There are people – not just in our church, but in other places – that have seen the fruit of my trainings that I do.

Jay: So they want to contribute back. They want to invest so they can be felt by others. I understand.

Jean: And they’re encouraging me to fulfill my dream to reach out beyond the trench. Which we do in missions. But we have friends that – well, I don’t know if you’d know Peter J. Daniels, in Australia. He’s a personal friend of ours, and he does what you do. And he’s very good at it. And even though he’s like, in your caliber in Australia and other places, he, I guess, would be somewhat of a model in that even though he’s very devout, he addresses people – bankers in the U.S., other nations, etc. And I’m just trying to say this so that it can give you an idea that –

Jay: That’s great. That’s great. And I don’t want to thwart or constrain or subordinate or minimize the scope and the breadth, and the global expanse of your vision. I’m just saying that in the event that your capital is limited or precious in the beginning, start where you know is the easiest way to get a positive result for three reasons. One, you’ll get – you’ll parlay into more capital you could then experiment with. Number two, you’ll get validation which will make you, basically, much more effective. Number three, you’ll be able to use it to fund the creation of the programs and the infrastructure. But we have to go on that. But I hope that helps.

Jean: Thank you.

Jay: You’re welcome.

Vic: Vic Jost, Jost Machinery. We started as a distributorship in the St. Louis, Missouri area and saw some opportunities for national growth. And we did use a list. We went to an association book and said, “There’s our customer list.”

Jay: And did it work?

Vic: Ten years later, yes, it’s worked extremely well.
Jay: You still do that?

Vic: Yes. I’m still working it hard.

Jay: Good. That’s good.

Vic: So, we’re looking at other opportunities as to how we can benefit from those associations with those customers, and thinking that we might be able to sell die cast dies, because every time they want to machine a part, they have to create the casting. So that’s another possibility.

Chet: Absolutely.

Jay: I like that.

Vic: Is to partner with die builders.

Chet: Right. Right up your alley.

Vic: Likewise, the dies have to go into a machine where they have - a die cast machine, which is creating the raw part in the beginning, too. So I’m anticipating that those people probably know where more die cast companies are located, and we haven’t even begun to talk to those people.

Jay: That’s great. But keep in mind, there’s no reason - even though you currently function in your paradigm as a rep, there’s no reason you have to function as a rep with these other services. You can be a principle. You can control the transaction. It depends on incrementally what it costs them to create one or two. But if you can deliver 25 markets that they don’t have, or 250 clients they don’t have… incrementally those could be so valuable that you deserve a lot more than just a 10% or whatever, or 15% or whatever the normal “rep fee” is. So think of a changed paradigm, as far as structuring the transaction.

Vic: Well, with the die builders, especially.

Jay: Yup.

Vic: They need more representation.

Jay: That’s great. So there’s a great idea. I like that. That’s great. OK.

Vic: But the machine builders are already on a national scope, so we’ll probably benefit more from their list.
Jay: But you could make more profit, and probably do a greater service, and probably reclaim and deploy your channel even better. That’s great. That’s good. I like that.

Vic: Have to work on it.

Jay: What does a die sell for?

Vic: More than our machines, oftentimes.

Jay: That’s fabulous. I love that. And it’s a cottage industry too, isn’t it?

Vic: Oh, it’s quite large at times.

Jay: But I don’t mean a cottage – a lot of the providers are like everywhere and nowhere – they’re like all over. So they don’t have a unified, sophisticated marketing organization representing them. So it’s a great – that could be fabulous. Yes?

Neil: Hi, I’m Neil Dougherty from Luzerne Optical Laboratories. 95% of my business is manufacturing Rx (prescription) lenses. I also distribute quite a few products, some of them which are soft contact lenses, contact lens solutions, safety glasses, frames, sunglasses, low vision products for visually impaired people, magnifiers, ophthalmic bulbs, optical tools and accessories, eyeglass cases, shooting glasses, rifle scopes, binoculars, telescopes, surgical instruments, pharmaceuticals, and diagnostics. What I found is by distributing these products, it’s opened the door for me in many places, otherwise I wouldn’t be able to get into. I really haven’t given a whole lot of attention at all, because of poor time management, so I haven’t utilized this - these products.

Chet: This guy runs a huge company. How many employees do you have?

Neil: 165.

Chet: 165, and he sits in the office surrounded by five of them.

Neil: So there’s a lot of potential there in my industry, but not only my industry. Countless industries I could sell these products into.

Chet: You’d need a couple of –

Neil: I just spoke to the gentleman that sells into a thousand locations. There’s so many products here that he may be able to use.

Chet: You need those segment directors, that we talked about.

Neil: Exactly.
Chet: These higher superstars that go build all those ideas.

Neil: Exactly. Now besides those things, some of the other things I listed here…there’s a lot of companies who sell edging equipment. Many customers will send in unfinished products, called an uncut lens. What they’ll do is they’ll take this lens, they will edge it themselves into the shape of the frame and they’ll mount it. So we could rep that equipment to our customer base for a commission. There’s all kinds of virtual video…

Chet: What about eyeglass cases?

Neil: Yeah, I sell those.

Jay: He already sells those.

Chet: You already sell those?

Neil: Yeah.

Chet: Mention that to me, by the way. We’ve got a company that we’re –

Neil: Virtual video systems for –

Jay: And do you represent insurance – do they still have glass – like, contact insurance, and all that?

Neil: Yes.

Jay: Do you represent those too?

Neil: No.

Chet: And how many optometry shops do you have?

Neil: I have 6,000 customers. There’s probably at least 50,000 out there.

Chet: We could get an LRL going there, for sure. Teach them how to build their business’ sales.

Neil: Some other things we could partner with are virtual video systems for lifestyle dispensing. Patient puts the frame on, puts their picture up on the screen – it could show them all different kinds of frame styles on the face, how it would look without actually trying them on with different kinds of coatings and treatments.

Jay: That’s great. I like that.
Chet: Cool.

Jay: Well, he’s right. I mean, practice building – most optometrists can’t market worth a dam. And they also, they’re in a position where they’re so – if they’re in big cities they don’t have the leverage, because they can’t afford the newspaper, because it’s not cost effective. If you could help them build their practice, it’d probably be pretty valuable for you.

Neil: Absolutely.

Jay: That’s great.

Neil: Also, selling to some of my smaller competitors… I’ve started this – and they were really shocked when I came to them, because they – and they were very interested to hear what we had to say because they couldn’t understand why we would want to sell to them. And my sales representatives couldn’t understand at first also. And I said to them, “Why not? They’re going to be there no matter what. Why not get a piece of their business, and you’re going to earn a commission?” Then they said, “Great!”

Chet: You brought them right around, did you?

Neil: So what we do is we buy lens blanks from manufacturers that we grind a prescription into, because we’re one the largest in the country, we get better pricing. So I could pass some of that savings on to these smaller guys, and what has happened as a result of that – not only am I selling them this semi-finished product, other services I provide, like these specialty coatings, which I have millions of dollars worth of equipment – instead of going to companies that just do coatings, now they’re sending that business my way also.

Jay: So you’ve got it down. Now it’s really more exploiting what you’ve got in place.

Neil: Exploiting. I have ten other things, but I won’t tell you…

Jay: That’s great. Thanks, Neil.

Chet: He needs those segment directors. Tons of them.

Todd: Todd Goedeke with Raymond James Financial Services. We wanted change. Our great challenge was to market to the affluent Dream 100, because we’ve got plenty of clients. Now we want to set minimum requirements, and so we want to offer letters to people from businesses. Anything that the affluent might buy – for instance, luxury cars, so we try to find a – get a letter, or send an agreement with a car dealer.

Chet: Jewelry shops, boats, boatings, yacht clubs…yeah, great. Good thinking.
Todd: Besides the obvious, the accountants and estate planning attorneys, - last of all, if we could find some business marketing consultants that would offer to double the business owners’ revenues, that might be of interest to them.

Chet: Absolutely. Is that a hint? Go ahead Paul, I didn’t get to hear – I’m sorry. What’s your name?

Eileen: Eileen.

Chet: Eileen. I didn’t get to hear Eileen’s ideas, because I was out of the room. I was curious what kind of back end you’re going to make out of your restaurant guests.

Paul: Well you know, it kind of made a revelation here, that we came in as Mackay Restaurant Group, which has restaurants, and we’re actually Mackay Consulting Group…that we have restaurants. I act as a consultant, putting in the general manager, the concept, the chef, setting up the financial operating systems, then take a percentage of their sales as part, Mackay Restaurant Group, or Mackay Consulting Group.

Chet: Or Paul Mackay.

Paul: Yeah, Paul Mackay too. And – but you know, a couple of things I found out that one of my hidden assets is I’ve got a group of investors who have been with me through five deals. Made another deal, and they want the excitement. They want the chance for these investments. And it seemed like a tremendous opportunity to somehow leverage these people a little more, and get some more of them for a kind of a back end, or another movement would be to take the Gaucho concept, which was part of us, and to find a small, upscale boutique restaurant – or excuse me, a hotel group that maybe has 15, 16 hotels that’s looking for a food concept in their hotel that will be a drawing concept for people to stay in their hotel because the restaurant is in that hotel.

Chet: Or think even bigger. Right behind you, Howard – he has some of the finest restaurants in the world, this guy. You guys should talk.

Paul: Yeah, and you know, we have one in the Benson Hotel that has proven to that hotel to be a major enhancement to the hotel. When you go to Portland now, you’ll go to that hotel because Gaucho is in that hotel. And it’s a proven concept, and so how do I go about finding a hotel group that would be interesting in licensing or being licensed the Gaucho concept?

Chet: That’s like, so easy, that’s like Jay says, it’s Standard Rates and Data. But there’s a great group in L.A., actually, and their restaurants are OK, but the hotels are killer. Mondrian – have you heard of the Mondrians?

Paul: No.

Chet: It’s a bunch of hotels owned by some French – do you know of them?
Participant 1: Ian Schraeger is the name of the hotel owner.

Chet: Yeah, real killer. Oh, they were just fabulous. Great designs, beautiful – don’t tell me you guys designed those? Did you? Yeah. They’re wonderful. I loved them.

Paul: Yeah, well Kipton Group has done something like that with Italian restaurants.

Chet: Yeah. You can –

Paul: …to make a partnership with a hotel group to put Gauchos in as their boutique restaurant.

Chet: And he was asking where would he get a hold of hotel groups, Jay?

Paul: Just call the hotels? I don’t know.

Paul: Or would it be of value to a hotel? Another thing is, is that something that…?

Chet: That’s a faster way to grow your business.

Paul: Oh, it’s a great way to grow my business. Instead of one restaurant –

Jay: Well, I can tell you something very interesting – and this is an interesting phenomenon. Where we live, which is a suburb of Los Angeles called Palos Verdes, there was a really – and this is, like, an anathema, if that’s the right word, for you, Howard. But there was a really, sort of a ratty hotel that they put a really classy restaurant in about 15 years ago. And that restaurant transformed two things: the whole traffic of the hotel, people started staying there because there was the room service; the value of the hotel went up, and they sold it two different times over the last 10 or 12 years for very high multiples. I would think you would probably – I mean, what do you think, Howard? I would think that for the right situation, it’d be perfect, wouldn’t you think? It’d be great. And in the least, you could probably give them some ideas, couldn’t you, Howard?

Howard: Well Jim is going to consult with them.

Paul: Well I ____, actually, to them, because it said consulting, and I kind of understood that.

Jay: No, that’s great. That’s great. That’s great. But think of this – there’s a question. Who’s got more gain than even you two by you being successful, in being more successful? Who’s got more to gain than even you do by you growing? Who’s got
more to gain than even you do by bringing clients, or buyers, or patrons to you? Who’s got – and that’s just a question to constantly ask yourself. Because when you do that it opens up great, great meccas of two things. Number one, somebody who can either give you a preferential way to get into their facility; number two, somebody who would subsidize it; number three, somebody who’s already got such incredible traffic, but doesn’t have the vehicle to keep people coming back, and yours is like an upscale, high business type of a thing too, isn’t it?

Paul: Yeah.

Jay: Yeah, so that’s perfect. I love that. Good. Thank you. OK, why don’t we – Oh, I’m sorry. Go ahead, Jim, I’m sorry.

Jim: I’m Jim Burbough with WATG, and absolutely, positively do not take any lists or do anything so silly as not take my business card. And we’ll take care of that need for you right after this meeting’s over. I’m one of 300 people at WATG. I’m actually one of those before, during and after-

Jay: Yeah, were you – did you live in Newport originally?

Jim: No, I grew up in Michigan. I grew up in Michigan, but worked in L.A. and Southern California most of the time. But I’m actually one of those before, during, and after-thoughts about how to expand the service. If architects and planners are – left-brain, or right brain? Whichever brain is the creative part, I’m the other brain. My whole background is –

Jay: It’s left, isn’t it?

Jim: Is it left?

Jay: Is it left?

Participant 2: Left is the logical one. - I’m right brain.

Jim: OK, so you’re the right brain, I’m the left brain. OK, I’m the other brain of the other 299 people of the firm, and represent sort of the advisory services side of the things, which is really an unusual – it’s totally unusual for an architecture and planning firm. And so the kinds of things we’re doing are finding ways to expand the business of the existing clients. We’ve got a targeted A list of people, of 100 and some odd firms that are sort of those A clients that we either have or want to have. And so we’re knocking on their doors. And so there’s a variety of places, sort of before, during, and after, where our clients could use either our services or other consulting services, or legal services, or appraisal services, or –

Chet: And your consulting service consists of what?
Jim: It’s market and economic, it’s deal structuring, it’s –

Jay: What’s the scenario that would be most opportune for bringing you in for?

Jim: It’s – the deal’s stuck in the mud.

Jay: OK.

Jim: It can’t get financed, it can’t get done, therefore they’ve stopped working. And if I can help find a linkage, a partner, find money, help make sure the product can be financed…

Jay: And is that your strong suit, too? And you’re really good at doing that, too.

Jim: That’s all I’ve ever done, yeah…yeah. So that’s the role I play there. So half of the assignments we have going, they’re not even involved in yet, but they’re going to go down the hall later. The other half, they got involved first, and we’re just trying to help. Either get it out of the mud, or find the right person.

Jay: Now from a statistical standpoint, how many deals get muddled in some way through them? A lot?

Chet: Percentage-wise.

Jim: Most.

Jay: Really? And do most of them end up – do they work out, or do they end up being – do they get still-born, or is there a lot of it that could be salvaged?

Jim: I’d – Howard would have that statistic. I would guess most deals that come into the firm don’t get built. They get creative, their ideas – they come around. Sometimes they come around over many years, but –

Chet: And they don’t get built, most of the deals?

Jim: Well, because there’s a trillion deals out there. There’s a lot of people with ideas, and we are probably the recipient of most of the creative ideas, and a lot of the real interesting things. So we get a lot of them, and it’s just – my job is to try and help figure out –

Jay: Yes. That sounds like a very stimulating job.

Jim: It’s challenging.

Jay: And are there just a myriad of ways to work out a problem?
Jim: Yeah, there are, and there’s no two clients in the same time zone. _____

Jay: So I would think it’d be very – that’s exciting. Now, is it currently - are you the consulting division, or -?

Jim: _____

Jay: But the goal is to get it really – get it codified, get it blueprinted, get it viable, get it really throwing off good cash flow, and then start building a whole division, right? Or wrong? That’s great. That’s good. That’s exciting. That’s good. OK, allright, thank you. OK, anybody else not been up?

Mike: I had this idea for raising money – fortunes – Chet got me thinking of fortunes. So you send someone a box in the mail with a fortune cookie, and like three different versions. One would be a “Tithing can soothe your soul. Let us fill your empty heart and soul. www.wisdomliferaisingfundstoday.” “Tithing can soothe your soul, tithe and fill hole. Tithing hotline: 800-blah, blah, blah – we need money.” This is the most hard hitting and hardcore: “Tithe today or burn tomorrow. Call …”

Jay: I like that one, Mike. OK (chatter) Yeah, would you guys – those of you that we went – and we want to let you break. And those of you who have to use the facilities, go ahead, you won’t be offending us. But any of those people who went earlier, I wasn’t focused, I suppose, on doing this, but if you want to get to the mike and go through this, and see if we can come up with a spin for you. This is what we’re here for, is to help you connect it to action. So anybody who’s already done it but wants – but didn’t do it when I came back…

Chet: Wants to go deeper, and we were moving too fast, or…

Jay: Before lunch, come over here and we’ll try again.

Chet: Anybody want to…? There you go.

Jay: There’s a man of courage and conviction.

Adrian: You’d think. Adrian Low – I’m the home theater guy. Probably the best thing I came up with was the fact that most of my clients, if not all of them – we have a database of about 3500 clients – are all upper level clients. And they all have some sort of an ability to connect with each other…to help each other in growing their business. So if we could put them together and work out some sort of residual out of that, or royalty, or something like that.

Jay: That would be good. Now let me ask you a question. What other neat, indulgent house and office toys are there that people want –

Chet: There you go.
Jay: …That aren’t – I mean, like you do both TV and audio?

Adrian: Yeah.

Jay: OK, and you do the plasma, and all that stuff?

Adrian: Yeah.

Jay: OK, but what are other really neat, expensive toys people buy to adorn their home or office?

Adrian: Things that are related to us?

Jay: No. Well, they’re related, but like, what else do people…so I’ve got a really hot stereo. I’ve got an incredible audio-visual room. What else would I have in my home? Let me ask you this: When you go through – think back of the last – how many clients have you got?

Adrian: Active clients? Well, they’d be changed, because…

Jay: Yeah, so over the last two years.

Adrian: Big clients? About, a couple – 300.

Jay: OK, you probably saw all – you probably went out on most of their facilities, right?

Adrian: Oh yes.

Jay: OK. Think about when you went in their home. Think about things they told you in discussion they were going to do along with – “I’m going to do this. I’m going to put your thing in and I want to do this, and I just did this…” What are the “this-es” and “this-es” and “this-es” that they did? And think about whether they’re a retrofit, or if it was new construction. What are some of the other toys, or real hot – high-end, really neat and expensive adornments they did to their home or their office?

Adrian: Well, we do a lot of things like lighting.

Jay: You do.

Adrian: Uh huh.

Jay: OK. What don’t you do that they do? I want to know what you don’t do right now that they either have done, did concurrently, or are going to do after that.
Adrian: Hot tubs – we don’t do that. Anything with landscaping, we don’t do that, although we help them get referrals.

Jay: OK.

Adrian: Um…pretty much anything that’s electronic, or anything that can be tied in with remote controls we will do.

Jay: OK, now when they do…do you normally do their home and their office, or just their home?

Adrian: Mostly home at the moment. We tried to do commercial products.

Jay: And what happened?

Adrian: It was – we weren’t ready for it at that time.

Jay: In terms of what?

Adrian: Manpower. Commercial applications tend to take a lot more time to start and finish.

Jay: But what about indulgent? What about just making their office more hip as far as just for their own selfish…

Adrian: Well, yeah, exactly. One of the plans was that we were going to start mailing out to people now that plasma screens are a lot more inexpensive, and they’re much more reachable by a lot of boardrooms. We’re going to be doing a mailing to our clients.

Jay: Are there – do you do, if they want to do the – like, Bill Gates supposedly has all this voice command stuff in his home. Do you do stuff like that?

Adrian: We could. Then you get into a whole new level of programming that –

Jay: Is that hard?

Adrian: Very.

Jay: OK, so you don’t want to do that. What about really neat things like waterfalls, and things like –

Adrian: Oh yeah. We can do scenes where – a little remote control that says “Party Mode” and from 6 o’clock on…

Jay: Do you do all the fun lights that –
Adrian: Oh yeah, we have a disco. Yeah, sure. Yeah. We’re…

Jay: But you already do that.

Adrian: Yeah, we do all that.

Jay: OK, all right. And, let’s see. So are there really neat products – are other specialists out there who technically would seem to be competitive with you, but they have a certain kind proprietary stuff, but they sell so little that if you put it through your distribution, it would just be –

Adrian: Probably the only thing we haven’t yet done –

Jay: Turn around.

Adrian: Oh, yes. As a matter of fact, we do do that. The kind of lighting that –

Jay: That really neat…

Adrian: Yeah.

Jay: How do you get the jobs?

Adrian: Mostly through referrals. That’s been…

Jay: OK, but that’s not the proactive way to do it.

Adrian: No, exactly. And that’s part of the challenge – trying to figure out how we can –

Jay: Also, I wonder now, would hotels do like, trick rooms too, with all kinds of stuff in them? Or not? Yeah, I would think so – I would think that’s got to be a competitive advantage, isn’t it?

David: Yes it is.

Jay: To have really tripped out rooms? That would be nice.

Chet: Have you written to the 500, and offered them all this other stuff?

Jay: And amortize – what does it really cost to do a tricked out…if you had a – not even a little – even a junior suite, but if you had a really neat suite that had a plasma TV and everything in it, what’s it going to cost? $15,000? $20,000? With audio and everything?
Adrian: Yes, probably about $15-$20,000.

Jay: But if that commanded $200 more a night, how many nights more would you have to rent before it would be amortized? I don’t know how they look at it… how would they look at it?

David: Well, the Century Plaza Hotel here in L.A., I think, got a lot of mileage from a PR standpoint of doing a hotel room of the future that was –

Chet: Cool

David: Like, you know, your handprint activated the entry to the door… your voice could command the tub to turn on… and all kinds of the latest high tech stuff. And I think in the future you’ll be able to say, “OK, I want a mountain scene to be projected on the wall” or “I’d like this music to be playing when I check into the hotel room”… whatever. So I think added cost will translate to added value and greater publicity for the property.

Jay: Yeah, that’s what I think.

David: I just got – I just learned these from Toronto. The Four Seasons Hotels are headquartered there, and you might just be able to stop in.

Jay: Yeah, that’s neat. That’s great. OK, thanks. Thanks, David.

Walter: Hi – wholesale distribution.

Jay: What did you come up with originally – tell me again.

Walter: Originally, all I have to do is triple my product line and I’ll triple my sales.

Jay: But right now you sell basic batteries, and things like that?

Walter: Proctor and Gamble, Gillette, Pfiser, -

Jay: But you might also do this. You might do sort of what I had that company do that was in the sporting apparel. I had them go out and look for really hot, unique products that were just localized, that really didn’t have good distribution but were selling really well, and take over the rights to their whole distribution. What if you went to your –

Walter: That’s the idea I came up with.

Jay: Oh, good.
Walter: But not really…yeah, that too, but…

Jay: Could you get more margin out of it? You could take the product over, instead of being – you know, making a little margin you could make double or triple that.

Walter: Right, yeah.

Jay: You could actually use your own base. You could say, “Tell me the hot things you’re selling locally that aren’t available in national distribution.” You could ask them to introduce you to some of your – because there’s always got to be people who go to the local convenience store and say, “Sell my this there or my that there” and they’ll sell 25 of them a week, but these people don’t have enough distribution or sales force to really get them anywhere else.

Walter: Right.

Jay: There’s probably a lot of that out there.

Walter: Yeah, that’s true. But really I wanted to – I was wondering how I could go about going to, like, maybe not big companies like Proctor and Gamble, but other companies and getting the exclusive – because a lot of the other distributors, they buy from me as well. My competition, they buy from me.

Jay: Well, because of your prices?

Walter: Yeah.

Jay: Is that because you get them all overseas?

Walter: Yeah. I mean, they’re American, but it’s parallel.

Jay: But what I’m saying is, you – if a smaller distributor will buy products from you and mark them up because it’s –

Walter: Right.

Jay: And they aren’t selling to your market, right? They aren’t selling to the same people.

Walter: No, because I don’t have a lot of the market. I don’t have a lot of the retail sales. I just have 1,000. But a lot of the distributors across the country, they buy from me. I fill up a truck…

Jay: How many distributors are there out there?

Walter: I would say, maybe 1,000.
Jay: Do you know who they are?

Walter: Yes.

Jay: Do you mail to them?

Walter: No.

Jay: Do you call them?

Walter: No.

Jay: Do you have a rep assigned to work them?

Walter: No.

Jay: Do you think you should?

Walter: Yes.

Jay: I’m very proud of you.

Walter: But the problem is, is not the sales. I can get the sales, just my capacity… I’m totally over… but I’d rather… to own market share, I think, is more profitable than anything else. So if I went to, like, say Bic. Bic lighter. If I went to them, and I said, “I already have reps.” (After I set it up, the whole sales system.) And I said, “I have the logistics. Why don’t you just use me as a channel?” And I make a couple points on that. Is that viable?

Jay: It is, but it doesn’t sound to me like you have enough distribution to be a formidable enough force yet. You’ve only got 1,000 out of what, 60,000?

Walter: Yeah.

Jay: If you had 25,000, I think that they would take notice. I think that you’ve got to – I think it’s like a cart and horse. I would have a strategy that said I’m going to build – but you’re saying you can’t handle more volume right now?

Walter: No.

Jay: What’s it take to handle more volume?

Walter: I just hired a logistical expert that’s…

Jay: To figure it out for you.
Walter: Yeah.

Jay: And is it both the systems – it’s facilities, and is capital not a problem, or it is?

Walter: Capital’s not a problem.

Jay: OK. So I think your strategy should be to do that, but I don’t think if you went to somebody right now…

Walter: Oh, no, not right now. I’m just saying –

Jay: Yeah, I know. I think the first thing you have to do - but I think.

Walter: What you just said, what should be…think of what should be…

Jay: No, I know, I know, I know. In that respect, I don’t think that’s bad, but I think you’ve got to command a bigger segment of the market. And you might also look at weak distributors that don’t have the buying power that you do, but have clients you don’t, and look at maybe taking over their accounts.

Walter: OK.

Jay: What kind of margins do you make?

Walter: I do about 25%.

Jay: What kind of margins do most of the distributors make?

Walter: They do about 25%. I’m doing 25% and I’m still lower than most distributors.

Jay: So they can afford to buy from you and do 25? So they’ve got to be…

Walter: No, they buy from me – on the distributors, I make around 15%. But direct to the reseller and retail?

Jay: Could you get me…if tomorrow morning, if you found the distributors that don’t sell to your current markets – I’m not saying do this. I’m just exploring, a what-if…a hypothesis. If tomorrow morning you found a distributor that didn’t have your market – that didn’t sell to the 1,000 that you have, and they had 2,000 other ones. If you sold to them a lot of products, would you be able to – if you’re only making 15%, is there plenty of, first of all, capital, storage, put-through systems – that you can handle it?
Walter: Yeah, McClain – you ever heard of McClain?

Jay: Yeah. They’re the ones who are servicing your – and they’ve got infinite storage capacity and everything?

Walter: Yeah. They’re a billion-dollar company and they want to buy from me, so… I have pretty decent…

Jay: So what does that mean? What do you do that they don’t?

Walter: Our business is pretty much buying. To sell is the easiest thing in the world. If I went and did a direct mail piece to all these people, I would cream the market.

Jay: So why don’t you?

Walter: I don’t have the logistics to do it.

Jay: You mean, if you had the business you couldn’t…?

Walter: Yeah.

Jay: And so –

Walter: I don’t have the capacity.

Jay: So it sounds like you’re already – you’re on track to do that, once you have that in place, and you have a system. You said the biggest problem is you don’t have good financials, either.

Walter: No, finance, I’m OK.

Jay: No, I don’t want to say financing, I mean financials. That it’s hard to keep track. You’ve got to really monitor it, and –

Walter: That’s true. That’s true.

Jay: But once you get a system in place that will vigilantly keep track of the money, and keep track of the cash flow, and keep track of the accounts payable, receivables, etc., and really manage that, you should theoretically be able to grow almost geometrically, shouldn’t you?

Walter: Yeah. No, just growth is inevitable, I mean, god knows. But I’m just saying, as long as I have the logistics I can just keep growing.

Jay: So what’s the timeline on this logistics? How long is he or she going to take to get it figured out for you?
Walter: Well, we have a five-year plan to open up a lease for nationwide distribution centers.

Jay: OK, and you already know where they’re going to be, too?

Walter: Yeah, I know where they’re going to be, but –

Jay: You’re not going to do multiple ones at the same time, are you?

Walter: Well, every year, probably one. Once I get the system and clone it, like the whole, just the process –

Jay: And like, are you very sophisticated at everything, totally computerized, and everything right now?

Walter: No, but I do have an expert.

Jay: And that’s what the person’s doing right now, is trying to systematize everything for you?

Walter: Right. He’s going to –

Jay: OK. I’ll work more on you – we’ll work more on you throughout the weekend. Thank you.

Jerry: I’m kind of with the taxidermy guy, where I’ve got, oh, I don’t know – 50 “no’s” a month. Not necessarily “no’s”, but “not yet’s”. So I…

Jay: So well, first of all let me ask you this question: Before we talk what else to do with them, I sense you don’t have a great follow-through system to – so you probably only would have 40, or 35 if you had a better system. First thing I would do is put in a great follow up, systematic, timely, formalized, very, very closely-adhered to follow up system that was continuous and proactive. Because –

Jerry: Right now we’re chasing the new ones coming in.

Jay: We just did a tiling job at our house, and it would have been – I got the tile from my neighbor for nothing, but it would have been a $40,000 job. And this guy would be decent margin – a $40,000 job. We went to seven people who didn’t call us back for at least, oh, two weeks. When they called us back, or sent us a quote, they didn’t follow up on the quote. They didn’t ask if we had any questions. They didn’t come and try to see if there’s anything about it we didn’t understand, or whether we wanted to do more, or less, or have any dialogue. It’s like, “OK, we’ll get you a quote and send it out.” Well that’s not real selling.
Let me give you an example of a quote, and I’ll give you a better example of – I always say this to somebody who sends a brochure out to somebody who requests it without adding a sales letter to it. But I’ll do the reverse. This is what I think most people in your business are like when they’re trying to sell:

The person comes out, and he or she doesn’t really try to present the company, tell the story, tell why they’re great, tell any of the attributes of them, tell why, if they do the job, it will probably be more beautiful, in your case, more secure, it’ll complement the home, it’ll be done first rate, and things that are really critical they should know if they don’t use you, so they do it right. Then, you probably just send the quote out, and the quote doesn’t have a sales letter. It’s like if I went to you and said…if I knocked on your door and you opened the door and I went…and then I’m sitting around waiting for the phone to ring. Now it’s probably an over-caricaturization of what you do, but it is not an over-caricaturization of what the industry does, do you think?

Chet: Yeah, I had central air put in the house, and three guys came out and gave me an estimate. Not one person –

Jay: All you’ve got to do is – this is somewhat inappropriate to the topic at hand, but it is very appropriate to addressing the scenario that you just shared. And that is: before you even think about reclaiming those, think about the fact that you probably wouldn’t have 50 rejects out of 60, or whatever it is. You’d probably only have 35 if you had a proactive, integrated system that started with the beginning – how you set their stage, and set their criteria from the beginning, number one. Once you told them what happened, number two. That you did what you told them, what happened when you told them it would happen, number three. That it was accompanied with a letter that was not long, but really to the point and really resold them, number four. And number five, that you called behind, not to try to close them, but as an advisor, saying, “I sent it to you. I want to make sure you understand it. I want to make sure you understand what we can do with your yard. I want to tell you the options, that we can make it very beautiful. I want to talk about the budget. I want to talk about if you’re ready to do it, schedule it, so we can do it in a timely way and have it done in a way that it will be ready when you want it, and I want to know if there’s anything else we can do for you. I want to know if you’re ready to schedule, if you have questions…” If you just did that, which I doubt if you do right now, do you?

Jerry: A year, or two years ago we did, like a sales letter with the quote, mailed it out –

Jay: Did that make a difference?

Jerry: Yeah. What happened was, we said, “We’ll call back in a couple weeks, see if you have any questions.”

Jay: Well, why a couple weeks?
PEQ Program  
August 2-5, 2001  
Part 8 – Strategies for Gaining Customers  
Chet Holmes

Jerry: I don’t know.

Jay: Let me tell you about Lead Generating 101.

Jerry: Well, what happened was, we got so busy that I had to take that will-call back, because we couldn’t –

Jay: You couldn’t – yes, I know. This is going to sound – but you couldn’t call – you couldn’t get somebody for two hours a day to come in and call, right? Not possible. No one in…are you in Portland? Where are you?

Jerry: Klamath Falls.

Jay: Klamath Falls. No one could do that. Lead Generating 101 – and I can say this, because I was with a firm and we generated seven or eight million leads in a year for financial companies. The dumbest thing in the world about those people who deal in leads – and I’m not saying you’re dumb. I’m just saying this is dumb. They’ll spend an enormous amount of time, effort and capital to get them, a few people from a big audience to raise their hand. Then they won’t have the time or the attention – or won’t invest the time or the attention – to follow up in a diligent and continuous way. Timely. Every day, not every week, but every day that a lead goes unattended, that a communication isn’t followed up…that a contact isn’t made…you are eroding the viability of that opportunity by a margin of – I don’t remember – I saw the statistics. But it is god-awfully intimidating. It is horrific. If you wait 3-4 weeks, it’s like an ostrich sticking his head in the sand thinking, “Well I’m waiting for them to just choose me. No one else is calling on them. No one else is calling back on them. No one is accidentally calling, because they aren’t as busy as you, and accidentally getting the business because they followed up.”

You have to have a system in place, and it’s got to be proactive, and it’s got to be sensitive to where they are. They wouldn’t have asked you for a quote if they weren’t interested in putting in a fence, and interest is more acute when they’re calling you than it is two or three or five or six weeks from then. You’ve got to pounce.

Chet: You’ve probably made a lot of business for some of your competitors.

Jay: You probably have. If you think about it. The question to ask is this: are

Jerry: Our competitor doesn’t do anything near what we do.

Jay: I know, but the point is, if you don’t – here’s what we do. We find out somebody who’s supposed to be good. We call them, because they were referred. We wait for them to call us back. Usually they don’t even call us back the first two or three times we leave a call for them, so that frustrates us. Then they call us back and say they’re going to try to come out this week and it usually takes two or three weeks. That frustrates us. Then they come out. Then they say, “I’ll get you a quote.” We think,
“Well, what’s so complicated about measuring the job?” You must have done enough of these. You probably have a program on your damn computer that you can put it in, and probably in about three seconds it’ll give you three or four quotes, depending on what you want to impute as far as the margin you want to make. And you can probably have a form set up that you can send me back – fax, e-mail, hard copy or all three – the quote the next day, along with a cover letter, and you can probably have it then programmed to call me sometime between the time you wake up at 3 a.m. and the time you go to bed at 12, when you’re in your car. But for some reason people in your field don’t tend to do that. If you’re the one person that tends to do that, not only can you make a lot of money, but you can teach all the other fence and swimming pool companies around the country.

Jerry: We do do that. I mean, as far as initial calls – somebody calls, we’re out there that day.

Jay: When does your quote go out?

Jerry: We can take a laptop, take it out, and hand them a price.

Jay: The quote goes out instantly?

Jerry: Yeah. They have a price in hand. They may not get an actual mail out until –

Jay: So you give them a quote on the spot.

Jerry: Yes.

Jay: Then what do you do?

Jerry: Then we go back and generate the actual written quote with –

Jay: Can I make a suggestion, which might be a mindblower if you could do it? And I’m sure there’s a computer simulator that can do this – What if you took a picture of the house? What if you went back and said, “Would you like me to send you a picture of what your house would look like with a fence installed, and I’ll give you a couple of different renderings?”

Jerry: Yeah. I mean, we have the capabilities of doing that.

Jay: But you don’t do it.

Jerry: Yeah, it’s…

Jay: OK, but if you’re losing 50 out of 60, and each one of those 50 –

Jerry: Oh, no, we do about 50%.
Jay: OK, so you’re losing 50%

Jerry: Yeah.

Jay: What if you only lost 25%? How much is a job worth to you, on average? $4,000?

Jerry: I need that department guy – segment director. Because I’ve run out of time.

Chet: You need that segment director, really bad.

Jay: I’m just trying to explain – I mean, so before you go out and sort of give them away -- but it’s good. After you’re sure – remember what I said earlier in this thing yesterday, or today – are you the one restricting and limiting the amount of people who can buy from you?

Jerry: Yeah. Capital is the problem.

Jay: No it isn’t. It isn’t a problem. I guarantee you, there’s some computer program that’s probably not very expensive.

Jerry: No, I know. I own the computer program.

Jay: OK, what would it take to get a high school or college kid to go and simulate – I mean, any simulation, even a lousy one is probably better than just trying to visualize it in your mind. If tomorrow morning – if today you left, and tomorrow morning you had a delivery person knock on the door and say – what’s the name of your company?

Jerry: Bower’s Fencing.

Jay: That Bower’s Fencing wanted you to see what it would look like if they did this job for you, along with the fact that I’m supposed to tell you that they could start it if you wanted to, two weeks from Saturday, and it would probably be done by a week thereafter, and it would be looking like this. But here’s another – also he came up with another idea that you didn’t ask about, but you could look at. And you gave them like, the one they wanted and something that was spectacular, and one that was a little more sparse…what do you think that might do to your closure?

Jerry: Increase it.

Chet: Yeah, and what if you paid that person on their ability to get you those deals?
Jay: Yeah, just said, hey, we’d like to…

Chet: There’s no money involved in it.

Jay: Yeah, but you’ve got to quantify it, because it already gets a certain one, but if your numbers right now are 50% and it went to 80% and you gave them 10% of the overage, and the overage was $25,000 a month, and they made $2500 or whatever they made for two hours a day of doing it and delivering it, it might be pretty interesting, wouldn’t it?

Jerry: Sure.

Jay: Does that give you an idea?

Jerry: Oh, yeah.

Jay: OK, good, good. Nice talking to you.

David: ____ I’m a guy who hates pain, and I’ve seen a lot of businesspeople in pain. People who have start-ups, people who have…

Jay: You’re not a marketing masochist.

David: Pardon? I’m not a marketing masochist, no. I hate pain, I’ve experienced too much, I’ve seen others with it, and after working for awhile we’re now testing (and it looks really good) a process for helping people eliminate a lot of business struggle. It’s usually because it’s not a good match. And I have a strong -

Jay: What’s the it? Are they personnel, or are they policies, or procedures, or methods, or what?

David: We find their natural talents and gifts – the things that they do extremely easily and well; that energize them; that they do better than other people; and that ties in with their background knowledge.

Jay: In the same field of endeavor that they’re involved in?

David: Then we find their natural markets. See, most people when they go into business they think, “I’m going to go into this business.” And very often it’s the wrong business.

Jay: I don’t disagree with you. If I had – most of the people that come to me come to me with a business that’s all complicated and protracted. They don’t come to me and say, “Should I stay in this business?” So we try to basically remediate where they are. But the truth of the matter is that it’s a profound position if you’re going to try to put them into another career. Is that what you’re going to do?
David: Very often we can transform, using the resources they already have.

Jay: The existing everything. You can make it a niche business instead?

David: Yes.

Jay: And you can do it in a safe way that doesn’t compromise the sanctity of what they’re doing?

David: Yes.

Jay: That’s impressive.

David: And it works really well.

Jay: That’s good.

David: And I can do it with the most surprising people that you’d think – people who have had a lot of failures, just…

Jay: That’s great.

David: And I think there’s got to be a lot of possibilities in this, but I know my thinking is fuzzy about it, for joint ventures, extending, promoting the thing properly. So I want you to work your magic.

Jay: Anybody who teaches change management to any kind of a mid- or small-range entrepreneur like you’re targeting is a source for you of those kind of people, don’t you think? They’re already struggling with the fact that they know they’ve got to change their business model, but they don’t know how. And usually change management just gives them a short term infusion of more macro, theoretical wisdom, don’t you think?

Chet: Well, depends on the program.

Jay: Depends on what it is, OK. But so what you’re saying – is that a big part of your business, or is that going to be a big part of your business?

David: This is going to be an expanded, all new – we’re starting seminars.

Jay: Well, OK, so the trick is – I’ll tell you the easy way to do this – well, semi-easy way to do this. If you could get a hold of all the business opportunity lists out there and rent names, along with phone numbers if they are available, all of them that have four-line addresses. Why do I say four line addresses? Because most of them are going to be business owners who are looking for another business because they’re so frustrated with the business they’re in. Does that make sense?
David: Yes.

Jay: Well there’s your answer.

David: Thank you.

Jay: You’re welcome.
Chet: OK, so let’s move on. We last left off 2½ hours ago or so, with this area here, and what we didn’t really cover again – well, we did. I guess we did cover that. OK, workshop, take five minutes – we took three or four hours, because it was worth it. All right.

Make these technologies, for when you come up with something new to make it a standard procedure, and I shared something with Rhonda and Ruddy that I think is probably really worth sharing with everybody, in that one of the best exercises you can do with your staff is to have them help you design what they think the pitch should be. We did it with all of our clients that Jay and I are working on together. We started off – (this is something I want to come back to because it keeps coming up, and I haven’t done this little segment yet.)

What we started off, when we said – and let’s say you all worked for me, and we sell Abraham programs, and I’m going to drive leads into the business, and you’re all my sales staff. And I say to you, “OK guys, what do you think would be the ideal structure of a sales call?” All right? So you’ve just added on a new product, or you’ve just found a new way you want to try and sell it. So we ask the staff – I’m asking you as my team – “What is the ideal structure?” And I tell you, “Work on that.”

So you go to work, and I give you five minutes or whatever. Now I just want a bulleted version, like first we’re going to find the pain. Second, we’re going to start to talk about Abraham’s accomplishments. Third, we’re going to try and draw them in – and you come up, and you develop the structure. And then I have you work it. I’d have - a group this big, I’d have you work as a group, and I’d have you each table would decide what that structure’s going to be, and then I would select a chairman from the table, and that chairman would tell me what you guys finally came up with. And I would write down – the first one would be the whole structure. I’d write it all down, OK? And then the next person would go and I would say, “Oh, that’s good.” And so wherever they had come up with something you didn’t, or they might have some variations. And I’d get it all down here.

And then I’d say, “OK, now we have everybody’s ideas. Here’s what I want you to do. I want you to vote on – now that you have these ideas, what do you think the ideal sequence of all this data should be?” So what happens is, you get your people to start creating the approach that they think should work. It’s a lot easier then to get them to use that approach.
And so now, *then* we take this structure that we all decided, and that we all voted on, and that me, as the leader of that segment got to comment, influence like crazy, really kind of cajole it the way I wanted it to go – you understand what I’m saying? You know what I’m saying? It’s your opportunity to really get your brainpower out there on page two.

And believe me, when they’re doing the work, the entrepreneur is doing it too. You are sitting right there yourself, figuring out what you think is also the ideal structure, so that when it’s done, you don’t get up there and just go off everybody else’s ideas, because you probably - if you’re the entrepreneur, you created it better yourself. And again, even if you’re a one-man army, you should do this exercise. What is the ideal structure of what your process is, you know? David, where are you?

**David:** Yes.

**Chet:** Keep moving around on me, bud. But you know, for you, like what’s the ideal structure like? What is the first thing you should cover? What’s the second thing you should cover? Because you’re just going to get better and better at it. Then you try it, and if we add five superstars to you, could we just put them all out there tomorrow with this ideal structure?

**David:** Oh yes.

**Chet:** Oh, well, that’s good. Glad to hear it. OK, because that’s the next segment we’re going to do, is how you add five superstars to your formula and watch what happens. But you’d better have this all laid out, so they can hit the ground running.

So now, we have each person – I’m just showing exactly what we did. So then we gave the ideal structure on a piece of paper, and people kept it by their desk in the case of the laboratory – the Immuno Labs, and as well as the carpet cleaning company, and we have another group that places expert witnesses for trial. And in each case they helped create the ideal structure, then they experimented with it and each week we asked them to report on it. And then after they reported on it, we changed some of it.

Now in these cases, I was in the middle of all of that - helping create it, and we built their, you know, we got their research in on it, so it was really good when we ended up with the final product. It was killer. And then we had each person, each week, had to deliver it. And the staff heard it again, and they heard it again, and they heard it again, and they heard it again…

And you would be amazed at the sixth week, with the sixth person that you’re having do this, even the non-sales people, just for exercise. And they’re not following the structure, and they’ve got it right in front of them. And you’re going, “You know, that structure’s pretty good, and you know how great that…why don’t you just try following that?” “Yeah, that’s what I was doing.” “Well you left out this point right here
My father was a Marine combat instructor, and what he used to do, is the first day of basic training he’d go (and this is 1940-something) he’d go, “OK ladies. (Bunch of guys from all over the country.) Here’s what we’re going to do. I want you to all do ten jumping jacks, and on the tenth jumping jack, I want you to all clap your hands in harmony. Ready? Go ahead.”

So everybody’s going, you know – they’re all looking at each other and nobody knows what to do. They get to the end and they’re clapping at ten different times. He goes, “OK, maybe you weren’t listening. I want you to clap your hand on the tenth jumping jack, all at the same time. Go again.”

So again, they’re all clapping at all different times… Well by the end of the day they’ve done 4,000 jumping jacks. This is first day of basic training in the Marine Corps, right? And these guys are like, “Arrgh!” you know? They’re on their knees at night, praying to the God of Jumping Jacks. “Dear Lord, please let us clap in harmony.”

And the next morning they get up, and invariably he said it was like about the second or third one, it’s like, “Clap!” And they figured it out. And he said it was like you could feel the surge of pride coming off of those men, when they clapped in harmony. Then they followed it with actual applause.

And he said with that one exercise he took a team of ragtag men with different educations, different levels of intelligence, different backgrounds, different heritages, different races, colors and creeds – and made them a platoon in one day. Because they felt like, “We did it. We figured this out.”

So it’s simplicity, and just, like I said, just take what it is you want them to do and say, “OK ladies, we’re just going to keep doing this until – why aren’t you following this most basic principle in the world, here?”

And so with all Jay’s brilliant ideas that we’re implementing in these companies, in most cases it turns out to be about six things that if they just do it well… You guys who are on the call with the 500 business owners listening to some four of these guys? And one doctor was telling you that he just implemented six questions. *He* didn’t do anything, actually. But *we* implemented six questions there, and – well, he’s a very smart man and he did contribute. He’s probably going to be listening to this and thinking I insulted him… Notice I just backedpedaled out of that! No offense, John! It was *his* idea… no, he did help develop the questions.

But the point is that it was just beating his staff over the head again, and again, and again, and again on the same six questions. And not just what they were, but exactly how you asked them. Because to say to a client, “Is there anything else I can do for you today?” is very different than, “What other kind of cases are you working on?” And just
that little subtle difference of his people. And we get to the – we’re in the fourth week of training on the ideal structure, and the six questions, and we go around the room and we say, “OK, so how did it go with you this week?” “Um, I didn’t really get any.” “OK, well what did you ask?” “I just asked if there was anything else we could do for them.”

And I mean, we had been saying for six weeks that you don’t ask “Is there anything else that I can do for you?” You ask, “What other cases are you working on?”

So we didn’t tirade, we didn’t berate them. We just took it and we went back over it again. We showed that there were other ways. And then the pressure became on every one of them, because they got to see how the people who started using it started getting some results, and so it just – vrrooom! The machine gets to run. But it is repetition that makes that occur.

OK, so making your standard procedure is dull. It’s just being in their face on a regular basis. That’s how you make it a standard procedure, all right?

Jean: Is it a script or a bullet point?

Chet: It depends. Now when we used to sell $4,000 training programs and $800 a month follow up it was a word by word script. The best guys got off the script very sincerely. I won’t actually say that. I had one guy who never left the script…sounded like he was reading word for word…and was consistently number one or number two. Just because he worked harder than anybody else. He just did – he took four appointments a day, he read the script.

There’s something about somebody reading a script that makes your company seem very institutional, you understand? It’s like, when you get the call in San Francisco from the San Francisco Chronicle, you can tell they’re reading from a script. When you get the call from the AT&T operator, you can tell they’re reading from the script. And I’m like, if AT&T can have scripts, and if Time Magazine can have scripts, my little company can have some scripts. Scripts are fine.

Jay: There is also – we found from experiments with giving them bullets gives them a little more creative license to people who –

Chet: It depends on the group. It depends on what you’re selling.

Jay: It depends on the sophistication, and also the – not the intelligence, but the adaptability.

Chet: Yeah, the intelligence. That’s fine, you can say it. Stupid people don’t innovate as well. But you know, the more you have –

Jay: And you can quote him on that.
Chet: The better the structure, the better they’re going to do. So again, the kind of business you have, Rhonda, it’s probably not a word-for-word script kind of a sale. But if you have a structure that follows a logical conclusion that you know is working, because your top producer is doing it, why not have everybody doing it?

It’s like I said to Rhonda and to several people listening, but I want to say it for everybody – if you’re relying on talent, then you’re in trouble. It’s great when you get talent, don’t get me wrong. You want to always get talent. But the more you structure it so that you don’t need the talent – now what happens, when talent gets a hold of something that’s really well structured – Whoom! They take right off running. They hit the ground running. They improve on every single thing you share with them.

Jay: Chet?

Chet: Yes sir.

Jay: One other thing. Think about the concept of a script for a minute. Now I believe – I like bullets. I don’t really like scripts. But I want to –

Chet: Well you would never use a script.

Jay: I wouldn’t. But I would use bullets. I would use bullets. I do a lot. But I know all the points that I want to make and I try to adhere to that.

But think of what a script is. For an actor, a script is basically the starting point to dimensionalize –

Chet: Great.

Jay: And a great actor gives it dimension. Gives it life. Gives it personality. I think a lot of this has to do with the quality of the people that you have doing it, too. If you can get great quality people doing it, they’re going to bring a lot of life to it, don’t you think?

Chet: Absolutely. Well, that’s like I said: the best – the really smart guys – like I said, I had one dumb guy who was consistently number one or number two, and he’ll probably see this some day – and I didn’t really mean that! But – god! I’m in so much trouble here! But the smart guys were off the script really fast – three, four…

Jay: And they enjoyed it. They gave it a life of their own. But they also followed the -

Chet: But they never got off the structure.

Jay: And that’s what I was going to say. The structure –
Chet: That’s the key.

Jay: I was thinking about the restaurant. I mean, you can have a structure they all adhere to in their own passionate way.

Chet: Right. They never, the best guys never got off the structure, because it was good. It worked. Yes sir.

Jay: I agree.

Chet: Jim.

Jim: I used to do quite a bit of sales training, and we had this philosophy that most people would respond negative to a canned sales talk. And we would define it as a poorly-memorized sales talk, like the guy that’s selling magazines comes to your door, knocks on your door, and starts his presentation. You stop and ask him if he has Playboy and he has to back up. That was poorly-memorized sales script.

A canned sales talk, as we defined it, is “Hi, how you doin’? What’s goin’ on? Nice day.” All of it is an automatic response to a given situation, and when I would train my own sales force and others, I would cause them to memorize the sales script, which they would hate, and fight all the way. And then I would challenge them to get it down, and then after they got it down, to forget it and go out and make a presentation.

And the important thing was that the power phrases – the words and phrases that we use that really make a difference of how we say what we say, like if you said to a woman, “You have a face that would stop a clock” you’re going to get one kind of reaction. If you said to her, “Your beauty makes time stand still” you get another reaction. If we get the words and phrases right, everything else works. And your point in having an outline, if you can get those key things in there it pushes people over the edge.

Jay: And there is an order.

Jim: Yeah.

Jay: But I agree with –

Chet: There’s a logical order that’s going to be more effective. OK, let’s move on here – condition your customers to buy from you on a regular basis… Build systems, policies and procedures to constantly sell more… Because again, that’s what it’s all about. I mean, not to pick on poor Dan Bantly, the taxidermy guy, but he needs to get it down – the procedures and the policies and everything, so that it makes it real easy for him to expand and grow the business. Look at the value of the customer to figure out what you might spend to get more customers – that’s so obvious to this group. What’s a customer worth to you – we’ll skip that.
OK, so capitalizing on customers...actively work with current customers to seek referrals. Again, this is a place where Jay is the master, and so I want to kind of defer a little bit here, make it easy for them.

I’m just going to give you a couple of real simple ones. You want to build your business, and this one I gave – you take your Dream 100, and my…I teach this on one of my training videos, so my stockbroker gets my training videos, and he looks at them. And I teach this one concept right here about “make it easy for them, sit with them while you page through their Rolodex.” So he calls me up one day and says, “OK, I’m ready to page through your Rolodex.” And I have a really good Rolodex for a stockbroker.

And so I have him 21 names, or 28 names - I can’t remember it now. And he got six of them in the first year. I mean, the guy’s giving him 800 grand, 300 grand, a million dollars…and he just kept working them, and working them, and working them – I think he has half now.

So the point is that the Rolodexes of your current clients contain leads for other clients, and if you sit down with them and say, “Let’s go through your Rolodex. Let’s see who you’ve got in there. Joe, you sitting by your Rolodex?” If you have a good relationship with your client you can get them to just give you just lead after lead after lead. “Let’s look at your Rolodex, OK?” Go through it, and when you get through – “OK, I’ve got you marked down. We got to the J’s this time.” And next time you pick up – “We left off in the J’s.” And you see who else they have.

But it would be a really powerful experiment - or actually workshop – for us...can you get them to write a letter to their friends or associates, give them a reward for helping to find new customers, a free service, free dinner, etc. etc. Don’t forget the special treatment so that any referrals become – so in other words, the whole structure works really well, that when that referral comes in the door...

So let’s take a few minutes, and – or actually, Jay, if you could do a little litany here on referrals, and then have everybody take a few minutes and write down how we can make getting referrals part of our standard structure, and part of our standard procedures.

Jay: OK. I think I’ll just sit while I’m thinking about this, because I wasn’t – not prepared, but I wasn’t thinking about this before, so let me grasp my thoughts and do a little, sort of review litany, here.

First of all, how many people in this room get some portion of their business – at least 10%, and upwards to 100% from either word of mouth or referrals? Raise your hand. OK, OK. How many who have raised their hand have money and capital deployed - intellectual capital – to any other form of marketing besides the form that just happened? How many do anything – advertising, sales force, anything else? Raise your hand.
You have probably found that a referral-generated client buys quicker – more accelerated purchase – negotiates less, buys more, buys more things, buys more often, refers more people, and also is more enjoyable to deal with. Am I right? OK.

So why would you want, in a pure world, anything but referrals if you have a choice? That makes sense, doesn’t it? And yet, - stand up, everybody who said at least 10% of their business or more comes from referrals, stand up please. OK. Remain standing if you honest-to-goodness have in place, right now, at least one formalized, systematic, system-followed, referral generating system and procedure in place that at every key interval of every day of every week, whatever the frequency of it, it’s executed by everyone in a constant machine. Stand up if you have that in place.

Now, all of you who are sitting down – the ones remaining, remain standing if you have at least two programs in place. Now those of you all who were standing, stand back up. Everybody. And I want you to estimate – not just conjecture, and be conservative…

Chet: Look at them switch from side to side – no, I’m just kidding.

Jay: Be conservative so that you’ll be more – the worst thing you’ll be is understating it. Whatever you think it is – 10%, 20%, 50%, 100% - tell me what referrals mean annually – right now, or word of mouth, even though you don’t have a formal system or you only have one in place – tell me what it means to your business right now in terms of dollars, approximately, conservatively stated. And just sort of go around the room fast, and we don’t need the mike. We’ll just – I’m pointing to Scott. You start – just give us the number.

Scott: $90,000

Jay: $90,000 a year. Behind you, who’s that?

Chet: Bob.

Jay: Bob.

Bob: $500,000

Participant 4: $50,000

Participant 5: $60,000

Participant 6: 100% of my new clients.

Jay: So give me a dollar figure. Is it a million dollars?
Participant 6: ___

Jay: OK

Participant 7: $2 million

Jay: $2 million?

Participant 8: About $500,000

Jay: $500,000

Participant 9: $5 million

Jay: $5 million

Participant 10: $2 million

Jay: $2 million

Participant 11: Half a million

Jay: Half a million

Participant 12: $100,000

Participant 13: Over a million

Jay: Over a million

Participant 14: $10 million

Jay: $10 million

Participant 15: A million.

Jay: A million

Participant 15: _____?

Chet: Referrals.

Jay: No, just how much business right now comes from – if you can say that you do $500,000 in fees a year, and 80% of that came from referrals, then that’s 80 times $5 million, it’s basically $400,000 - $500,000 – but whatever it is annually.
Participant 15: $150,000

Jay: $150,000. Is there somebody standing behind? I can’t see.

Participant 16: $200,000.

Jay: $200,000. Jim – Jim already – you already gave – your restaurant was already taken.


Paul: Yeah, I was already taken

Jay: He was already taken care of.

Participant 17: $800,000

Jay: $800,000 – same thing with you. OK, sit down. We studied it over the course of 30 – not 30 years. 15 years, and I went and I did something really interesting.

First of all, you’ve got to understand – I found 93 unduplicated referral-generating systems, ranging from simplistic ones that a portrait gallery uses, to the very sophisticated one that construction equipment, million-dollar construction equipment companies use to sell more. And what I found was that the companies that depend totally on referrals have very sophisticated systems in place - the really growth ones - and those systems are adhered to very strictly.

But you’ve got to, first of all, adapt the philosophy of referrals. The philosophy of referrals is not – most people think of them as intrusive. They think of them as “Oh, god, I don’t want to ask people. It’s awkward.” I – not defy you…I challenge you.

Chet: Mm hm.

Jay: I challenge you to reframe your mindset, and think in terms of the following: If you can honestly – first of all, all of you who get referrals… relative to what you do, without being arrogant, without being conceited, without being audacious, brash, or cocky, or condescending, can you honestly say that if a client deals with you instead of your…

Chet: Competitor.

Jay: - competitor, that they are better off, both in the result that they get, in the attention you give them, in the comprehensive and conscientious concern you’ve got, in the end result that occurs – can you pretty much say yes?
Chet: Do you want your friends’ clients going to your competitors? Is what you’re saying.

Jay: Yeah, what I’m saying is, if you don’t intercede and do an intervention…and you assume, by the way, that your existing clients associate with other like-minded, equal quality people that are the exact prime target – they have it. You want to go to the prime targets? It’s not the datalist, the checks – although those are good, good for a pillar in your parthenon. They’re – you want the best media – those are fine. But not as good, any, as the people that the people you already deal with associate with.

But the point is, why in the world would you ever deploy capital on advertising, on trade shows, on anything else, until first, until foremost, until after you had put in place at least one, but preferably multiples - you probably can’t have 93. But you sure as heck can have five or ten. They can be ongoing. They can be seasonal. They can be when certain events converge. They can be at all kinds of different scenarios.

Back to the rationale. You can actually move to the point that if you have this kind of a belief system, that referral contribution becomes a condition of doing business with you.

I’ve actually had clients that had two separate fee structures. One is with and one is without giving them referrals. You give them two referrals in six months, and then you get this price. If you don’t, you’ve got to pay them more, and if you don’t do it they short-rate you and billed you.

More importantly, back to the ideology or the philosophy. You have this obligation – and I use another analogy. And I haven’t done this for a long time, so bear with me. It’s a little fragmented.

Anybody in this room have a good friend in their life, currently or somebody that they connect with occasionally from childhood, or from high school, or from college? Raise your hand. Anybody not have a good friend? You should. OK.

Now. If you care about that friend, you obviously would care automatically about anybody who’s important to that friend, wouldn’t you really? His or her family? His or her – if they own a business, their employees, their – the sanctity of their enterprise. You probably would do about anything within your power, reasonably speaking, to help them, wouldn’t you? And if you knew that they were getting ready to make a decision…or anyone in their life was making a decision that was not the most appropriate, that could be dangerous to their health, or dangerous to their wealth, or dangerous to their enjoyment, or dangerous to their security, or dangerous – or at least would provide lesser of an outcome than they wanted, and you had expertise or knowledge or connections in that field…wouldn’t you extend yourself instantly to help your friend’s friend or friend’s loved one, or anyone else in their…? You would, wouldn’t you?
Well it’s the same basic analogy – which I haven’t explained as clearly as I used to do it, because I haven’t done it for a long time. But basically, you have a moral obligation. If you care about your client, you care automatically about everyone important to them. And if you extend yourself by saying, look. There are people you associate with right now…your colleagues…depends on the application. Your clients, your suppliers, your neighbors, your church members, your professional colleagues who are right now in need of whatever, the result – not the product or service, but the result. Talk about results of your product or service. “Because we have this relationship, I feel an obligation, a responsibility, and a willingness to extend ourselves to at least confer with them. To extend myself to at least give them my best reason, best experience, expert take on whatever the subject is.” And if they’re going to go ahead and make a decision, at least they’ll make a better-reasoned one. They’ll at least know the issues and questions to ask. If their business accrues to us, that would be wonderful, but I have to do it for you, because I know how many people out there are going to just take their money. I know how many people out there are going to do a lesser job. I know they’re not going to be discriminating. I know they’re not, and I know the marketplace.

If you feel this obligatory – Howard, I did this thing earlier, on the first day, I think, about this concept of the Strategy of Preeminence, where you have the obligation to deal with your clients as their best-reasoned advisors. And the fellow from Raymond James --people who really take their fiduciary responsibility seriously, it transcends to extending yourself – not just for money, but to help, to counsel, to protect, to enhance the well-being of everyone important to that person that you’re dealing with. And you have this moral responsibility…this fiduciary responsibility to extend yourself, if nothing more, than just at least in professional, fraternal advice to give perspective, insight, expertise, context, objectivity to somebody important to them. And you’ve got to sort of ground your mind in that kind of a basis before you can really make the most of the opportunities in referrals.

So there are 93 different ways to do it. Frankly, my mind is cluttered, and I can’t remember them. But if you twist my arm, Chet gave away a $3,000 video set today. I guess that would be wonderful, but I have to do it for you, because I know how many people out there are going to just take their money. I know how many people out there are going to do a lesser job. I know they’re not going to be discriminating. I know they’re not, and I know the marketplace.

I switched my style about five years ago, and I interviewed all kinds of people who were applying successfully the various techniques that I teach. And on referral system, we interviewed probably 500 people, and we found these 93 now duplicated ones. And what I got to the point of doing was just like a two- to five-minute laser-in distillation of the key elements of their system – the methodology, the key components, what anyone wanting to apply it to any business universally needed to know, the nuances, the opportunities, any twist, etc. And we had somebody put it into three or four tapes, and it’s called, “93 Referrals,” and Nightingale Conant sells it for me for $2- or $3- or $400. And I used it as a model.
But I would be happy, rather than trying to remember what they are, because I can’t, just to make copies of it if any of you want it. And if you don’t want it, that’s better, but…

Chet: Anybody here have it?

Jay: Anybody got it? It’s good, isn’t it?

Chet: Rhonda has it.

Jay: Oh, of course not. Because you’d rather spend money on advertising, or direct mail, or telemarketing - or no disrespect to the people who are working on it, but are looking for just divine intervention, right? And that’s good, but it’s better if you take proactive charge. But I can tell you –

And also now, the next thing about referral generation. And Chet made a great example there about what – and I’m going to spin off of what he said when he’s telling about people selling legal – what cases are you working on?

If you ask people, “Do you have anyone to recommend to me?” no one has any. But if you say, “Let me ask you a question: Who else do you associate with, do business with, sell to, buy from…

Chet: Talk to.

Jay: Talk to, are in association professionally, or are in fraternal organizations with, or your club – who…?” and then you paint the picture. And I’ll tell a story which is very illustrative, and it’s very true, that will maybe drive you to want to do this more.

I used to have like five different banks that I used, because I was always afraid they were going to go broke with my money. And I was the lender, I wasn’t a borrower. And one of the banks had a bank manager - who had a very lovely bank manager who I loved having lunch with, because she’s really pretty and fun to look at and talk to. And she was such a pretty woman, and she was divorced, and she had no dates. And she was always lamenting to me that she was trying to have fun, meaningful relationships, and she never had dates. And she said no one ever refers her to anyone. And I said, “Do you ever ask them?” She goes, “Sure! Nobody ever has anyone.” I said, “Try this test. When you get back from lunch go to everybody in your staff, and everybody you talk to – all your clients for the next week or so, and say this. Say, ‘You know, I was in a meeting and I was thinking about something. And I want to ask. It’s a little awkward, but who do you know right now in your life, in your family, in your business, somebody who sells to you, somebody you buy from, somebody you associate with at a health club who is a professional, the ages of 40 to 60…C, reasonably good looking…D, a really interesting personality…E (I already said) a professional…F, single…G, really somebody who you think has good values and is a real joy to be around who might be benefitted and benefit
being introduced to me? Somebody that I would really, really fun for, but would really
be a joyous person for me to have lunch with, or meet and just develop a nice relationship
with? Because I got to thinking you probably know 25 people that I should be dating, but
you don’t know you know it.” And I did it in a little bit of context like that.

Chet: Yeah, where you qualified her right down to the toes.

Jay: I dimensionalized it. I scenarialized it. I directed where they were, who they
were, what they looked like, what their circumstances, demographically… She had four
dates the next time I talked to her. Now does that give you any ideas?

Chet: Yeah, I want to meet this woman.

Jay: She was very attractive. But – and she started using it, and she’s got plenty
of dates now. But left to her own devices she had no dates.

I mean, I think it’s shameful – if you’re great at what you do, and you get any
portion of your business because of referrals, it tells that people in spite – remember, you
restrict and limit the amount of business, the amount of new clients, the frequency of new
purchase, the number of things, the combination of things they buy – because you make it
hard. It’s not incumbent on them to figure out who to refer and who they are and where
they are and what to say and why to do it. It’s your responsibility. It’s not – and it’s not
incumbent on you to do it intermittently, it’s your responsibility to do it systematically, as
Chet said. Anything that’s not done systematically is not done consistently. It’s not done
regularly. It’s not done optimally.

And never would that be more true than in referral generation. But if I send you
these tapes, preclude it in your stuff, I would ask in no embarrassment – because you
guys probably paid money for it, or maybe you got it as a bonus, but listen to it! Listen to
it with two goals in mind: #1, listen to each one. They are short, right to the point. They
may be totally, seemingly inapplicable. If you listen to a portrait vendor telling how he
gets people to give coupons out, you might say, “Well, I can’t do that in my place, in my
operation, in my scope of – or stature of business, and the range and the level we operate
on.” But ask yourself, “How can I adopt, adapt, extrapolate…” Then write something
down. And preferably write five adaptations, or adoptions of it, or extrapolations for
each one down. And then, after you’ve got 93 times 5, or 500 and – or whatever the
number of them are, pick at least five that you and your organization will commit to try
vigilantly, dutifully, at every appropriate interval. And there are going to be different
ones that have different converging points that they’re right for – some at the beginning.
Some you say, “OK, let me tell you about my practice.”

And by the way, another way to do referrals, for those of you that can articulate a
version of this – and I’m sorry. I haven’t done referrals for so long I’ve sort to have to
dust them off and extract them out of the catacombs of my mind.

Chet: You’re going great, Jay.
Jay: Well, no, I’m not. I could do a lot better.

Chet: I’d hate to see when you’re on.

Jay: When I’m on – I’ve been thinking about it. I haven’t thought about it for a long time.

Another approach – and again, if I give you an approach, you don’t have to use it literally. You can use it as a springboard to modify and adapt, adopt, up or down, the sophistication or intellectual plane that you use.

Another one is this: when you’re sitting down with a client, or a prospective client, either one, you say to them, “Look. I made a profound realization and a decision about a week ago that affects you. It’s a pretty powerful one. I have a finite number – It’s about time management, it’s about optimization, it’s about contribution. I have a finite amount of time, resources, capital, intellectual capital at my disposal. The more successful I am, the more I have. I can deploy it and my own self in a number of ways. If I have to spend an inordinate amount of time on marketing, on selling, on spending time, money, people, energy, effort, focus on that, that’s time I cannot spend on dedicated to improving, to enhancing, our education, our knowledge, our breakthroughs, our research, our support, our contributions to your betterment. We made a corporate decision, or I made an executive decision that if I have my choice of spending my time getting you a better outcome…getting you more prosperity…getting you greater profitability…getting you greater protection – or spending it going out spending all day selling more things, and not paying attention to you, I can’t morally do the latter. I’ve got to do the former. So I made a decision that if I’m going to invest three times the capital, five times the attention, up to ten times the investment and research, support, development…

Chet: Service.

Jay: …services for you, all I ask in exchange is that as long as that is evident…as long as you can honestly saying incredible support, incredible outcome, an incredible result from me, that you agree once every – whatever you want to do. Six months, two months, once a day – to go out of your way to reciprocate back at an intangible form of consideration to me by isolating a like-minded people, or a like-minded companies, or qualified organizations of the same stature, or the same ethics, or the same substance as you, and introduce them to me. And don’t just give me their name, because that’s not what I want to do. Because then I’ve got to sell them again. I want you to get them to call me. And I want you to get them to call me, because you know that if they talk to me they’re going to be enriched from the process.”

Chet: Are you listening to this, Adrian? Is this how you’re going to do it for me?
Jay: Does this make sense? So these are just a few of the ways that I used to do, and used to teach.

Chet: You could use this, absolutely.

Jay: So – and I mean, there are variations, but does that give you guys some examples? And I’m sorry, I haven’t done this theme for two years, so I’ve got to sort of…

Chet: But you know what? I would like to now put some spins on it. In fact, who here could tell me, once you develop that particular message…

Jay: But no, there’s a better way to do it. There’s a better way to do it. Excuse me. Stand up, all of you who said you had a formalized referral system, or multiple ones in place and come to the mike, and share with us the following: What the system is…how you use it…who uses it…what the key elements of its implementation are…then take a little bit of a leap of faith, and extrapolate and say what you think anyone in this room wishing to adapt a variation of your system would need to know and do, and any of the nuances, or the little psychological things, mindset issues, elements that make it more or less successful.

Neil: Jay, I went to one of your courses a couple years ago..

Jay: When I was on when I did this, right?

Neil: Right. And I finally took your advice March of this year, and I incorporated a referral system into a promotion I’m running.

Jay: Did it work?

Neil: It’s working fantastic.

Jay: What are the elements?

Neil: Another idea of your I took was I looked out at outside industries that are successful, and took an idea from them like Sam’s Club. So I created a club to bring my customers bottom line pricing if they pay a fee up front to join this club. But there’s no risk to them in joining, because when they join, they get certificates for free products which value over $500 retail value on their end, so it’s a no-brainer. They actually make money by signing up for the program.

And there’s a little enrollment form on the back of this program. So they fill this out, and the last part of it says, ‘Fill in this section with an associate of yours that referred you to us who is a current customer of Luzerne Optical who will receive a free pair of Verolux or ___ premium progressive lenses, and a free ___ AR coding, compliments of
you and Luzerne Optical.” And then “referred by” and they put their name and address, and we send the certificates out.

**Jay:** That’s great. And tell how it’s working.

**Neil:** Since March (I’m trying to think) we have at least 50 referrals from this. They’re coming in daily.

**Jay:** A referral that converts to a client – what’s it worth to you annually?

**Neil:** Well the average account –

**Jay:** That’s all I want.

**Neil:** …Will give us at least $1500 a month in business.

**Jay:** A month – so that’s $18,000 a year.

**Neil:** Right.

**Jay:** In revenue.

**Neil:** Right.

**Chet:** And you’ve got 50 of those since March. For a piece of paper, basically.

**Jay:** And that may or may not be the best execution yet. It’s just the first time out of the gate. Now, if somebody in this room, whether they’re the most – whether it’s Howard – sophisticated, or whether it’s a one-person band here, what would you recommend they do if they wanted to adapt and adopt what you’ve just done? What would the elements be?

**Neil:** Well, anybody that has any type of contract, or enrollment form, or sign-up form, I mean they could incorporate something like this into a very easily – they don’t even have to ask. Give them some kind of incentive to give you a referral.

**Jay:** Great. Great, OK. Good. Next, OK, great.

**Chet:** Good job!

**Jay:** Next – you have a question, David? You have a question of him, David?

**David:** Is that referral process dependant upon one of your current customers actually passing that along to a friend?

**Neil:** Yes. Or no – no. We’re presenting this to all of our existing customers.
Jay: 6,000, right?

Neil: And we offer the program to all our existing customers, and they saw this and read about the referral section, and said, “Oh, this would be great for an associate of mine – pass it on.” And in return, they said, “I’m going to get all this free product.”

Jay: OK, great. OK.

David: The reason I ask is because if you do, or if you don’t have an e-mail list of all your customers, and you can get a pass-along type referral process that can implement into your e-mail. The reason is usually so much more possible, or so much more effective if you have e-mail is because of the forward button. So you – not to mention it cost you absolutely zero to send it out. And you put a subject line: “A free pair of glasses for you and a friend from Luzerne Optical.” All you’ve got to do is hit forward, enter – and ten of their friends names…one…whatever. It can get passed along from person to person to person to person. It’s just a spin on it.

Jay: OK, good. Thanks. Tony?

Tony: In my landscape company, Bass Custom Landscapes, we have a recurring billing process. Each and every month we send out a statement to about 300 clients, and in that envelope that they receive their bill they also get a return envelope. On the back side of that envelope we have a line item – it’s really a survey from our customers. It’s “Are you pleased with our service?” and a check mark box: “I’m not pleased with my service - call me.” and we have a check box for that. And then, “Tell us about a friend, family member or neighbor who needs landscaping work.” And we consistently get one or two leads a month, just like that, it’s an automatic system…

Jay: And do they convert?

Tony: Yes, a very – yeah.

Jay: And what’s a landscape client worth to you?

Tony: At least $3,000, you know?

Jay: So give us an adaptation. If you were to recommend a variation of that to everybody else, what would you tell them?

Tony: Anybody who has a reoccurring billing process needs to optimize the back side of their envelope to A) survey their customers for satisfaction, B) ask for a referral.

Jay: Keep in mind that – and it’s – I’m shamefully embarrassed sometimes by the – when I first started introducing my methodology publicly, in a published manner, in 1985, I had a purer mind. I wasn’t doing all the things, so I really thought all the time
about what I believe in, and a lot of them have become sort of automatic and abstract. But I made a point, and it was one of the very fundamental things I used to teach in the first 10 or 15 marketing mistakes that I taught. And that is that people need to be benevolently, and ethically, led to action. They need to know what to do, why to do it, how to do it, who to do it to, because they don’t know. But if they did, -

Basically, if people aren’t satisfied with you, you wouldn’t have clients. So the assumption is 90, 95% of your clients today – because there are so many other alternatives, and particularly if you’re trained by me, you operate at a higher level of contribution anyhow. They like you. They love you. They see value, but they’re so – in the day to day clutter of all the other things, they aren’t going to refer people unless you make it easier than not, if you make it turnkey, if you clearly dimensionalize for them who it is, where it is, what they’re supposed to do. Jim?

**Jim:** I listened to your tape. You interviewed a dentist from Australia –

**Jay:** Yeah, that was a powerful interview. That’s on that tape.

**Jim:** And I was going down the road, and I had to pull over to the side of the road and take out a tablet and kind of pull myself together because I thought it was so brilliant.

**Jay:** It was profound. Not me – him. He was very profound in his thinking.

**Jim:** I took that, and I made it now a condition of my agreement that I sign when I sign somebody up. My fee structure is such that it’s $2500 - $5,000, but in setting up the arrangement I get a front end deposit, and then a monthly fee. So theoretically, I get $5,000 on a low end when I sign somebody up, and then on a monthly billing kind of thing.

So what I did with that is I made the terms and conditions that they would give me three referrals. That they would pick up the phone and call the person, tell them that I’m the greatest thing since white string, and I would waive the deposit.

**Jay:** That’s good. I like that.

**Chet:** That’s great.

**Jay:** That’s a great – that’s great. I love that. And it works.

**Jim:** It works. One other thing I’m using with a client of mine. It’s an office furniture company, and we have an interesting thing. It’s in Bittenville, Arkansas, where Wal-Mart is. Wal-Mart is bringing in all kinds of vendors that’s setting up offices. And they sort of come in sizes of A, B, and C when they set up for display so the Wal-Mart buyers come in and look at their facility.
This company is just now beginning to expand in this market, so we have a plan to go out to the airport and cause people to engage us. And I won’t get into the whole schpeil, but one of the things that we’re doing is we’re going directly to the developers who are building office buildings and saying, “We would like to partner with you. We will give you a turnkey package of A, B, and C models. We want you to give us anybody that you get that walks in that’s wanting to buy leased space, and give us the business on the office furniture side and we’ll give you the referrals that we’ve developed of people that we’re picking up at the airport.” And part of the terms and conditions is that they will sign the agreement that they will give us all of their people that come in, and also people in the –

Jay: OK, good. Give us a concept – don’t walk away. Don’t walk away. Give us an interpretive suggestion on how anyone here could apply one or both of what you just – I want to make sure people grasp it. That they don’t just go –

Chet: Well, the second one. The second one would be interesting. How would somebody do that?

Jay: How would somebody apply that?

Jim: Well, if you’re going to partner with someone, the value that you’re bringing to the partnership should be stacked in such a way that the value is so much greater than the cost, and that part of the cost not only is in real dollars, but you’re going to give them tremendous value and in exchange for that, to save you the time, effort, etc., from a marketing point of view that they can get a discount by contributing to your success so that it alleviates you of the financial pain, strain and time of going out and finding customers. And then with Jay’s shakedown of the people that you know who bowl left-handed, and are nudists – well tell me, who do you know that I should be talking to? I mean, he goes to that checklist where he really guides your mind – or guides the person that you’re speaking to’s – mind so that it’s easy for them to figure out who they know, rather than “Who do you know?” Which people have always – their eyes will glaze over, and they say, “Well I don’t know anybody.” And so if you can put that into a value that they’re getting a benefit by saving money – or deferring money…

Chet: Hard dollars for doing it, and there’s nobody in here that couldn’t use that effectively. Every single one of them …

Jay: Yeah, I know what you’re saying. And maybe you build that in. You build into your deal…

Chet: And prices. You have a higher price deliberately…something you never really want to charge this price.

Jay: But you will if they don’t want to give you referral. And that’s only incremental ___. That’s good – thanks Jim.
Jim: And they really get the message when you ask them for…

Jay: That’s good. Thanks for sharing. That’s a great concept.

Participant: Where can I get a list of nude bowlers?

Jay: Which ones – the left or the right-handed ones?

Participant: The SRDS Directory.

Chet: SRDS.

Jay: That’s also a Nude Bowlers Association. And there’s a Right-Handed Nude Bowlers Newsletter, I think.

Participant 18: One of the referral programs that we have in place is within our hospitality community in Seattle, and it extends to Portland also. And the hospitality community I do as a whole, so it’s hotels, restaurants, convention administrator’s bureau, and the convention center, and any of the auxillary services that might serve that community – limousines, transportation companies, gift baskets, etc. We have them as a segment on our master mailing list, and we will send them – we’re sending them right now, twice a year, rewards for referring to us. We cross-refer with other restaurants…

Jay: And with the reward – are they certificates?

Participant 18: Gift certificates – correct.

Jay: And does it work?

Participant 18: The leader – oh, yes.

Jay: Great

Participant 18: The leader of the pack, the chief concierge, director of sales, director of a department at the Convention and Visitor’s Bureau, gets a bigger one from the staff.

Jay: Great, and it’s worked. And it’s very – and can you keep track pretty well?

Participant 18: Yes. Yes.

Jay: So they book as many as _______. That’s brilliant.

Participant 18: Yes. And those gift certificates come back to us, and they’ve been coded on the back so we know where they come from.
Chet: Well, what do they get?

Jay: What’s the certificate for?

Participant 18: We will send out –

Jay: Now, so two things – but wait, stop. The concierge will give certificates to _____?

Participant 18: We give them one for their personal use.

Chet: For themselves.

Jay: For themselves.

Participant 18: Right.

Jay: But do they also have – but do they get them just to start with, or do they get them as and when they refer people, or both?

Participant 18: They get them twice a year as a thank you, because we assume they’re sending us business. And they do.

Jay: Well, that’s interesting.

Chet: And what’s -

Participant 18: They also get from us – we do personal visits, and we usually try to do a personal visit once a quarter…

Jay: That’s great.

Participant 18: …and we give them things that they can give out – complimentary appetizer or dessert card, to anyone coming to them and asking them where they should go.

Jay: And are they redeemed a lot?

Participant 18: They’re redeemed a lot.

Jay: Good.

Participant 18: And we also encourage them to pass them around within the local community to their friends and neighbors who maybe haven’t come, or join us for happy hour.
Jay: That’s great.

Chet: So what do they get? What’s the gifts? I just want to try and prove the value of it.

Participant 18: To them?

Chet: Two dinners, or a dinner, or what?

Participant 18: $100.

Jay: $100 to use any way they want.

Chet: But they can use that in your restaurant?

Participant 18: That they can use at our restaurant.

Chet: That’s great.

Participant 18: That’s usually the starter in January, and the last two years we’ve passed it out with the calendar.

Jay: That’s great. I love it.

Chet: That’s the best $100 you’ll ever spend.

Participant 18: Then we’ll do something else mid-year in June.

Jay: That’s great. That’s great. So what’s the implication to people here?

Participant 18: It’s your own community of salespeople. We’re not afraid to approach other restaurants, and we cross refer to them. If someone calls me and I don’t have what they want, I’ll pick up the telephone while they’re still on the phone, do a three-way call with someone that I know has what they want. And that pays us back in spades.

Jay: That’s fabulous. Or if you’re booked, or something like that.

Participant 18: Right, if we’re booked.

Chet: That’s very smart.

Jay: That’s good. I love the ___. Now, you may have heard this because I used to tell about this. We built (I mean, one throw-away idea) – built like a $3 million business overnight. There was a chain that was at one of our programs. They had specialized in small markets and they opened up a facility – I want to say in Boston. It was in some big
city. Anyway, it was a totally different market dynamic, and they didn’t have enough money to market all over. And I asked them to tell me what the amount they had was, and it was, let’s call it $300,000. I said – and it wasn’t enough to do much with. They could have had a little blitz and it would be all over for the year. I said, “How many meals would that buy at cost?” And it was like, 10,000. And I said, “Why don’t you spend time having your manager go out and introduce himself or herself to every key influence in the community, and just say, ‘We want you to be a part of our restaurant family. We know that you are the person who not only will enjoy it and appreciate it, but will be in a position to really avail yourself of it. But you influence a lot of people and it would be our great honor to have you as our guest.’” And that’s what they did, systematically, and it worked magnificently.

I don’t know if that gives you a spin, but it’s a powerful concept, and if you say, “Hey -” Like you’ve got a budget for marketing, if your budget’s $5,000 this month, look at it non-linear and say, “Well, that’s really not $5,000. Instead, if you take the labor cost out of delivering it and articulating it, you could buy, literally – what’s the real hard cost, is your food cost.

Participant: __________

Jay: So, OK – so multiply your $5,000 by three – you can buy $15,000 worth of dinners. And if the average dinner for two is…

Chet: $150.

Jay: And if you’re really clever, you give them certificates for four, so that at least two other influences come with them, right? I just want you – it’s an idea, isn’t it? It gives you leverage that most people don’t think about.

Participant 18: The other thing is we have our architects linked to our website.

Jay: Good, OK. Thank you.

Chet: See, and Jay says give them four so that they bring two other influences. See, he’s just already thinking that those other two people are – you know, those are those $10,000 a year, or $5,000 a year. That’s great.

Participant 19: Our clients are entrepreneurs, so we found they like cash. So we give cash. So we pay 10% of the gross sale if they refer someone to us. So the way we implement it is, we used to have a three-page referral letter that says basically everything you said, and we used to have it in our corporate record book. And our record book’s 100 pages long, and it got lost in the shuffle.

Jay: And half of the people never fill out their records.
Participant 19: Well, we filled out those parts, but they kind of missed the referral program. So we sent it out 30 days afterwards, on the first of every month the previous month’s clients all get a two- or three-page referral program letter, and they get – we give them three of our CD-ROMs which is a presentation on our company to pass out to whoever.

Jay: And how does that work?

Participant 19: It’s about 20% of our business.

Chet: Wow.

Jay: Can I tell you something embarrassingly funny?

Participant 19: Sure.

Jay: How often do you send it out? How many times did you send it out?

Participant 19: Once.

Jay: OK. Well, there is a statistical fact. If you get X results – in your case you get 20%. If you send it out immediately, the next day, or a week, or two weeks, or a month after, you’re going to get between 50% and 100% or more again.

Participant 19: Sure. That makes sense.

Jay: So do it again. OK. All right, thanks.

Participant 20: OK, we’ve got about three systems on referrals.

Chet: Wow.

Participant 20: The one, Zach’s probably more familiar with, because I’ve even seen that lady. But it’s every new patient, we’ll get a letter to them saying, “We thank you for having the trust that you’ve put in us, and we’re going to try to live up to it. (Except he makes it a lot more flowery.) And take care of you, whatever your needs are.” And for our weight loss patients, for example, it’ll have, “We’ve also found that people that are on diet programs do much better if they have a partner that’s on it with them.

Chet: Ah!

Participant 20: “So we’re going to give your partner of your choice a $50 discount on their first visit from you.”

Chet: So you put them to work for you, selling for you.
Jay: Right. That’s great.

Chet: And give them the tools for it.

Jay: And it works?

Participant 20: Oh, yeah.

Jay: Like how much of your business comes from it, roughly?

Participant 21: It works OK. It’s doesn’t – it doesn’t do what it should do, I don’t think.

Jay: OK. All right, but the point is it works. It produces some – what we’re trying to give you guys vector points. We’re trying to give you some of the calibrating bases that you can figure this out. That’s good. OK.

Participant 20: And then, the second referral system we have is what we call “Care to Share Cards” where when we see a patient we’ll get done and we’ll hand them a card and say, “This is just a gift for you to give to one of your friends, and it has so much off on their first visit – type thing.

Jay: Great. Great.

Participant 20: And then the third one is really passive. We have a sign in every room that says, “If you like what we do, tell a friend. If you don’t, tell us.”

Jay: I like that. That’s good. Thanks.

Chet: That’s cute.

Participant 21: I’ve been using four referral systems. One is, I ran people – when they come to me, I tell them there are three ways I get paid. One, I get to watch them grow, and improve, and watch them succeed. Secondly, I like to get paid with cash – money is good. And third, I like to get paid with referrals. It sets up an expectation, and some of them actually do. When one of our clients is really pleased with something, that’s a signal to ask for a referral. That works really well, and I profile what I’m looking for that’s pretty much the way you suggested.

In the past I’ve used a method of giving referral fees of 20% for up to two years if the client remains. That’s worked very, very unevenly. It works very well with some. A lot of people don’t want the money.

And recently I started experimenting with another approach, and it brought in so much business I had to stop. And I have to improve my systems. And that’s by sending out letters, e-mails, or depending on how I have contact with someone – usually it’s e-
mail. And offer just to catch up with them. “Hi, how are you doing? Here’s what’s going on with us. Please be in contact. Let me know how you’re doing.” and I mention casually that “By the way, I’ve written an article that may be of interest to you. If you’re interested, let me know. I’ll send it to you. If you know anyone else who might be interested, I’ll send it to you.” And of course, the article has contact information. And I send out 10 or 20 of these a week, and there’s kind of a delay effect, but people start requesting them, and requesting them for friends, and then business picks up. They start sending in more business.

Jay: That’s good. OK, good.

Chet: I would say you should look at Jim’s approach of actually – it’s more expensive to use you unless they refer. That would be very persuasive for you, because you basically do the same kinds of business.

Participant 21: I don’t understand the details of that.

Jay: Jim will explain it to you, won’t you, Jim? Privately? He’ll tell you.

Participant 22: 

Jay: Doctors do what? Which one?

Chet: Probably not.

Participant 22: 

Chet: You can’t do anything that induces a patient to – I’m not sure. I know that Immuno has all these laws about labs, and doctors, and …

Jay: I think you have to check with your ethics, but there’s probably some application of – I mean, you could install a registration fee when they come for you of $200 and waive it.

Chet: Yeah, if they agree to give you three referrals that…

Participant 22: We’ve got to figure some way to get around that.

Jay: Yeah, but you’d better talk, because there’s a lot of legalities in your profession. But that’s a good thought there. Good.

Participant 23: I’m in the voice mail business. We’ve always used a referral program, actually two ways. One is every time we sign up a new subscriber, in the sales script it’ll – the last thing they say is, “Once you get up and running, you’re really going to enjoy it, and you’re going to tell your friends about it anyway. So when you do, make
Chet: How does that work?

Participant 23: Well, it’s always worked very well. It brings us about 40-50% of our business, and that means about 150 new subscribers a day just from referrals.

Jay: Just referrals. So if you were recommending how somebody could apply that, what would you tell them?

Participant 23: Well, what we’ve been saying is pretty much what everybody’s been saying. Give your current customers – or especially your new customers – an immediate incentive because they’re the ones who are going to be the most excited, and the most sold at the time that they…

Jay: But I think that you’re missing a really profound point. You’re articulation was brilliant.

Chet: Yes.

Jay: Don’t minimize that. Say your articulation again, because that’s what I think was brilliant. How did you say it?

Chet: When you get up and going…

Jay: It’s on tape, but how did you say it?

Participant 23: OK. Once you start using it, you’re really going to like it, and you’re going to tell your friends about it anyway. So when they call to subscribe, make sure they tell us that you referred them…”

Jay: I mean, register for a minute what he said. It’s very powerful.

Chet: Mm hm.

Jay: OK, that’s great. Thanks.

Chet: Yeah, say the other one.

Participant 23: We also work with a lot of alternative telephone companies, and many of those we have relationships with the corporate office where we deal with them directly. Some don’t and so we are always working establishing relationships with sales reps who are going out and selling Dial Tone to companies, but they don’t have – they have to find a voice mail solution for that customer. So when they refer the account to us, we give them a referral commission.
There’s another one I want to let you – just to mention. My wife recently went back into business and bought a store. And what she did there – what I suggested to her, was as each customer comes in she gives them a bounce-back coupon, which is a gift certificate worth $5 to come back and spend – it has to be spent on a second visit. But she also gives them a gift certificate made out from that customer’s name to somebody else. It’s left blank, but it’s – in other words, “Here’s $5 for you to come and spend here, and here’s a gift certificate for you to give to somebody else.”

**Jay:** That’s good. So they sign it, and they just give it to a friend.

**Participant 23:** Right.

**Jay:** Now, is it being redeemed well?

**Participant 23:** All the time.

**Jay:** That’s good. I love that.

**Chet:** OK. Todd, rather than you go, I’d like to, as our last exercise of the night, take two minutes and have you guys write down something you can do. Just based upon the information that you got here, that you will be able to easily institute into your organization. Some activity that is designed to generate more referrals, or generate them smarter than you’re doing now, or generate them better than you’re doing right now. Last thing we’re going to do. This is going to take two minutes. So go ahead and take some action. Because remember, it’s 20% if we see it, 20% if we hear it, what percent if we get involved?

**Participants:** 85.

**Chet:** 85 – so let’s get involved.

**Jay:** Raise your hand for a minute if you have, in the last two or three years, ever been approached by anybody who’s a provider of products or services in your professional business or personal life that has effectively and qualitatively induced you to give or get them referrals. If you’ve been contacted in a really neat way by anybody who’s asked, and successfully persuaded you to give them referrals – either names they called, or actually get on the phone, or talk to somebody in a situation, raise your hand. One, two, three, four. Real quickly – there’s four of you. Go to the mike for one minute, because I want you to share the process they used, because –

What I’d like to do is explore the context of a method from as many different vantage points, because when you learn how it affected us, and how it got us to do something, it might be a very insightful demonstration of a process you can use too. So go ahead, just share it.
Participant 24: OK, this is – I belong to a tech group, and my –

Jay: What’s it called?

Participant 24: Tech Share. And what it does is to refer one of our vendors or somebody we’re associated with as a new tech member when we have a short – I think we’re short one person in our tech group. And so they put together a contest between all the tech groups to – if you could raise five new members – referrals to Tech – that your group itself would get like $500, or some type of a party. But the party wasn’t the incentive. It was the obligation I felt to my tech chair, because he’s done such a good job –

Jay: Yeah, they’re very dedicated.

Participant 24: - that I owe him at least that much to…

Jay: He’s a very dedicated guy. So that’s –

Participant 24: …to give him. So it wasn’t a reward. It was the fact that it was an obligation.

Jay: But you probably really passionately shared your views also, and a feeling of responsibility to whoever you recommended, didn’t you?

Participant 24: And then also to – yeah. Whoever I was recommending to, I believed that it would help them the same as it helped me. So it was a double benefit.

Jay: That’s great. That’s great. OK, good. Next – Tony.

Tony: I’ll give you an example, and it came from two different fronts. #1, I received a phone call, and it was – the guy said, “I was talking to…” (and he dropped the guy’s name, and his name happened to be my attorney.) And he said, “And I asked him who was growing and needing financial advice and really successful, or going to be successful, and he gave me your name.” And the guy was a Northwestern Mutual Insurance Agent. And Northwestern Mutual, at the end of their deal after I signed up for them, they had the gig already laid out and basically said, “You know, the way we grow our practice, or the way we grow our business is through referrals. I need three names…” And they had it so well scripted.

Jay: And you willingly gave them to him?

Tony: Yeah. I don’t know, they asked me for three, but it was just so well scripted. I mean, these guys were…
Jay: But it was naturally come to – and it didn’t intimidate – well that makes sense. I feel, and you also, we have a desire, psychologically for peer confirmation. If we feel it’s good for us, we’d love other people to be availed of it too.

Tony: Since I knew that he came to me like that..

Jay: On a referral from somebody you trusted.

Tony: Exactly. And so it was very..

Jay: And so you never confirmed with your attorney or anything? It just was assumed, right?

Tony: Yes, it was assumed.

Jay: No, I’m not saying anything. I’m saying it probably was, but I’m saying just through an association it was assumed, the attorney. He could have been, as Chet said, “in touch.” He might plant himself outside the attorney’s offices and just basically write down license plate numbers. You don’t know. I doubt it.

Participant 25: I’ve gotten – just recently I got a letter from one of our clients that was wanting a referral for his financial planner. The bad one with this was the letter was so poorly written that it really turned you off. You thought, “If he can’t write a letter better than this, forget it.”

Jay: But have you ever given – have you given a referral to anyone who approached you in a very compelling, and a very authentic, and a very highly ethical way, but it really compelled you?

Participant 25: Oh, yes. I had a second one I was going to tell you.

Jay: OK, great.

Participant 25: Since I know a lot of people in the industry, because I have so many clients, I could – there’s been so – unfortunately some of our clients have had downturns so that people call me looking to say, “Well, do you know someone in Tuscon, because I got laid off.” Or, “I’m getting ready to be laid off in Utah. Do you know someone who can use this Black Belt system,” or something like this. And I get them all the time. When these people call me, I will take the time to say, “Well have you talked to this person?” or “Have you talked to this person?” I’ll make some calls ahead to try to help them out because the compassion that they have, because of the relationship we’ve had over the years. We weren’t close friends or that, but there was a professional relationship.

Jay: That’s great, and it gives birth to me for two other insights. The first one is that giving referrals gets referrals. And you might go out of your way to start
recommending really quality sources, suppliers, people to other people and getting reciprocity from it. If you give your friends recommendations to people they might really use, or benefit from, they might come back and reciprocate to you. And a lot of times the laws of reciprocation are very, very, very powerful.

And something else that came out of that, I think, that is a sideline, is that if you always – even if you can’t help somebody find another job, or another opportunity, being willing to extend yourself in their behalf has an incredible loyalty effect. And if it’s a quality person, they have a way of ending up on their feet and having a positive, or a negative memory of an elephant. So it’s good, even if you’re frenetic and busy, to take the time to extend yourself for others, particularly if there’s a strategic implication, both positive and negative, and not doing it. Go ahead Mickey.

**Mickey:** I have developed excellent relationships with my customers and my vendors. I also own commercial real estate in Little Rock. And I have a vendor that takes care of all of our air conditioning and heating needs with full service contracts. And he knows because I own commercial property, I own other people that do. So I try to help him out as he tries to help me out. I don’t charge anything. I just try to help him out, and I give him leads, referrals, because he asked for them, but I give them to him.

**Jay:** But does he ask you in a credible and a quality way?

**Mickey:** Yes, he does. And then I – it helps me, because it helps me negotiate rates with him.

**Jay:** I understand fully. So basically it’s a really neat – it’s a neat leveraging tool, an ethical leveraging tool on the financial. That’s great, great. OK.

This has been an interesting day. Normally, if we had the time, I would have you then sit down, discuss with your group, literally, the insights, the applications, the more impactful awarenesses and realizations today, and then I would have you share around the room and vote, and come to the mike. Because I’ve got to go to dinner with certain people, I’ve got to get prepared, and I’ve got to run to my room and deposit my stuff and get back down there. So if you guys will instead make the commitment that tonight when you’re at dinner…when you’re out…tomorrow at breakfast or before this congregates, share with everybody you see (whether you know them or not) the biggest insight, the biggest action coefficient, the biggest real – Chet says “Wow” – the big realization of today that you hadn’t thought about before, and that you can take action on, and how you’re going to do it, because it’ll help dimensionalize implications and insights that they didn’t see. And I hope this was a good day for you.
Chet: All right, let’s have an opening assignment here. This is your I.Q. Test. I want you to imagine that you are going to teach the rest of the group what they should have learned so far, like the bullet lessons. Because I wrote that, and I thought, “You know, for me to tell them what they should have learned is not half as powerful as you telling me.” What are the main takeaways that you’ve gotten so far, or that you think the audience should have gotten? Because that makes it broader. What do you think everyone here should have as the main takeaway so far? There’s probably a million little things, but I’m talking about the six or eight big ones that every person should have gotten so far. If you’re going to stand up here and teach the rest of this group, “Hey guys, here’s what you should have gotten in the last two days.” What is that, OK? And then I’m just going to ask a few of you to read that off to the rest of us.

Jay: And again, the reason we’re doing this is to make sure that you see what other people see…that you layer and connect the modules and the fabric of what we’re trying to build for you is clearly evident. And if you happened unintentionally, not to see a connection or not to see a piece of the puzzle, that you have the benefit of seeing how someone else saw it, and then re-reflecting on it, and incorporating that into your business model.

OK, there’s got to be more than one person at all these tables that got it. Every table should send one or two people who express in a clear way, so please hurry. Now there’s three, there’s still three tables missing…or four. Come on, don’t be shy.

This – one of the processes that I hope is evident to you about my training style is that the best contributions are going to come from the actual participants sharing their perspectives, because each of you are going to get different things from it. The combination of seeing how the combined intelligence that the whole room sees it is what’s going to drive you to great achievement, particularly when you put all the systems together. All right – go ahead. Anybody else, come to the mike now. I don’t have time to ask again.

Chris: We do sell optometry equipment to a limited number of customers, and that makes our case maybe a little bit different because our universe is smaller. But what I got out of this so far – and comparing it to the way we have been running our business – is it’s a bit more proactive. Everything that we do is reactive. We react to the customer’s specifications. We react to their calls. We just play firemen, so to speak. So that’s one of the ways…
Chet: Everybody listening? Because that was a good lesson.

Jay: That’s great. It’s a great lesson.

Chris: So that’s one of the things that we need to change. The other thing that I think I recognize is the need for formalizing procedures, policies and processes.

Chet: You’re getting good takeaways, Chris.

Chris: We have some in place, but because we are reactive we ignore what we want to do and we cannot say no. The other thing is, I think is a key factor that I learned here is to determine the pain that the customer has. And make him aware that he does have pains, and that we are possibly the answer to that. We can be the doctor to his pain.

Chet: What was your first one, Chris? I’m summarizing here.

Chris: This is being more proactive.

Chet: OK. I’ve got that one then.

Chris: Then the other thing I like is the barracuda or race horse concept. In other words, picking somebody and…

Chet: Get some race horses.

Chris: …making them aware of how much money you can actually make with the volume that is out there. Then, strategic alliances with the sub-suppliers or vendors or other contractors that can add to the services.

Chet: Thank you.

Jay: I’d have this posted on the wall too, Chet.

Chris: And then finally something that we have been trying to implement but cannot do so far is the referral system because we know everybody. They know us. I don’t know for sure how that works, but I think it’s a very good concept that I would like to continue expanding and exploring.

Chet: Good takeaway! Wait, Chris. Not too – but here. And I’m going to write one of these for everybody. But, so here’s Chris’, as long as you’re standing there. I said, “Need killer – set the market buying criteria, presentation. Full scary day.” So you got that takeaway. “Purely educational for the first half.” No pitch on you until about halfway through, and then all that is a set up for it. “Need to stop focusing on your problems and demand that your subconscious mind deliver the breakthroughs that made you great, and stop focusing on the bad news, which you already said. Need to get more proactive, blah, blah, blah, so that’s great. Need a few fantastic salespeople, born to
Jay: Great. Now I want to make –

Chet: I guess you don’t need this now, because you just pretty much said all that, didn’t you?

Jay: And let me make – I want to make my insight as we’re doing this. A lot of the things people hear, they sort of like, they slide off of them like water off the back of a duck. And they don’t realize the profound implication of it. And Chet made a point yesterday when he was talking about the fact in time management that 80% of the things you do are ineffectual and not – and that 20% of the results come from – or 80% of the results come from 20% of the things you do.

I have all my life been about optimizing – getting incredibly greater yield from the same time, the same opportunity, and the leverage effect of going geometric by making all the factors…all the processes…all the impact points or the drivers in your business really perform much higher, and the combination is not linear growth.

But when you make a distinction and say, “I’m going to go from reactive to proactive – that’s not just an exciting phrase. That transformation, and the implication it makes in the changed mindset, the changed action, the changed procedures, the changed systems, the changed positioning, the changed dynamic in your business is very profound. That change, instead of saying, “Oh God, we don’t have any salespeople…” Saying, “Wow, I never realized that somebody who’s hot could make $700,000 a year. I can have four of those people, and all of a sudden even if the market’s going down, if it’s a $500 million market that’s dropping right now 20% and it’s only a $400 million, but I’ve only got $5 million of it, I can take market – we could have $30-, $40-, $50 million dollars with these super-performers.”

The distinctions and the impact and the leverage and the implications of these changes in mindset, in strategy, in business model, in proactivity are so profound that I don’t want you to minimize that as it’s being said. I want you to really comprehend the magnitude, the profundity, the full import of what the implication of that statement, or those statements - transacted, applied, actuated - really can mean to your business. Go ahead, Tony.

Chet: But let me just have you now, at this point, each one of you just add to this. Don’t reiterate what we already have up here. Because we just want a culminative list of what – this is what everybody should have learned, not just what you individually, but what you think everybody should be gotten from this so far.

Jay: Well, it’s what he got but we’re adding to the universal. We hope that everyone will end up getting the totality of this. Go ahead.
Tony: Time is the single greatest asset we have. It’s the one commodity that everybody has an equal share, or an equal prorated portion of, and the way we manage that time is, by far, the difference between massive success and average existence.

Chet: Maximize time. Who else had that one? Oh wow, OK. You guys are stars!

Jay: A pretty good module on time management, wasn’t it Chet? That’s my time management module, right?

Tony: The real breakthrough on that is that you did break that down into such a simple, easy, teachable –

Chet: Right.

Tony: …process, that it really – when we talk about time management we say, “You’ve got to be a good time manager,” But the actual steps broken down like that is as clearly articulated as I’ve ever seen.

Chet: And you know why? Because it was learned by pain. Pure,…

Jay: Wait – did Carl get copies of that for everybody?

Chet: Yeah.

Jay: I said – let’s make sure that he distributes them. You didn’t give that – Carl already distributed them? OK.

Tony: And then the second thing that – and Jay talked about this extensively, but - and I’ve heard it time and time again, but I kind of forget it after awhile. That’s what’s so good about coming back again, and kind of getting in the spirit, and share in the momentum of everybody else. But revering your product, or revering your service to a new and higher level can give you the confidence to ask the price that you truly deserve.

Chet: You got that lesson, huh?

Jay: Yeah, write that down. Because that’s really…

Chet: How would you summarize that?

Jay: I think that was great the way you said it.

Tony: By revering your product or your service, you can have the confidence to get the price that you truly deserve for them.
Chet: And that same message to you, Chris. And to you, Jost guys.

Jay: If you don’t revere it, no one will.

Participant 1: Well, I’d just like to start by saying this is the best event that I’ve been to, and I’ve been going to these things…

Jay: And you’ve been to a bunch of them, haven’t you?

Participant 1: Yeah, for about ten years. And I’ve bought lots of stuff. As a matter of fact, somebody…

Jay: You said you went to the first $15- or $20,000 one, too.

Participant 1: Oh, yeah. Yeah.

Jay: Yeah, that’s a long time ago.

Participant 1: And I’ve bought a lot of tapes. And somebody asked me, “Well, God dang! $15,000!” And I started calculating – Geez, I must have $50,000 that I’ve…


Participant 1: …bought over a period of time. And this has just been a really outstanding program.

The – several things that I got –

Chet: Just to add to this, OK?

Participant 1: Right. One was the movie premier.

Chet: You liked that one, huh?

Jay: And expound on it. Expound on what it means.

Chet: We put on a movie premier for 200 doctors – you remember this?

Jay: Oh, of course.

Chet: We got Sony Pictures to donate one of their movies to 200 doctors, and the 200 doctors – see, if you do – if you want to do a big PR event for your company, and you put on something that is self-serving, like – if you do a movie premier, it’s not going to do much for it. But if you donate the proceeds to charity, you get covered by the press. You get other people to donate all kinds of things. You get the radio stations to give you coverage. You get newspaper coverage.
So we put 200 doctors in 200 cities, and we went to Sony Pictures and we said, “How’d you like to have a monster publicity fund in 200 major cities across America?” And they went, “How do we do this?” “Well we’re going to put 200 companies – 200 high-powered doctor offices to work at promoting the hell out of your movie. And you won’t have to pay anything. We’ll pay for everything.”

So what the doctor does, is the doctor charges $20 a ticket, because it’s going for charity, and normally a movie’s what? $8.50, or something. Howard, this would be a really good thing for your organization to do. You put on these charity events. You get your best buyer to them, and in the case of these doctors they were trying to get their Dream 100 in their community, so this gave them superior access to call people up and say, “We’re having a Hollywood-style movie premiere here in Dallas.” And the guy in Dallas got the Dallas Cowboy Cheerleaders to come and dance at his thing for free. I mean, it was like amazing. They got newspaper coverage, and TV coverage, and they got interviewed on television… And he charged $20 a ticket. He took the cost of promoting the event off the top – it cost him nothing – and gave the rest to charity. So he didn’t make anything, except he was on TV, he was in the newspapers, (and on and on) And we got Sony because of the power of using the numbers of 200 - is something you might be able to do for opticians…

**Jay:** And they got great pictures for...

**Chet:** Neil, where are you?

**Jay:** You got great pictures too, didn’t you? You got great pictures he can put around his waiting room, his brochure…

**Chet:** Right, exactly. Of him with the mayor, and him with the… One guy got the Vice President of – not the Vice President of the United States – the running Vice President – he was running for Vice President at the time – to come to his event. So it was just this huge success, and a great PR event for all of you guys, if you – yes?

**Participant 2:** Was there any relevance between the picture and the _?

**Chet:** No. The picture was called, “Dance With Me,” and – starring Vanessa Williams, which was a little movie, didn’t do well – in fact, the only money it made was probably in the 200 cities where we promoted it. But you should have heard the President of Sony pitching the hell out of that movie, like it was the best thing in the world. He got these doctors all psyched up…

But you know, when you go to a premier it’s kind of exciting, and so the audiences that did see it kind of liked it, because at the beginning the doctor would get up and make a little “Welcome everyone,” and talk about the charity that the money was going to go for. So it served the charity, it served the doctor, it served the movie theater, and everybody who went there got a great event because they had hors d’oeuvres before
or after, I can’t remember which. Most of them had some kind of dance event around the
dance theme. Thank you for bringing that up in front of everybody.

Jay: OK, what other insights or distinctions?

Chet: That’s not a something – OK.

Jay: It’s whatever he got.

Chet: Yes. Go ahead.

Participant 3: As you know, I’ve been struggling with “who’s my buyer?” And
last night it came to me. I have to have multiple buyers of products for small companies
and big companies, and that became very, very clear to me.

Chet: So targeting buyers. Everybody got that? Who got that, that targeting the
right buyers is a critical element of growth. OK, go ahead.

Participant 3: The over achiever criteria – I’ve been recruiting for a long time,
and that was great.

Chet: What’s that?

Participant 3: Your criteria for hiring an overachiever.

Chet: OK, haven’t even gone anywhere into that yet. That was a little overview.

Jay: But he already got it. He’s the psychic attendee.

Chet: I’m going to show you how to pick – yeah. There’s a lot more coming on
that, but if you already got that, that’s great.

Participant 3: Buying criteria.

Chet: OK, beautiful. (chatter)

Participant 3: Your drivers and pillars – you know, Jay did a deal a long time
ago, and he talks about the bionic man that was firing off in all these different directions
and stuff. Boy, if you could commit the Twelve Pillars and the Nine Drivers to memory,
and to be able to click through them as you’re looking at your business when you’re
going to work in the morning, for example, or something… I mean, it’s like a pilot going
through a checklist.

Jay: And a point – and I’m certain of this. Unless you can constantly reconnect
to the pulse of what you’re all about, you lose torque.
Chet: That’s a good – that’s a good synthesis. Focusing on the drivers and the pillars. That’s a real good…

Jay: Yeah, I think that’s a great idea. And maybe we can prepare – somebody – who’s really conscientious and has good penmanship? Anybody in this room have good penmanship?

Chet: No one in this room is volunteering.

Jay: You want to be the secretary? There’ll be certain little issues we’ll remind you of that we want to prepare, and sort of send out with your material. And I’ll try to get a copy of the – a shortened copy of the drivers for you. So – and of the pillars, so that if you wanted to post it, and you want to reduce it and put it in your car, or on your mirror, or in your office, or in the executive bathroom just to remind yourself on a daily basis what you’re trying to accomplish and where your real strategic focus is, that might be very useful. But somebody remind me, because I’ll forget.

Chet: I’m going to rush everybody. I want to do this very quickly.

Participant 3: Celebrity endorsements – that was terrific. Being able to get them cheap, and put them into a promotion.

Chet: Good. Go ahead.

Participant 3: The strategic positioning – you had a different wrinkle in putting yourself in the buyer’s mind in a different way, and it was real meaningful to me.

Chet: OK. Go ahead.

Participant 3: Other than that, I haven’t got anything.

Participant 4: This is my first conference to attend, and I’d just like to ask you to do it every year. I’ll come back each year, just for a refresher course.

Chet: Great.

Participant 4: I hope it’s worth it to y’all. But anyway, OK, we got out of it research is vital. Knowledge is power, so we’re going to…

Jay: So wait – put that down.

Chet: That is such a huge statement. Thank you for…

Jay: Put that – well, put it down. That’s great. This is a great list for them to look at today.
Participant 4: It’s an absolute necessity to build a compelling company story or funnel.

Chet: Absolutely.

Jay: Now wait one second, because Chet’s got to move this. (chatter)

Chet: OK, you guys have out-thought me, by the way.

Jay: This is great. Go ahead.

Chet: I had like eight things.

Participant 4: Implement ongoing training every week.

Jay: Say it again please.

Participant 4: Implement ongoing training every week to sharpen the saw.

Chet: OK, that’s kind of under proactive, but –

Jay: I don’t think it is.

Chet: OK, weekly training.

Participant 4: Developing our broadest views opens our minds to adding service and products to enhance our bottom line.

Jay: OK, wait one second

Chet: Say that again?

Jay: Developing her broadest view of their company.

Chet: Broadest view – yes.

Participant 4: Developing our broadest view opens our minds…

Jay: Opens their mind to adding all kinds of other products and services and markets.

Participant 4: To enhance our bottom line. And someone said this, but I think, Focus on our Dream 100 to expedite our growth, and get the kind of clients we really want. Because oftentimes we’re settling for what we’re getting.

Chet: Yes – Dream 100, targeting buyers.
Jay: But the Dream 100 is a separate concept.

Chet: Is a separate concept.

Jay: I think it is, because that’s a whole separate…

Participant 4: OK, thanks!

Jay: Thank you. David.

Chet: OK, just add to this if you can, David.

David: Sure.

Jay: This is great. This is fine. Carl, type all these up and we’ll distribute them today.

David: This is regarding the positive attitude, and it says, “Focus on only the positive and good things…”

Chet: I am so serious about that. That is so powerful, I am serious.

Jay: OK, so put it down.

Chet: You’ve got this super computer – why not put it to work on what you want? Why have it focusing on what you don’t want? OK, focus on what you want. I’m going to ad lib a little on your…Focus on what you want. Go ahead.

David: I added to that, “Know that the inevitable obstacles are merely a greater chance for opportunity.”

Chet: Say that again?

David: I added to that, “Know that the obstacles that you will inevitably encounter are merely a greater chance for opportunity.”

Chet: OK. That’s hard to say. It’s –

David: It comes along the same lines.

Chet: Go ahead, David.

David: Establish symbiotic strategic partnerships.

Chet: That’s up there. Go ahead.
David: Come up with at least two new ideas for generating immediate referrals.

Chet: OK, that’s up there - referrals.

David: Referral generation’s up there?

Chet: Yes.

David: Then I’m done.

Chet: Cool. Thank you.

Jay: Yeah, thanks David.

Chet: I mean, if we don’t get duplications after the third person, then we did something wrong. Go ahead, Mike.

Mike: You need a system that fully tells the story in a short, graphic, compelling and powerful way that gets the prospect to say, “Wow! I need that.”

Jay: I just summarized what he did.

Chet: A killer story, is what he’s saying. It’s kind of said, but nobody’s spelled it right out like that.

Jay: I don’t think it is. I don’t think it is. It’s a great story to present.

Chet: Go ahead, Bud.

Mike: Look at every aspect of your business and test, test, test ways to improve it on a predictable and ongoing basis review, then…

Chet: OK. Go ahead.

Mike: What’s your big, overall strategy?

Chet: Strategy…

Mike: What was the big…what was the big…

Chet: Yeah, right here actually…

Jay: _____ Carl take these and type them up, and …

Chet: Ultimate strategic position. Go ahead, ___.

320
Mike: Broadest possible view. What was the broadest possible view.

Chet: We got that. Go ahead.

Mike: And the other one was the no pain, no gain statement.

Chet: OK.

Jay: All right, good.

Chet: Paul

Paul: Yeah, these were a couple almost philosophical things that I wanted to take away. And one was the – to always make the benefit more for your client than to yourself in any business deal you do. And the other was the morality and obligation you have to your client to make him buy from you than from your competitor because your product’s a better thing than to let him buy from your competitor is doing him a favor…

Jay: How would you…_____ ? You have a moral obligation…

Paul: You have a moral obligation…

Jay: You have a moral obligation for your client to buy from you. And that’s not very well stated, but we’ll clean that up. Good.

Chet: How about, “Moral obligation to take every customer you can”? 

Jay: OK. That’s good. I like that.

Paul: To focus on everything before, during, and after the sale. The philosophy of optimization.

Jay: So hold on one second. He’s saying focusing on everything before, after and during. And that’s a more intricate way of talking about the proactivity, but I like breaking it out, Chet. Wait one second, because…

Chet: He’s talking about how their products stand. You can be _____

Jay: Well, he’s talking about understanding the whole…

Paul: Exactly. Yes. Yes.

Jay: OK, good. All right.

Paul: The philosophy of optimization.
Chet: Uh huh.

Paul: Breaking everything down, dissecting it, and…

Jay: Highest and best. Put highest and best. But on this, make sure you put “products and services.”

Chet: Products, right.

Paul: The preemptive sale.

Jay: Preeminent?

Paul: Yeah, preeminent sale.

Jay: OK, so articulate it though. Don’t just say the statement, because I want to make sure you understand it.

Chet: You’re saying preemptive, right?

Paul: The preemptive.

Jay: Oh, preemptive. I thought you said preeminent.

Paul: Yeah, the preemptive sale is to kind of guide the customer and drive the sales right from the beginning, from the moment that you introduce yourself.

Chet: Cool.

Paul: And the RAFs.

Chet: Yeah, focus on the positive. But, yes.

Paul: And one thing that I think’s probably already been mentioned, but I’ll probably take away for a long time is the tribal method of training, and how we’ve implemented that from the beginning, so…

Chet: OK, we’ve only got – go ahead. John.

John: Pretty straightforward, Jay. One of the biggest things I got was the power of repetition. You just keep going to it…

Chet: That’s – what number am I at?

Jay: It’s going to be 27 – the power of repetition. Why don’t we just have…
John: Just don’t give up.

Chet: What else, John?

John: The last thing is the banner on the back wall here – innovation. Everything else is a cost.

Chet: What is it? I can’t read that from here. I’m not wearing my glasses.

John: Marketing and innovation produce results. Everything else is a cost.

Chet: Very good.

Jay: What’s the last one? I’m sorry.

Chet: Your Peter Drucker quote in the back.

Jay: Oh, good. Good. Good. So now, we’re going to take these down now, and Carl’s going to make them into a list for everybody, so Carl? Have these typed up now, and we’ll distribute it to you so you can reflect on it, and then we’ll give you an update on it tomorrow. Carl, there you go.

Chet: OK, David Burnet. You need a killer set the market criteria, telephone indoctrination that begins with generic pain and goes from there. Where are you David? Raise your hand. So tell me your biggest challenges. How will you feel if you never solve these, or if things get worse? How committed are you to solving them? And then you take from those to set the buying criteria, let me tell you the five ways…make your business function at maximum profit efficiency and effectiveness…and then you develop your funnel. If you want to come and get this, it kind of summarizes it a little bit.

But those are great questions for everybody. Tell me your biggest challenges, and how will you feel if you never solve them or if they get worse? Anybody in a sales position, if those aren’t in your six questions, then you’re missing two really important questions. Every single qualifying situation should at least have those two. And I’m upstaging something I’m going to cover later. Yes?

Participant: Would you repeat the “How would you feel…” statement?

Chet: Yeah. How will you feel if you never solve them or they get worse?
Chet: OK, so…we last left off…last night’s adventure…We were talking about referrals. And I was curious just to see how much you guys got out of this, if one of you could detail how you would now implement that. Because someone said to me last night, “Well, the first day you really covered implementation in that training module, but the second day you really didn’t cover it.” And I really did, all day long – I thought. So I don’t think I covered it as well as I should have, OK? So I thought – and we’re going to have this typed up for you. These are the 12 ways to implement any new procedure, and because of that comment (I thank the person who said it to me) you forced me to crystallize it down to two lousy pages, which, when it’s typed is probably going to be one page.

So – but if I asked you to take those referral ideas that you had last night, and how would you implement them into your organization? Who here feels like they already have at least a little bit of a structure to be able to do that? OK – a couple of you?

Just as a little test – I’m sorry, Mickey, right? No, you’re not Mickey, you’re – in the back left corner over there. What – yeah. What do you think they would be, to implement your referral systems? Just a basic…

Participant 1: To implement the referral system, you first have to identify your method to get the referral, and then you have to –

Chet: Good idea.

Participant 1: - grab it when you get in your company, so they know it’s coming in as a referral.

Chet: Good.

Participant 1: So you have to iden-

Chet: Talk about implementing it. Now we want all your people to be soliciting referrals. How do we get them to do it?

Participant 1: Well first of all, we always send out after every action we have a customer survey. That form will be changed on Monday to –
Chet: OK, that’s your past implementation. Get me into implementing. How do I get your people to do it?

Participant 1: By meeting. By setting up the structure…

Chet: There you go.

Participant 1: By setting up the ideas…

Chet: Very good.

Participant 1: By doing that.

Chet: Good. So there is – you see, you are getting it, actually. But let me spell it out for you, OK? #1 – and I’m going to give this to you in writing, but it’s 20% if you see it, 20% if you hear it, 50% of you hear it, but what percent if you get involved?

Participants: 85.

Chet: So, write it down anyway, OK? #1, Think through the procedure writing it down. Think through the procedure. So you guys came up with – well, Jay eloquently laid out five different ways to implement, or think about referral systems. So you would think through that procedure. You would then sell it to your team. You have to get people excited about it. And I have that all as one procedure, but it probably should have been two.

But #2, you would ask / involve the team in how you’re going to implement it. So if you guys work for me, and we just came up with a new referral system, I would say, “OK guys, what do you think?” This is how you get buy-in. You let the people that you want to effect help create the world that you want to live in. And again, if you’re a one-man army, these procedures will go for you by yourself, and then you don’t have to worry about implementing for your team, do you? If you’re a one-man army, just do it yourself.

Jay: Chet, but that’s not true. You need – if you’re a one-person band, you need buy-in of all kinds of support people who are contract people, and vendors and suppliers. So I suspect it still works –

Chet: And unless you want to always be a one-man band, you need to do it anyway.

Jay: Yeah, that’s great.

Chet: Procedures, all written down.
Jay: Good point.

Chet: OK, #3. So in order to get them, we would go into workshop mode, right? Now I want to get you guys to tell me how we should implement this idea that I just laid out to you, so we’re going to do workshop mode. So I’m going to have (here’s the steps) have everyone write down the idea as a structure. OK guys, what do you think the steps are?” So if I say – who’s the ISO guy? I’m sorry. Your name, please?

Paul: Paul.

Chet: Paul, thank you. Paul – OK Paul. You’ve got that big team of people. You’re going to ask them, “OK everybody. I want you to write down what you think are the structural procedures you think we should follow in order to implement this.” And you get a bullet-style thing from every person there. Then, the workshop leader – in this case it would be Paul – gets input from the team. Now if you have a small group like he does, I’d ask everybody. I’d take two hours for a meeting like that. I’d ask 18 people what they think the structure is, and I’d write down every single idea, and then I, as the leader, would start to pick out what I think is a pretty good structure within that. Plus, I as the leader – I did the exercise too, while the team was doing it, right? (And I went through this yesterday, but I just want to make sure you guys really get it.) Then I work through the idea, guiding the team as we go. Then we establish among us the perfect structure. So you want to get, Howard, your guys out there selling – you’ve got to ask them what they think they should be doing. And you get them to, and then you write it down. You know what I’m saying? You guide them through the process of where you want them to go, and then you get a commitment from them on what the structures and what the procedures are going to be.

Then, when you have your ideal structure and we’ve all bought into it and everybody’s decided it, now you put out a memo. These memos go into a binder so at the end of the year, you’ve got 52 pages, because it’s going to be a one-page memo, probably, at the most, even though you worked on it for two hours and you had ten pages of these pads of notes, but when you were done you had eight bullets that are going to be your implementation structure and strategy for a referral program, right? And again, if you’re a one-man army, you need to have that anyway, right? Because that’s working on the business, not in the business.

So then you put out the memo describing the results of the meeting so that if I read it I understand what the objectives are. I’m a new employee, I’ve just come on board, and you hand me the greatest ideas this company’s ever had – you know, a binder. And I open it up. I want to be able to read the opening paragraphs that describes what the exercise was and what our objective was. Then I want to read what the results of the meeting were, then I want to read the listing of the procedure. Here it is. Here’s step one…here’s step two…here’s step three…here’s step four. Then, your step, as the leader, number eight – police, examine, observe the procedure in action. Stay on it like white on rice. “How we doing today? Did you try that today? How are we doing…? Have
you done that today?” And if you have a big organization, then you’re going to do that in the weekly meetings, and you’re going to bring so much pressure every single week until everybody gets it. So if you want to implement a new referral procedure, right? This is the technology you want these guys to get. You’re going to implement a new referral procedure then you won’t move on to the other 52 workshops I designed for you, will you, until that referral procedure is working like a champion racehorse? Like a fine-humming machine that Chris or the Jost guys would build. OK?

**Jay:** Chet? Excuse me.

**Chet:** Yes.

**Jay:** And make a point – because this is probably – he’s probably into the quick and the delicate emotion of why more than anything many, many, many of the procedures, and the methodologies, and the concepts, and the strategies that you have gained from me in the past never got anywhere. Because you try this, and you try this, and you’d go on to this, and this, and this.

**Chet:** And you abandon it the minute it didn’t work. And guess what, guys? Nothing works the first try. Right? I didn’t cut you off, did I?

**Jay:** No, no, no, but very little works optimally the first try unless you’re lucky as can be, or you’re so brilliant in what you’re doing. Even for us – we’ve got to adjust it. We’ve got to recalibrate it. We’ve got to basically go back to the drawing board two, or three, or four, or five times. And you’ve got to basically – what Chet’s saying, and I’ve never stated this. Don’t move on to the next area until you first solidify and fortify the first.

**Chet:** That’s a big message, guys. Until that –

**Mike:** Chet, how long would the average company… I mean, is that just maybe two weeks that you guys might…?

**Jay:** No, I think 20 years.

**Chet:** Six to eight weeks to implement a new procedure of you riding it like a bull.

**Jay:** Now, but you can have multiple procedures going with different teams, or different people, or different activities, can’t you?

**Chet:** I didn’t hear the question.

**Jay:** I said you can have multiple programs going with different teams, or different people.
Chet: Exactly, depending upon the department. You use this procedure for every department that you have within the company.

Jay: And if you don’t have departments, start thinking… Keep in mind, one of the points I made of a distinction – the scary difference between most entrepreneurs and most Fortune 500 is they see their business as an enduring institution. They see, as Chet said, the corporate story. Most entrepreneurs basically, reactivity, are living more for lifestyle than anything else. This transformation of the way – one of the things I would like to add, if Carl – if you would add one thing to that list, is change the view of what my company – like my view of the company. You talk about revering yourself, but I think you need a higher, more perpetual institutional view of what your company is, too.

Chet: That’s great. That’s a better way to put it. A higher, more perpetual view of what your company is.

Jay: Like as an institution, although it’s one that’s evolving constantly, not rigid…

Chet: When you look at Ray Watson, who built IBM, he had a vision of how they were going to do it. And he didn’t go in and the first time it failed, said, “OK, forget that idea.” He just stayed on it.

So you, as an entrepreneur – in that book, and I mentioned it to a couple of people. I don’t know which ones, but it’s called Future Edge. And it was about the whole paradigm shift. How many people are aware of that whole…? It had this huge this where everybody was quoting it. But he was saying in there, when you study the leaders who leap-frogged ahead of the competition or who changed the buying criteria of their market, they had only vision in order to create that change, because there was no proof that it would actually work. So sometimes the entrepreneur - and every one of you must be this way – has some vision for where it is you think you need to go, and then you make it work using the procedures that we’re going over right now. That’s how you get change in your organization. Stay on it like white on rice until it becomes habitual.

Participant: I have a question for you.

Chet: Yes?

Participant: In a new company, if the concept is perfect, what do you do about implementation and disciplinary action if non-performance…

Chet: Give him the mike – yes.

Jay: Repeat it so we have – so everyone hears it.
Participant: In that the policies are making sense for a new corporation, or for a new company that is supposed to implement that, how do you handle the next step? People are complacent, they’re not used to that, they’re not following it… Is there a disciplinary step in the end?

Chet: Very good. Because that is exactly what I’m working with with the hundred-year-old carpet cleaning company. Some people in that company have been there 40 years, been selling carpet cleaning just this certain way, and you do all the steps that I’m saying, and you cover the same material in the meeting the week after, and the week after, and then you let them get involved. You say, “Here’s what I want to do” to the person who’s been working there 40 years. No – “This is what we’re going to do.” And yes, there would be disciplinary action. When the CEO of the company says, “This is where we’re going. If you’re not with me, you’re against me. You’re either part of the problem, or you’re part of the solution.” I don’t think you have to get that heavy handed. I’m saying to you that that needs to be conveyed. You, as a leader of your ship, say, “This is where we’re going, guys. Now, you help me create this world so that you feel comfortable with it. So now I want you to tell me, Mr. Person-Who’s-Working-For-Me-For-40-Years, how can we do this? How can we get this done?”

And yes, there would be disciplinary action. When the CEO of the company says, “This is where we’re going. If you’re not with me, you’re against me. You’re either part of the problem, or you’re part of the solution.” I don’t think you have to get that heavy handed. I’m saying to you that that needs to be conveyed. You, as a leader of your ship, say, “This is where we’re going, guys. Now, you help me create this world so that you feel comfortable with it. So now I want you to tell me, Mr. Person-Who’s-Working-For-Me-For-40-Years, how can we do this? How can we get this done?”

And then when everybody gives their ideas, now I’ve got a collective buy-in – at least enough that I can start to reinforce it. So in the next week’s meeting I go over the procedure again and I refine it. That’s step nine. I ask each person what they did precisely, and how it worked. Because remember, I told you about the one where we had the six qualifying questions and they kept asking the question wrong, and we were getting no result. And what we did was just say, “No, no, ask it this way.” And the result changed dramatically with every single time they asked it that way.

So here we had established the procedure and did everything with that group that I just laid out for you, and they weren’t doing it. And then we pointed it out, and we embarrassed them. Some people we embarrassed. Not on purpose, not to make them feel awkward, but it becomes embarrassing when you see four out of nine people getting it really good and you’re one of the slow people. You know what I’m saying?

So then you reiterate the critical elements, step ten. And then eleven, I wrote, you pound away, you role-play the procedure every week for six to eight weeks with your goal being – here’s your goal: incremental and continuous improvement. Not profound, sweeping, daily – you know, day change. But I’ve got these six questions I want these nine people to ask, and I just want to see every week that I got a little further in my process. So six to eight weeks from now I got those people who have been working for me in that company I mentioned to you 15 years, some of them, are doing it now every single day. And it took eight weeks. The average entrepreneur in this room would have given up, just not realizing that to create change is just about incremental and continuous improvement.
So if I can get a little further every day, I’m making progress. And the entrepreneurs would be like, “Ohhh, it’s so clear!” Right? Because if you’re the CEO, you get it right away. When we come up with those six questions you need to ask every single prospect to maximize the opportunity that you have there –

And by the way, that’s one of the coming workshops we’re going to do, so you don’t have to write that down now. But when you know what those six questions are that optimize your opportunity and you’ve given them to your people – and you started using them the first day you heard them because you knew they were the right things, and you’re all frustrated – just ask yourself this question. Am I making a little progress every week, and is it sticking? Meaning that is that progress building on what was before, so this week we went and you, as the CEO, got it like this: Whomp! There was your learning curve, and your application was somewhere like this, because if you’re the CEO you’re a star, and that’s why you’re the CEO. The crew got about this much the first week, and that’s where it would have stopped if you weren’t pounding them with everything I just gave you here. And so the next week you went over it, and we got this much progress. If you got that much progress, you – guess what you have? Progress! You are on your way to here, and that’s all you really want. Now you are a star. Now you are building IBM, OK guys? You’re working on your business, and you’re stacking incremental and continuous improvement, and six weeks – whatever that is – eight weeks from now, maybe it’s nine weeks if it’s a really complicated process, but nine weeks from now you’ve got a referral program that’s working like a champion race horse.

Neil – where are you? Over there. How long did it take you to get that one that you developed going?

Neil: It didn’t take long at all, because I tooled it into a program we were featuring, and every rep I gave it to –

Chet: So you did it procedurized…

Neil: They went out and they ran with it. I mean, it was automatically in everybody’s face. We initially mailed it out to all our existing customers who then passed it on, and we got about 400 of them to join up right away. They passed it on to some of their clients, and then also the reps were out there handing it out also. So they really didn’t have to do a whole lot. It was already built in to the program.

Chet: Well, that would be ideal, wouldn’t it, guys? But if you can’t get that, this is what you’ve got to do. Thank you, Neil.

OK, so number eleven was role play the procedure every week, with your goal being incremental and continuous improvement. But let each person be put on the spot with everybody else looking at them, with the structure that you laid out for them – bing, bing, bing, bing – in front of their face, that they helped create, and say, “OK Eileen, you’ve agreed to this. We’ve rehearsed it. You’ve heard six other people do it.
Let’s hear you do it. No pressure.” You want to look like a fool? But that’s how you do it. Now Eileen role-plays back and forth with me on this procedure that we have created that we want her to follow from now on. And then next week, we’re going to have Todd do it. And next week we’re going to have Ruddy do it. And next week we’re going to have Marshall do it, until every single one of you goes, “I got this now. We can stop. Get off my back. I got it!” All right?

And then, twelve, **refine regularly**. So I’m going to have those typed up…

**Jay:** Just give that to Carl now, and they’ll type those too.

**Chet:** Now, these are the 12 Ways to Implement Any New Procedure. And that’s really clear, right guys?
Chet: OK, so let’s go on and finish getting customers, and then we’ve got one more strategic module which is on presentations – how to create them, what makes them compelling, how to present them – that’s a little more…it’s a sub-strategy. It’s not a big strategy. But then everything else after that is pure tactics. How to get around gatekeepers…how to create promo pieces. Well actually, we’re going to do some of that now. So…

OK, so this is a core Jay concept, and he’s mentioned it several times but I just want to give you another spin on it. I used to call it before I met Jay – and he calls it “Host-Beneficiary” I used to call it “Piggyback and Fusion Marketing,” which that’s a big term in Japan. They call it “Fusion Marketing,” and in Japan it’s more important which group you belong to than what products or services you sell.

And so airlines, auto rentals, hotels are all working together. What alliances can you form? It’s not even like Jay’s concept. I mean, if you’re trying to sell this concept to a small business who doesn’t get it, you just say, “Look, when you fly on United you get a coupon for Avis. When you go to Hilton Hotels you get mileage for United.” This is something you can explain to anybody in terms they can understand, rather than trying to get into the complexities, just say, “Look, everybody’s doing it today.” Take that article, Jay. We should make that part of their kit. “The Partner or Perish” Can we get a copy for everybody?

Jay: I marked it up so much they probably can’t read it, but it’s in one of the last five issues of Forbes, or at Forbes.com. And I’ll get you…

Chet: I think it was Forbes.com, actually.

Jay: Yeah, and I would also get not just the article itself, but I read you at first the editor’s comment from the inside front cover, James Michaels, the Editor Emeritus, and I’d want both of those because they’re really powerful.

Chet: Yeah, I mean, just hand that to anybody you want to have a relationship and say, “Look, everybody’s doing it. Are you doing it?” And they’re going to go, “Well, we’re really not doing it.”

Jay: And Chet, excuse me, but let me add to this. The point I made yesterday or the day before – and it’s this concept about using metaphors, similes, reference examples that are easy. And Chet really has something more profound here than he even realizes. And I want to really underscore it. Use reference models they can easily relate to. And
any of you who don’t have it, get Carl – I mean, I don’t want to sell it to you. I’ll give it to you. Give Carl your name and we’ll try to include a copy of my new book with the tapes that we send out. And the reason is that book has 300 –

Chet: This package gets better every day, guys.

Jay: That book has 393 examples in it... I hope we have enough that we can send to you, left. 393 examples – we’ll only send one to your company, though. If there’s five of you, you guys can share it. But you can take a concept like Host/Beneficiary, and we’ve got maybe 30 real-world examples, but when you are trying to make the point to somebody, take the highest global example you can. By that I mean something that’s so universally known by everyone, it’s like, “Yeah! Well if it’s good enough for them, it should be good enough for you.” Like Sears built AllState by letting them sit right in their stores. I mean, give things that are so simple of analogies that people go, “Yeah, I can relate to that.”

Chet: VISA has points for United Airlines. I mean, you know, everybody’s trying to do things to piggyback on each other, and –

Jay: American Express sold almost all their insurance with inserts in their billing statements. Just start using those kinds of examples. But there are hundreds in the book. And I’ll – if you already got it I don’t want to waste it, but if you don’t have it for your company, write it down and we’ll give it to Carl and we’ll add that to your stuff.

And when I explain something to you, people look at me, and I go out of my way to explain more context than you probably want to know, but there is a method to my madness...a method to my madness. And the method is that I want to make sure you get the global implication, not just the tactical or strategical implication.

I’m one of the few people that want to see them do even more creative stuff in their book department because whenever I’m trying to write copy...whenever I’m giving advice to somebody that wants to write copy...whenever I’m trying to give somebody perspective, and figure out what somebody thinks about an issue and do research and focal, I say, “Go to Amazon.com. Look up the category of the topic that you’re all about. Look up the top 50 books on the subject. Go to each book. Go, then, to all the reviews. Start with the review that Amazon wrote, or that somebody wrote for them (because they’ll pay outside reviewers also.) Then go to all the 3-, 4-, 5-star reviews first and get all the language because people are writing with emotion from their heart in phrases that they really feel, and it gives you exactly the copy you need if you’re trying to write ads or sales letters. It gives you exactly the statements you want to use for writing scripts. It gives you exactly the empathic, real-world thoughts people harbor in their mind and in their heart.

Conversely, look at the lousy reviews, because it’ll tell you the frustrations that they feel, and the pain. And it’s already done for you, and they’ve spent only about $3 billion to do it so you don’t have to. That’s pretty neat, isn’t it?
Chet: All right, so a supermarket and cola company and a ski resort – what do they have in common? It seems like nothing. They all took an add together, and again – this is for your social proof. One of the fastest ways to persuade people is through social proof. Show me somebody else that’s doing it, and I’ll do it first. We talk about the Dream 100 – other best buyers buy what other best buyers buy? If you can get a celebrity who buys your product or service, you know what happens when Julia Roberts gets on there, or I remember a friend of mine who was selling antiques. He opened an antique store – always wanted to have a little antique store. You know, well he started that, then Barbra Streisand buys one of these lamps she’s been collecting for years and the price went from $27 to $275 to $2700, because then other celebrities bought it. And it was like a handmade lamp from this little person no one ever heard of that is now a collector’s item that you wish to God you’d bought at the garage sale for $2.55! So celebrity – best buyers accelerate the process. So social proof is the message there. If you could show other people that are doing it, it sells faster.

So here, “Buy a case of Coke (this is an actual ad) at Safeway (which is a big supermarket here in California, a big supermarket chain) and get half off a life ticket to Heavenly Valley.” Now Heavenly Valley is not a monumental institution. It’s just a ski resort for the Tahoe area. So you could probably go to Coke, and to the local stores. They’re all looking for better ways. Have you seen the Toyota ads for the region? Toyota and Cadillac have donated millions of dollars for regional efforts that cater to the specific psycho- and demographics of their particular areas. So you can go and work deals with big companies you wouldn’t think you would work with to offer some kind of – here we got half off a lift ticket, so now I’m going into Safeway – they’re driving traffic into Safeway – buying a case of Coke to get half off the Heavenly Valley lift ticket.

So now, here’s another message that happens when that happens. They were all- and the same ad – the ad ran three times more often. They split the cost of the ad three ways. So Coke got an ad, Safeway got an ad and Heavenly Valley got an ad, and they split the cost of it. So instead of running that thing once, they ran it three times. If they were going to run it ten times, they ran it 30 times. And so, again, this is social proof for you. You can just say, you can go make this little Mickey Mouse ad yourself like we did. OK, triple exposure for the same money; and increase name recognition; and piggyback on each other to develop the business. OK.

Ways to find partners – go to the trade journals. I already said this, right? Service your industry and page through, looking for partners. And again, as Jay points out, look for the little guys, where you’re going to be like a god coming to save them. It’s very powerful.

And let’s see – go to geographically located neighbors to get them to recommend you or add you to their offers. I put a pizza franchise – we’re in play right now with a pizza franchise, and I said to them, “Well, have you gone to your local companies in your area and talked to them about referring other people, or having coupons on their counters?” And they were like – they had, actually, done a really good job in a lot of
those areas. But that’s something you can do. You just go right to your own neighborhoods, some of you. Like what are the stores, or garages, or supermarkets that are right around where your business is where you can have them as referral sources and they get something out of it?

And then, what other sources should you go to? So database power – I thought this panel would be somewhat redundant, because it’s so obvious that everyone has to have a database, and yet as I look through those questionnaires, a lot of you here wrote “No.” “Tell us about your database.” “There is none.” You’ve got to have a database. The programs are – what are they, $99 now, to have a database? So electronic databases are just critical. You must have a highly manipulatable database. You know what a database is? Who here knows what a database is, and how they sort, pretty much? Well, still a few people who don’t. So we have a database for all the projects that we do, and we’re able to sort by name, by phone number, by address, by ZIP code, by area code, by size of company – so those are the factors that make up databases. Like, what should your database be? Should it – and then, the information of how they bought, when they bought…

Jay: Chet?

Chet: Yes, sir.

Jay: Excuse me. Also, three things. If you don’t have it up – be proactive. Find someone to put it up for you. You can find a service, you can find an individual, you can get a part time person to get in at night, or send copies of your invoices or your scratches of paper out –

Chet: And have them enter it for you.

Jay: Yeah, we got ______ feedback. But also, once you put it up (there’s a lot of feedback – you hear this?) Once you put it up, you’re going to be able then to find niches, to find markets, to find wonderful anomalies that are going to open up opportunities for you. But you can’t do the research – you can’t really manipulate the data if you don’t have the data to manipulate.

And once you set it up, then you want to make every piece of data from there forward your prisoner forever, categorically. You want to make all the leads that come in…all the data that comes from every marketing campaign or endeavor that you ever do…you want to be able to preserve it, to analyze it, to be able to cross-reference it, to cut it and slice it and dice it, because there’s wealth… We just were talking to somebody this morning about going back to segments of his list and trying to find hundreds of thousands of dollars sitting by going after it in different ways. Well, you can’t do it unless you know what you’ve got. You can’t do it unless you know what they’ve already bought. You can’t – you just can’t do it.
Chet: So part of your sales process needs to be a data collection process. And I have more data on this as we go, but another workshop is, What are the essential pieces of information? What essential information…

Jay: Excuse me – one more thing. Excuse me – one more thing.

Chet: Yes.

Jay: Is that so many people don’t even have their data, and they’ll say, “OK, do you know who your market is?” And they’ll say sort of timidly and trying to avoid getting nailed by us, “Yes.” And we’ll say, “OK, do you have the list?” And they’ll say, “No, but I know where to get it” or “I can get it.” And what good is – I mean, what good is – it’s like the whole world is your oyster, but wouldn’t you like to know who the 4,217 prime prospects are, and who the key, distinct influences are? What their address, their phone number, their fax, their secretary’s name – I mean, it would seem like that would be a heck of a forward leap to try to maximize your business, wouldn’t it?

Chet: Yeah, last night I talked to Bob from the telephone technology company. And he has two sets of notes. One set of notes is the data he’s gathering and the information that he thinks is valuable. And the other set of notes is the action items he is going to take as a result of that. And that, I thought, was pretty sharp. And they were drilling down at the end of every day, they were going and saying – and they were bifurcating that information into those two lists. One is this is the stuff we learned today. These are the items we need to take. So, action item for you guys right there, right? I don’t have to tell you that.

But if – you know, a sophisticated database. What are the essential pieces of information that need to be in your database? So in fact, I’d like everybody to have that. You should have a separate – let’s start it right now, with your action items. Because I’m going to give you so many over the next two days, and I got concerned because I really want to go deep with everyone, and Jay says, “Hey Chet, we’d have to go ‘til midnight.”

Jay: No, I said to him, if he can’t get it all – I mean, we’ve got a lot he wants to give you. And I think it’s the piece of the puzzle that will fulfill my vision for you. And I said, “Chet, if one night you have to go late, I think the people, as long as you give them breaks – you don’t mind, do you?”

Chet: That’s what you’re here for, right?

Jay: And so we might go late tonight – not to be masochistic. It’s just because he’s got a lot of data he wants to transfer, and if he doesn’t – he wants to not shorten it, because this is like what you’re here for.

Chet: And more important, drill down on it. OK, so that’s a workshop. Put that on your action item list of really having a highly manipulatable database. Let me give you an example.
I work for a genius at databases in one of my many endeavors, and this fellow had where you got a free magazine with buying from us. You got a free magazine, and the only thing you had to do was answer eight simple questions. It says, “Answer these eight questions when you join us, and we’ll include a free subscription to a magazine.” Well, those eight questions were: size of company; your position within the company; items that you buy…you know, this kind of a thing. This is data. Now, within size of company there were eight multiple choices. One was 0-$100,000 a year. Another one was $101,000 - $500,000 a year – you understand?

So it ended up – it was actually eight pieces, but there were ten data choices within each one, and I said – looking at that I said, “Wow, if you sorted that you’d probably have, what, like 18 different pieces of data.” And he said, “No, it’d be more like 18,000 pieces of data.” And I was like, “Well, what do you mean?” And he said, “Well if you could sort this one by this one, and not include that one, you could sort this one by this one… Does anybody here know exactly what I’m talking about? Anybody here can explain this really well to the group? Who’s like a database king? Do we have a database king here?

Jay: Who’s analytical? Who’s the most analytical-minded person? Go ahead.

Chet: Paul? Scott?

Paul: Paul


Paul: The key to databases is knowing what you want, and have the available sorts or being able to get the information that you want, and do it in combinations. So what you want to have is a program that – in whatever database that you buy that has that. Or if you get more sophisticated in your business you’ll find other things that you can do with databases. We have a proprietary one which is the best in the business right now that we invested heavily in.

The key is getting the information in so that you can find what you need, and for the entrepreneurial, there’s really two good ones out there – ACT! or Goldmine. For the sales side of it, and then you can modify that and do all kinds of things with it with modifiers. But it’s very reasonable for you, but the key is finding out what you want and what kind of combination. And the combination that you think today might not be a combination of information that you want six months from now. So you want to get as much information in that database and be able to sort or be able to have someone develop new sorts for you as you go. So you can keep analyzing, analyzing, analyzing your data.

Chet: The example that I was giving you, it was like, we could sort by size of the company, and then say, “Well, I want companies this size where we have the decision-maker, where he has a responsibility for…” and it says what things he has the
responsibilities for making a decision, and then there’s ten more things there. So you can have – like I said, only eight questions, it was actually like 90 different sorts, but it was 90 to the 90th power. Do you understand what I’m saying? Can you give the mike to this gentleman over here?

So you could really, as part of your procedures, you want to be a data “Moonie” and capture data. Jay made (and he brags about it all the time so I can say it) $80 million in the last six or ten years just off his database. Wouldn’t you guys like to be able to say that? So have those databases. They’re valuable. Yes, you want to add something.

**Participant 1:** I was going to say that what we’ve found as we’ve developed databases is beyond that, not just what you want, but you’re going to end up having multiple databases in other areas, and so the technology underneath, it’s important to make sure that your databases can communicate with one another. And there’s something called ODBC databases, and that’s just a standard – an industry standard – for open database connectivity. So that’s an important thing to have so eventually, down the line, you can have programmers or interfaces between those databases so you can mine it, and have one common interface for all your databases, from your sales to your marketing to your production line, and all down your database. There’s multiples.

**Chet:** OK, so that’s more sophisticated. What about a simple? What would be – can you comment, or am I asking too much? Comment on a –

**Participant 1:** Access.

**Chet:** What is it?

**Participant 1:** Access. That’s the sorting thing. That’s what makes it more powerful, because if it’s a proprietary database and it’s stuck on my workstation, and somebody else needs access to it, they can’t get that.

**Chet:** OK, but database programs are cheap, aren’t they? I mean, can’t you buy like a $99 database…

**Participant 1:** Right. They are cheap.

**Chet:** Again, you know, I had eight companies before I started writing movies, and I had three people on my staff that did this stuff, so I didn’t know much about it myself personally, but… But I know we made a lot of money off our database. You and I did that LRL right off our database. That was worth a couple million dollars.

OK, great. Anybody want to add? Did you want to add something to that? Take it to Tony. I just want to make sure that you don’t underestimate the power of a database.

**Tony:** I use Goldmine to keep track of my clients, and the questions that you had, I mimicked from a trade journal actually, that we have on our website. And we collect
names from our website that are interesting in the Super Lawn Truck System. And I just copied these questions from the trade journal, because I – the way to sort by size of company, number of employees, number of vehicles they have…

Chet: And you’ve got that data on your customers?

Tony: Oh, yeah.

Chet: You’re…that’s awesome.

Tony: And then the – you know, so then I know where they came from, and we get some leads come through our website, some through a direct…from an ad in one particular publication, and ad from another publication… And

Jay: What do you do with it, Tony? How does it help you?

Tony: …the mail. Well, the direct mail to them to begin with, that I also sell some other things – consulting services and books – and so if I’ve got – what have they bought from me in the past? I’ve got a history of what they’ve done with me.

Chet: Beautiful.

Tony: And it’s all in Goldmine. It’s just these fields. You set them up, you can customize them, and then what I like about it is that it doesn’t let you put in crap. You’ve got to have something set up already so that you can sort. And to be able to sort a database is incredibly, incredibly powerful. That’s what – once you can do that, that is probably the single most important thing you can do to follow up with sales, and know who you’re selling to and what kind of tendencies they have to buy.

Chet: OK. Thank you.

Jay: You’d better move on.

Chet: OK.

Participant 2: A quick question.

Jay: By the way, if you have questions or comments that aren’t answered we’ll have like a catch up at the end of the day or tomorrow. But we just have so much ground to cover. Good, no that’s OK. You already started – go ahead.

Participant 2: __________.

Chet: Yeah, I’ve heard that as well. FileMaker Pro – all right, let’s move on. Test everything, test offers… OK. Well Jay’s made such a big deal about this, I’m going to skip over it. But just to reiterate –
Jay: But don’t, Chet, because when we ask anybody to share with us the last five to ten variables that they’ve tested in their selling system, they look at the ceiling, and they look at the floor, and they look at the door, and there’s no eye contact whatsoever. Jim…

Chet: OK. So, well, reiterate. Change headlines often…

Jay: Jim wanted to say something.

Chet: Here’s some factors… yes.

Jim: Testing seems almost idiot-proof in concept, but in practicality I’m sort of a Big Chief Crayola-type guy, and getting into testing, to me, beyond some very, very simplistic things…I’ve been doing this business for a long time.

Jay: OK, so stop. I understand. OK, so let me stop. Who in this room – this will be a little, quick, live-action demonstrative evidence. Who in this room has tested any variable in their revenue selling marketing system, and been able to measure and discover a profound increase in anything from the way they opened the sale to the way they close it, to one more component, or anything in between? Anybody? Go to the mike, real quick, and then tell first of all, what you tested, what you learned, and how quickly, in about a second, or 30 seconds, how you tested, so that Jim can see the application.

Participant 3: The first we – on the Power of One coaching, the first program was on upselling. And it lined out how to test it, how to measure it. And so we just kept a list under the counter. Every time we offered another product or another service, and when the customer’s gone we pulled it up and wrote it down what the item was, what the cost was, what the profit was. And when we got done I think in three weeks we paid for that month in the coaching deal. Anyway, and just a small item – 1 or 2 or 3 items, but what it did was it set up a whole different mindset of offering more every time we make a sale, or –

Chet: God bless you!

Jay: That’s great. Good for you. Now one point I want to – one more point, while you’re there. I pray that you’re all timid. If only four people, after they’ve been through, some of you, $40,000 worth of my stuff have only tested, I am embarrassed. So I pray that a lot of you just haven’t gotten your legs moving to get to the mike. Because I was looking at you thinking…

Participant 3: Well, this last couple days ago when I talked with Scott, he said, “Are you still testing?” I said, “No, we’ve got the mindset going now.” He said, “Don’t stop. Keep writing it down. You stop, and –

Chet: So ________ went over this morning, or…
Jay: When you get a control – the key in getting a control, which is the highest performing mechanism or process or element in your success, or your revenue, or your selling, or your marketing system, the goal is not to sit on your laurels. But it’s to constantly see how much you can improve it, or you can improve areas of it. Because you might improve something that torques it up. You might improve an application of it to a certain market. You’ve got to constantly be evolving it.

Participant 3: Well, one thing we did is I got to look at the list after three or four weeks, and there wasn’t anything written down there. So I asked my office personnel, “Are we not doing it, or is traffic slowing down for sales? What’s doing this?” And so then you can really get an idea of what –

Jay: It’s a great pulse. But that’s great. OK.

Participant 4: Ours is a little bit along the same line of kind of an upsell that we tried. And it was just really tacking on how we tested price first of all. We have some options on our weight programs, and one, we had a high mark-up on it for a metabolism shot. We dropped the price and increase the sales by probably 400% on that particular item.

Jay: Service. But you have a high repeat on it, too, don’t you?

Participant 4: We have a high repeat on it.

Jay: So you get so many more people starting in the system.

Participant 4: Right.

Jay: What was the difference it made in the whole marginal net worth of the client?

Participant 4: Oh, it’s increased. I haven’t calculated exactly…

Jay: What would you estimate, conservatively?

Participant 4: Conservatively, over the life of the client, it probably adds $300-$400 per client.

Chet: We had a product that we sold with salespeople, and we started off selling it for $995, and then one day a sales guy came in and said, “If I can sell those for $1500, would you give me half that money?” It was probably a Jay Abraham-trained guy. So, I was like, “Yeah, OK.” And he started selling them for $1500 every damn day, and I was like, “Grrrr!” And then everybody else started selling them for $1500, and I didn’t even think of it. So – and then we kept going up on the price and we got to about $4,000 before
we found that it started getting to the point where we close as many. But we closed 25% at $995. We closed the same 25% at $1500. We closed the same…

**Jay:** That’s either price elastic or inelastic, I don’t remember which one it is, but…

**Chet:** The value we could create was about four times what we thought it was and were selling it for.

**Jay:** But you’ll never know if you don’t test it. OK, thanks.

**Chet:** So that’s the message.

**Participant 5:** We at least endeavor to test and measure pretty much everything possible, so to that extent, every week we produce historical graphs of…

**Jay:** And you can do a great testing online.

**Participant 5:** Oh, it’s wonderful, yeah.

**Jay:** You can change the message. You can change the price. You can change the proposition. You can A/B split it. You can do everything.

**Participant 5:** Yeah. So every week we’ll produce historical graphs.

**Jay:** And what have you found? Tell us some of the variations.

**Participant 5:** For example, changing the headline on the ad and paragraph, we got pretty much double that conversion rate.

**Chet:** Wow.

**Participant 5:** Changing one line – just adding one line on the order page we increased our average dollar sale by close to 20%. You can see everything. It’s great.

**Jay:** That’s great.

**Chet:** Don’t you love it when people are following all this stuff?

**Jay:** Yeah, but I want to wait ‘til these remaining four are done, and I’ve got to make a soliloquy. I don’t mean to keep stepping on you, but this is like ultimate leverage…this is like ultimate leverage in about 20 or 30 different impact points in your business if you do it, and it’s… I love…

**Chet:** ___ the design is what those impact points are.
Jay: Yeah, maybe we should do that. So we’ll do that now, and I’ll do a little data dump. Go ahead.

Participant 5: One other thing is, I’d say, if possible keep a history, because we found nothing that these graphs, when we started, we’d look back a few weeks and say, “Wow, we got something really great then. What did we do?” But because we were just testing one variable at a time, and not looking back…

Jay: You’ve got to remember, you can test so many variables when you get into this that you do have to keep remembering, because you don’t constantly sustain it or see correlations. Great point.

Participant 5: OK, so keep a log when you do it.

Jay: Great point.

Participant 6: OK, we do a birthday/anniversary mail out. We send out gift certificates to people on their birthdays and anniversaries. And I started tracking the returns of the mailers to see what type of money was spent by these people and what their discount was on the total dinner package that I would send out. I’d send out a $25 gift certificate, and then see what the return was on it. And I found out going through it that anniversaries spend a lot less money. That there was only two people on an anniversary coupon, or an anniversary gift certificate, where birthdays, the people brought in anywhere from three to five to seven people. So the birthdays would get a return of 5-6 times...

Chet: That was a really nice discovery, wasn’t it?

Participant 6: What I would on an anniversary, so my discount was a heck of a lot more on an anniversary than it was on a birthday. So it allowed us to target birthdays.

Chet: Yeah. Great discovery.

Jay: That’s great. Great insight.

Scott: 80% of our clients come from the Internet, and so we’re really specific about tracking the search engine. And we also ask, “What was the key word you typed in?” And we’ve found that most of our new clients were coming from the word, “Nevada Corporation.” And we’d even track...

Jay: And did you used to have that as – were you listed that way before?

Scott: Well, these are the key words, so when we ask the person, “What did you search for? Which search engine? What was the key word?” And we found a distinction between the word “corporation” with an “s” and without an “s.” And we got more without the “s,” so we formed a whole ‘nother website that’s around that key word only.

343
Jay: What was the implication of that, or the impact that it had on you?

Scott: Well, the impact is that we found that 80% of our clients are coming from that one key word, not a bunch of other key words we thought they were coming from.

Jay: That’s a significant impact. But you wouldn’t have known it if you didn’t test and analyze.

Scott: Oh, exactly. And then we got another website just around that.

Jay: That’s great. Thanks Scott. Thanks.

Mike: On the Internet I’ve found that most of my people do find us through “Nevada Corporation.” I – because my product is so weird and strange, I’ve really had to do a lot of testing, and everything I’ve ever done is like 99% I got somehow from Jay. And the interesting thing about my product is when I came in ’94, honest to God, I thought – and I’ve said this to a lot of people, and then people have called me up on the phone.

Chet: You do?

Mike: Well, they always thought that – I thought that 95% of the stuff didn’t apply to me, and really, after the last seven years of going to Jay’s stuff, it’s like 95% does apply to me. So I would say that to all of you guys, because I’ve talked to different people, and you know, “Only a couple of these things apply.” And I say, you know, honest to God, if you guys keep looking at this and working with it, probably about 70 or 80% applies.

But testing – I tried a lot of ads that did not work. And just because of testing different mediums, and different ads, the one that actually has worked best was not long ago. Actually a wedding ad. I used to put in ads and spend $600-$2,000, and get three phone calls. And so I have spent more money on stuff that did not work, and the last ad that was just kind of a fluke was for the wedding market. And by doing a wedding ad to the wedding market with this strong offer I got 1350 leads. And it was just – the phones just went crazy. So testing the medium, I think, was one of the big things I got.

Chet: Beautiful.

Jay: Thanks, Mike. OK, I’m going to –

Chet: What are the variables for testing? Let’s figure out your variables for testing. What are some of the things you should be testing?

Jay: I’m going to go through a starting point, and then I want to challenge you. And again, I adore you all, but I am telling you this. I’m all about geometric growth.
Chet’s system notwithstanding – and I’m vividly impressed with what he’s teaching you. But come on, guys. Let’s look at your – let’s look at a couple things. Let’s look at every element …

**Chet:** You have to write bigger than that.

**Jay:** Well, they can’t read it if I write big. Can you read – you can’t see it, can you? Can you even see any of this? They’re going to – I’ll put it on the wall. We’ll type it up. I’m just doing this for myself. Every element and/or process…

**Chet:** Want me to write? I’ll write it for you.

**Jay:** You write… Every element…

**Chet:** He’s ___ he can’t write.

**Jay:** I can’t read my own writing. Every element or process in your revenue or selling or marketing system. And so first thing you’ve got to do is say, “OK. Let…” And you’ve got to look at every process, every element in the system. So let’s start and say, “OK, I sell.” First of all, how many ways do you sell? What’s the process used? If the first process is “we target people,” how do we target people? OK. “We contact them.” How do you contact them? “After we contact them, what do we do? We send them out stuff.” OK? When you send them out stuff, what is entailed? When they get the stuff, what happens then – again, I’m taking it hypothetically. You all have different ones. When you have – when they get the stuff, what happens afterwards? Is there a follow-up process? What does that entail? “Somebody calls them.” What do they say? Is there any control? After they call them, what is the objective, if it’s not an instant sale? What goes out afterwards? What system happens?

That’s one thing. Then go back to these elements, OK? First thing we said is we target data. What method do we target? What data do we use? You’re always asking the question, What other options and alternatives are available to me. If you don’t know it, you do some research. You can go on the Web and put the questions in and see what comes up. You can go and look at data and see what else is available. You can go outside your industry and see what other ways people have of sourcing data, of acquiring lists, what other lists or sources they have out there.

And with regard to the first contact, depending on how you make it, if you make it by phone do you test what you say? How you open the discussion…the proposition you make…the reason why you are calling…the benefits you introduce in the beginning for them to get interested in…the payoff or proposition that you are offering. Go back – the pain you’re trying to address…the quantified benefit or payoff or result that your product or service at work in their life will produce…what action you’re trying to get them to take now…what will happen next if it’s an action that you must take…the action you want them is to be excited about receiving it.
Remember the really neat – actually profoundly brilliant articulation that Mark gave about – is this Mark? What did you say? “You will love this. You’ll want to tell other people, so…” when you were talking about referrals?

Mark: __________

Jay: And they’ll want to tell everyone else…

Mark: And then we tell them that you will tell your friends. So we don’t ask them for a referral. We say, “You will tell your friends about this.” So the only thing that we tell them to do – the only thing left is make – when they call to subscribe, make sure they give your name. So we’re basically, it’s like a proactive, preemptive referral.

Jay: Great. And the analogy of that – which, referrals is one thing, but it’s to everything you do, there’s one way of positioning, or posturing, or predisposing the target client for either the call you’re going to make – the physical call – the package you’re going to send, the proposition you’re going to make, the quote you’re going to send, the proposal… and then there’s another one that’s not going to have the right impact. What goes along with it. And I may have made the analogy yesterday, but one of the most hilarious – I was talking to Chet about quotes, but I’ll tell you the equally, as embarrassing example. When you do a brochure and/or a proposal, most of them don’t have a sales letter accompanying it. All a brochure…all a catalogue sheet was ever designed to do was to be the summary, the amplification, the reiteration of the sales letter. You would never let – those of you who have sales people, you would never let a salesman or woman go into anyone’s office, and for example – is it John, the restaurant person? Is it John? Paul? Paul. You wouldn’t let – what’s your name? You wouldn’t let Eileen go into a prospective corporation trying to extol the virtues of your restaurant and just throw the menu onto an executive’s desk and go, - would you?

OK, well that’s what you guys accomplish – not you, everyone – when you send a brochure out without anything really embellishing it. It always needs – and if you’ve never tested this, you’ve got to test which ones work best. It always needs a sales letter to advocate, to make the case, to state the reasons why, to call their attention to benefits that are advocated in the brochure. The brochure you test, because the brochure may be feature-oriented, not benefit-oriented. It may not have a headline. It may have the wrong headline. Remember, I told you the headline is the ad for the ad.

And I don’t remember if I told it now, or if it’s just in all the stuff I’ve ever sent you, but the headline is the ad for the ad…or the equivalent. It’s the first phrase that is uttered when you talk with anyone in person or on the phone, when they come to you, when you go to them. It’s the first letter – excuse me, the first sentence or paragraph in the sale – in the mailing piece that you send.

Chet: Speaking of specific lists – I’ve tried to take these down, but you’re going too fast.
Jay: Well, I’m just trying – I have not codified this, so you’ve got to – I’ll give you the whole data dump, and then we’ll try to - maybe Chet can organize it and we’ll type it up, and…

Chet: That’s what I’m trying to do.

Jay: OK. So you’re testing all the processes macro. First of all, you’re figuring out what all the processes are that combine. And I told the example of the radio stations. We realize that the first thing is targeting who they’re going after, categorically and for different purposes. The second is how they make contact. The third is what they say – in other words, how you make contact be it a call, a letter, or whatever. What you say is the proposal, the proposition, the positioning. What you’re trying to accomplish is the offer. The components in bringing them to closure may be a single sale, may be a combination of follow-up, what a company’s – the proposal that you come. What do you do afterwards, once you get them on board or get them interested? How do you then – what are the factors you can test to get them to buy more, or to commit for a longer, or a perpetual period of time? How do you address different kinds of markets? And just the – and that’s basically more of the – is that horizontal? That’s the horizontal view.

The vertical view is the headline – the – and again, as it applies to you. If you don’t use ads and sales letters, you don’t have to turn your mind off. You talk about, in you, how your server approaches them; what he or she says; how they describe and romance and dimensionalize the offering; how they introduce potential add-ons, or lines, or recommendations; how they engage to bond for the re-visit. But all of those are elements you test as they apply to what you’re doing. You test, really, how they see you by getting dialogues with them if you can, because you want to know what they think of you. You want to know what your image is. You want to know what the brand really is in their mind.

Chet: I wrote (which is a great digestive enzyme for that) – if you work with your staff, or with yourself even, to – Jay said your process – test your process, and you create the structure of your customer acquisition…what is the structure of your customer acquisition? That’s going to dictate to you the variables to test.

Jay: And also, it’s probably just a subset of all this, but you want to see what I call “the critical mass and velocity in motion.” That right now, without adding or implementing one thing you’ve learned from me, because you’ve got a million things you’ve learned that you haven’t implemented already, so it’s OK. No disrespect intended. You’ve got all the things you’ve learned from Chet. Forget about that for this purpose today, and just say, “What’s going on right now? Who’s coming in? Who’s calling? What salespeople are going out? What are they doing?” And you try to get your hands around what they’re doing. And then you also want to test something else. You want to do – that’s testing different suppositions, but you want to also identify the Pareto Principles that apply too, so that you can test…

Chet: Oooh! That’s a good one.
Jay: …you want to figure how many different – I mean, if you run the same ad in 20 publications, and in one publication it generates 20 times the yield for 1/10\textsuperscript{th} the cost, you want to know about what variables are at work there, whether it’s a segment of a market…whether it’s a positioning… You want to know what dynamics are impacting that. You want to test if you’ve got –

I mean, I’ve talked about it yesterday, but in Deming 101 it’s real simple. Deming says that any time there are repetitive people or processes being performed by multiple functionaries, whether they’re manual pieces of equipment, or whether they’re individuals, because one equipment operator can be much more precise than another. And if you compare the performance in different categories of distinction amongst different people or different functionaries performing a process you will see this enormous, (and my hands won’t go any higher) broad band of variance or variation. The top performer in that designation is up here. The bottom performer is here, and it’s going to be, if you have a hundred of them like that, with the Pareto Principle the top 20% are going to be doing like three or four times as well.

Well the first thing you want to do is you want to know who and what those performers are in each process, like I said yesterday (and that was clear enough. I don’t have to go through it again, do I?) And then you’ve gotta figure out what in the hell they do, they say, their system, their unconscious or conscious expert system is, and how and why it works – not just linear and superficial, what they say…but the basis, the context. Remember we talked about context yesterday? Yes? You remember? The basis – I told you about Claude Hopkins, that it was one thing to see the data dump of his principle…it was another thing to experience the life he had lived and all the activities, and experiments, and trials and tribulations he had gone through to summarize and conclude these philosophies that he extolled. But it was even another thing in a more global sense to see who he worked for, and what was going on in that whole bigger picture, and how he functioned so he had a better appreciation for all the factors that prevailed. And I gave you a great, comprehensive understanding.

But as you’re testing all these other assumptions – and then you want to test observed variations or alternatives from the outside. Keep in mind, if your goal is to target a database, you’ve got a linear…you’ve got an intuitive…you’ve got a singular form that you’re going to probably default to doing, which is the combination of whatever you think, whatever you’ve learned, and whatever you’ve observed in the past. If you take that category, and just say, data targeting – you might even just do…use the Internet to your advantage. You might do a search and find 25,000 other ways to target an audience. You might do a search and find 25,000 other ways to target an audience. Well, you want to find the best ones and decide, “Here’s the three best ones that seem to make sense for me, and seem to be recurrently being advocated by people who seem to have authority and respect. Let me try those.”

You may think of lead generating in the context of your limited…and I don’t mean to put you down, but most of you do have limited experience in one or two fields, doing it yourself and observing it for 10 or 15 years. Since there are something like
7,000 industries out there, and they’ve basically got 6,000 different ways of doing things of which 595 are different than you would even understand, it’s nice to know that there are alternative ways to target…to generate a lead…to ask for a referral…to – I mean, we did those things.

Anybody here members of the Ultimate Live Research Laboratory? I won’t address the frustrations of that, because so few people did much with it. But we took every concept and we developed 50-150 variations of each one. Well, you’ve got all these different variations and you want to try at least the top three or four, and if those work then you want to compare those and that becomes…

Wherever you are now, even if it’s terrible, that’s your control process, because that’s all you’ve got. It’s performing X. Then you want to try another approach against it, or three or four other approaches against it to see if any of those will outperform. And you’ve got to also be mindful…and the gentleman here, or the woman, whoever was at the mike, made an incredible point about lowering price. You’ve got to make sure that you’re playing the right strategic game. You might raise price and make more short-term money, but bring far less people in the door and long term, over forever, thinking in terms of marginal net worth or lifetime value, or the total compound residual value of all the cumulative transactions, and upsells, and repurchases that person or that organization could be worth to you. You may be dramatically lessening the residual value. So you’ve got to think in terms of that when you’re testing too, because you may be sacrificing millions of dollars of residual income to make a few more dollars right now, this moment, or this year. And you’ve got to think in terms of the strategical. Is that enough to start with?

Chet: Yes.

Jay: I want to go deeper, but why don’t you start with that.

Chet: Because a lot of times the pricing, and the offer, and the structure is all things that you developed out of your gut instinct. Myself as a fellow entrepreneur – that’s how I developed all my things. And then, like I said, I had one sales guy come in and say, “Hey, if I can sell this for $500 more…” and it just rocked our whole world.

So – yes? Hey, Jim.

Jim: When he does the testing, I go, “Yeah, yeah, yeah, yeah. I can get it conceptually, but making it beta is the difficulty. Now I can go from the simplistic of “Let’s try $49.95 vs. $69.95…” I guess what I’m looking for is a strategy to go from starting point to deeper into the sophistication. I mean, he obviously…

Chet: I’ll give it to you. I’ll give it to you.

Jim: OK. Great.
Chet: I wrote it up there, actually. Design the structure of your current sales process to get customers. What is the current process? Remember, that’s a workshop that we’re doing anyway, and then when you have those bullets listed of what that structure is, every one of those bullets is a variable that you can test. Does that make it easy? Right? That just lays it right out. Boom – there you go.

So, what is the structure of your current sales thing? So we get the customers. We use direct mail. We use this, we use that, we use this. We have our approaches that we use. So you look at the structure scientifically, and then within those bullets are 40 variables that you can test, and make that another workshop that you do with your crew. And you come up with bizarre answers. Like I said, the receptionist can go, “Well I don’t know. I just think if we did this…” And you look at her, and you go, “Oh my God! That’s the perfect thing for us to do!” So you never know where the great ideas are going to come from, which means you need to get everybody involved. Yes, Jim.

Jim: Would it be possible for you to give us, like a printed example of just taking that apart and stepping it out?

Chet: Ah…yeah.

Participant 7: With one of your companies.

Chet: Yeah, I could…OK. I don’t know if I’m going to get all that homework done with all of the other work I have to do, but that’s actually a good exercise if I can get to it. This gives you a bunch of variables, too. Headlines, offers, promotional materials, you know – all you want, but do not change the overall theme slogan – OK, that’s another message that I’m about to get to.

OK. So…testing the scenario. That’s a great idea, actually, and it should be in the curriculum, Jim. OK, so top of mind – this is the ultimate goal of marketing. Yes?

Participant 8: Quick question – as a practical matter that some of the people may encounter too, after that guy asked you, would you give him half of the increment of the sale?

Chet: Yeah.

Participant 8: And then you got $4,000 – what did you do? How did you handle that?

Chet: Ah…I negotiated it down immediately, actually.

So, this is the ultimate goal of marketing, meaning that if somebody says…if I’m a plastic surgeon and I want to be on the Web, I want to go with David Dean’s company. If I am an optician and I need to buy lenses, you would love it that you go to the average optician and say, “Name a lens company,” and yours would be what’s called “top of
mind.” That’s the ultimate goal of marketing. You want your company, if you’re in the
doctor or temporary placement business, to say “Name a company that does locum-____,
what do you call that?” And the person says – Bingo – you’re company just comes to the
top of their mind.

So that’s the ultimate goal of marketing. You want to be at the top of people’s
mind. (chatter) So for me – and you can just call this out – name a baby shampoo.

Participants: Johnson & Johnson

Chet: Name an American car company.

Participants: Ford.

Chet: OK. Name a cola company.

Participants: Coke.

Participant 9: Pepsi.

Chet: OK, we’ve got one bad apple in the crew. Johnson & Johnson, Ford, Coca
Cola. Those are top of mind, you know, nine out of ten times. You will get the others.
Chrysler, GM – the reason why you get Ford – this is a very important lesson – more than
any other kind, is because these have different brand names. Like GM is not an actual
name for a car. It’s always the Ford Taurus. It’s always the Ford Tempo. It’s always the
Ford Mustang. You understand? GM – they have Cadillac, and then that has all the
Cadillacs. And then they have Chevrolet, and then they have all the Chevrolets. So
they’re not actually – they don’t come to top of mind as much as Ford does. And Coke
just has a longer period of time than Pepsi, so they get to top of mind.

Now, what’s amazing about this is that this is one of those panels that’s $400,000,
right here, OK? The company went out and they went to – they looked at over a half a
million companies…? No, I think it was, they spent a half a million dollars looking at
companies in their market that all had top-of-mind awareness. Who were the top-of-mind
awareness companies? And they found out (this is pre-Internet, by the way, like six years
ago) that since the studies reveal that you must use these six marketing weapons if you
want top of mind awareness. These are what I call “The Six Musts of Marketing.”

OK, so here they are. You must have personal contact, some form of personal
contact. Now again, the Web came around and messed this up, because there’s people
making millions of dollars selling weight loss programs on the Web with no personal
contact, OK? But for most of you, this is a critical element. You must have personal
contact.

You must have literature, company literature. Brochures, promo pieces,
anything that promotes the company with literature. Now this is not – again, this is based
on companies who have top of mind, that you must have **some form of public relations**. So I’m going to cover that. We’re going to build you your PR program here today, on whatever budget it is that you have to work with. I showed you how you could have a Hollywood premier in your town, and it wouldn’t cost you not one penny out of your pocket. So it can be done for anybody.

You must have **education of customers**. That could be trade shows. That could be seminars. That could be orientations that you give. It could be part of your literature. It could be part of your PR effort. But part of your effort is to educate your customers about the buying criteria.

You must have **advertising**. And again, that’s what Jay calls, very wisely, the “long-range bombing.” You know, it’s just something that’s in front of them all the time, so that when your person calls they go, “Oh, yeah, I heard of you.” And again, it may or may not be practical for you, depending upon who you are. There may be smarter ways for you to spend your money, OK?

**Direct mail** is another of the – just core marketing weapons. But what’s interesting about this is that most companies – it says “stacked marketing.” So when I presented for Carl Reichardt, the Chairman of Wells Fargo Bank, I pointed out to him that his advertising had one message, the company literature had a totally different message. The marketing education in their case was non-existent. Direct mail was done by a completely different department that was saying something totally different again. The public relations had a different message, and personal contact – they said what they wanted to. And none of these guys were talking to each other. That’s a large company.

You’re a small company, and I would wager to bet that all of these things have different messages, different looks, different images. You know, you exercise your creativity in each one of these things you can deliver. And so what happens is, at the top, where I’m in the customer getting this message, I’m getting conflicting and varying messages. You understand? It’s like – and it’d be way easier for you, and you’d be way more successful if these building blocks were building on each other with a consistent theme or slogan like, “Pizza delivered in 30 minutes or it’s free.” Or like “The nighttime-achy-stuffy head-fever-so you can rest-medicine.”

So what this is telling you is that the most important thing about your marketing is that there’s a consistent look to it, that everything looks similar. There’s a design element to it. You may have that knocked.

There should be a consistent theme, and that theme should set up a buying criteria, and that’s how you develop an image in the customer’s mind. How many people can picture that Ford logo? Who can’t – anybody? That’s what you want from your customers, and if you want to become this big, successful company, then that’s one of the core elements that you’ve got to have. All right?
PEQ Program
August 2-5, 2001
Part 12 – Piggyback, Parties, PR
Chet Holmes

So let me ask you, which one of these do you think is the most potent? If I’m your customer, which one of these deployed at me is going to have the maximum impact?

Participants: Personal contact.

Chet: Boy, you guys upstaged me completely on that one. Most potent form of marketing, right? Because Jay and I can advertise to you. You can read about our stuff. But now, I am standing in front of you. If you’re sitting with that customer, that is your most potent form of marketing - or I am on the telephone with you. None of your marketing efforts will have as much impact on your customer as your contact with salespeople or customer service. So that’s your maximum opportunity, and that means you need to be maximizing on that.

So that brings us to that whole superstar thing. That means you need great people. And at the very least you need them highly trained. And I’m going to get into that – that’s next. And so how do you create those great people? We’re back to this again: repetition is the mother of skill. Another form of personal contact is…

So let’s go over some of these. This is education of customers. There’s various ways. There’s free seminars. That, everybody should offer – a free orientation, I call it. If you call it a presentation, it sounds like you want to sell me something. If you call it an orientation, it sounds like you want to educate me. So you never give presentations, you give…?

Participants: Orientations.

Chet: Thank you. So, free orientations, or free seminars…free consultations – that’s a form of education. Free estimates? Change that word. You don’t have estimates. You have consultations. You give consultations.

Specialized education, from different ways to do it. Trade shows where applicable…that’s another great form of education where you can meet with hundreds of customers. All these efforts should constantly mirror your ultimate strategic position. That’s why you need that corporate story, because that corporate story will flow out to all these other marketing weapons.

So let’s go to public relations. And I’m going to come back because I’ve got a section on writing headlines that’s just so killer that I don’t want you guys writing headlines twice.

Create media events and press opportunities…Jim brought up the Sony Pictures thing – a benefit for charity can get you enormous publicity, and you can write off the cost first. Meaning that you can create – we created an awards ceremony. Now this wasn’t for charity, but I’ll give you a great idea. We created an awards ceremony. We created an association, and we created an award ceremony to award the stars of the association. We charged our clients to belong to the association. We didn’t even care if
we made money on it. We just didn’t want to fund it ourselves. But we had value as an association, then we brought them to the awards ceremony and gave them awards…it was so wonderful to see all your clients in tuxedos winning awards for “Best Run Hotel” or if you look at your various businesses – well, you should think that one through.

**Jay:** Chet, I’m sorry – only when I think there’s a real critical point.

**Chet:** Please.

**Jay:** I think from a strategic standpoint, before you get into the tactical elements you should go to the big vision of why every company should strategically be committed to having a public presence, and why that’s only going to help enhance everything else, if you don’t mind.

**Chet:** Yeah, it’s one of the “Six Musts of Marketing.” It’s one of the six musts of marketing. That’s what – I am actually going to go through many of the other different ways –

**Jay:** I’m just saying you should grasp the fact that rather than just think, “I need PR,” you should think…you either push, or you pull. You either push or you pull. If you are everywhere…if you are ingrained in the community, or in the industry…if you are seen beyond all the generic competitors because of the distinction…because of the using your phrase, “celebrity status”…because of the posture…because of the presence…because of the proprietary position…because of the articles about you, or that you article, and all the other things he’ll talk about – the combined effect is dimensionalizing, is preempting, is establishing a really distinctive differentiation of your business against every other generic competitor out there, don’t you think?

**Chet:** Yeah, and remember, one of the strategic objectives I put up there was “most popular”? Public relations is your way for the popularity.

And I mentioned that we were going to talk about how you throw a party… We do these trade shows, (and this is when I ran the magazines) and at the first time I ever threw a party at a trade show it was in Toronto – the guy from Toronto just left the room. And we went to the needle – the top of that thing in Toronto, and they had a disco up there. It was a dance club. And so I went to the dance club and I said, - now see, a lesser strategic person would have gone to the dance club and said, “How much…to throw a party here, how much will you charge me per head for the people that I want to bring if I want to throw a party here?” A more strategic person goes, “What will you do to get me to bring 300 people here?” “Well, we’ll waive the door charge.” Right there, $20 a head to go to this fancy club – “We’ll waive the door charge, and we’ll give you a certain price per person that they want to pay. So all I had to do, in order to throw a party that looked like we were just the coolest thing in the world, was I went to – you always go to a club in the town or the city where you’re throwing this. And I would go to the club and I would say, “I’m going to bring 2- or 300 people who are really in the mood to party who would drink like crazy here, and I’m going to pick up the bar tab. What will you do for
And so they will typically negotiate a price per drink, and then they give me tickets. So I give the tickets to my clients and they use the tickets to get the drinks, and the drinks are free. And at the end of the night they count up all the tickets, and I pay $3 a ticket, or $4 a ticket, or $5 a ticket – whatever the negotiated fee is. So you bring 200 people, the average guy is two or three drinks – it was $2,000 to throw a party, and it looked like we spent $20,000. It was awesome. We dominate the club when we go in

So I did these in every city in America and abroad, and my clients – well, the first time we threw one (so this is really key) I deployed my salespeople, and I gave them each the invitation. And they looked really cool, and we used graphics, and they looked like fun, sexy thing. And we’d try to have themes to sell them – a Hawaiian theme, or whatever the case may be. And then we’d bring little things that made it look like a Hawaiian theme. And we gave these out, and we told everybody – we’d walk up to the first person and we’d go, “How’d you like to go to the best party at this trade show? I’ve only got a few of these left, but everybody here is going to be there.” “Oh, great! Great! Where is it?” “Well, we’ve got the whole – we rented the whole top of the needle, blah, blah blah…” (We didn’t rent anything, right? And we’ve got that whole club up there. They’ve set up a special bar for us. They did that for nothing, right?)

And so I give this invitation to Eileen. So she starts talking to a person in her booth, and goes, “Yeah, I got an invitation to the hottest party.” Now if I walked away from her and dropped dead of a heart attack, she’d be the only person showing up at that party. But that’s what happened is, everyone of my…in this case I had five of the best salespeople you’ve ever met in your life and you’re going to know why in a little… (Because I’m going to show you exactly how to recruit them, and how to train them.) And they went out and every one of them said, “How’d you like to go to the hottest party at this event?” And so within four hours, the buzz was all over the trade show floor, and that night it was like a huge line of people trying to get in the party. And the first one I threw, one of the companies there – Kodak – had some TV stars there from L.A. Law (because this was for the legal market.) So I had these TV stars there from L.A. Law, which was the hottest show in America at that time, and I had the hottest party. So where do you think they want to go? And of course, they want to know who’s the host of the party, which was me, so I’m sitting at a table with television stars… And this was like, I just took over this magazine, and it was like - Boom! The next day I was the most popular guy in the whole thing. So remember I said, strategic objective – most popular.

So put on public relations. Probably better than half of you here could throw some kind of a charity event that would dramatically elevate your status among your potential buyers. Some kind of a – for every town where you have an office, you put on a big charity event. You charge $100 a head for the charity…it costs you $50 to get them there. You keep that money, and you give the other $50 to charity. It’s done every day by companies all across America. They don’t put up the money to put on those events. The people who pay to come to the event...

But you know what the key is to making one of those events successful? It’d better be fun. It’s got to be sexy. It’s got to be exciting. Make it something people really
want to go to. Make it fun. And so that’s why we did dance clubs – music blasting, people dancing, people drinking, five of the best salespeople you’ve ever seen in your life making sure nobody’s bored, bonding like crazy, getting drunk with clients - and selling the heck out of our magazine. It was awesome, an awesome experience.

So create media events and press opportunities. Look for anything you can put on that’s going to elevate your status among your Dream 100. If you go to trade shows – I just gave you…that’s the way. You throw the hottest party at a trade show. Just pick up the bar tab. You negotiate with a cool club that nobody can get into so that you can say it’s the coolest club in the city, and every city in America I’ve done this at – Limelight in New York…I can’t remember the names of half these places anymore, but it was The Place to go to. It was the one thing everybody wanted to go to, and you’d stand in line for an hour…our guys went right to the head of the line. That was the other thing. You want to negotiate with the guy, saying, “None of my people wait in line.” He says, “No, of course not!” So they come up with their invitation, and they can go right in.

And then the other thing you want, just to warn you – you want to say to people, “Listen…” when you give them the tickets say, “Listen, I paid for these, so don’t start handing them out to every pretty girl you see at the place.” Because you know, “Coupons! Here, free! Want some?” They start giving them away to other people, and the next thing you know I’m picking up the bar tab for the whole dance club! So we learned early on to tell our clients, “Look, we paid for these, so please don’t just go giving them out. I’m happy to give you all you want, but don’t go giving them all away.”

Awards ceremonies, sporting events, outings, parties, charity efforts…salespeople need to involve the clients in these. So if you have salespeople, this is their greatest opportunity for a superior access vehicle. See how all this starts to work together? This is your superior access vehicle. This gives you, Eileen, the excuse to call the mayor…to call the heads of the Chamber of Commerce…to call the CEOs of the largest companies. “Hi, we’re with such-and-such. We’re putting on a massive charity ball for the Make-A-Wish Foundation…for American Cancer Society.” Dr. Jean, you’ve got it built in. You’re putting on a charity event for your own self, for the Institute of whatever you’re calling it.

So it’s a terrific way to get huge exposure, and then you send press releases to the newspapers, and to the TV, and if you can find some angle - they’ll come down and cover it. Especially if it’s a slow night they’ll send cameras down, and there you’ll be on camera being interviewed in your town or city, or whatever, because you put on this big event. So think about that one. How can you do that? How can you do that? As credibility and bonding opportunities, they’re enormous. At those kinds of events, it’s just a tremendous opportunity.

So Neil, you go to trade shows?

Neil: Yes.
Chet: So this is applicable for you, right? Get all those opticians. You want to be the most popular?

Neil: Opticians.

Chet: Opticians – you want those guys running up to you at every trade show, going, “Where’s the party at this time, Neil? Because you throw the best parties.” You want them coming to you. You could definitely, Adrian, definitely…some kind of a charity event, and get the clients that you have now, all those players, involved. Man, you can have a helluva event. See what they want to donate. See what they want to give to the charity to make the event…because then you get people to donate the things that are raffled off. You know, who’s been to charity events? You know what I’m talking about. I go to one for my kids’ school every year, and they give away trips to Europe that they got people to donate. They give away two weeks’ stay at a house in Hawaii that somebody else donated. Because once it’s a charity you can get people to donate all kinds of things. And now you’ve got a really sexy event that people want to come to. It’s gotta have things people want to come to. Totally applicable for you – for you guys – totally applicable. You should throw some kind of big annual shindig that you get known for that donates money to some cause that – you know, heart disease. It’s right up your alley. It’s perfect.

And again, that’s when you invite the mayor. You invite the congressman, if he lives in your district. You invite…you know what I’m saying? That’s where you get this high visibility exposure you never would have otherwise gotten. And again, if you’re industry-specific like you guys are in Atlanta and you want to hone that market, put on a big charity event. Get the doctors to come. Get the hospital administrators to come. Get the… you know. But make it something they want to go to. Something they can’t buy for $100, even though it only costs you $38 to put it on. Because you can go to a restaurant and say, “We’re putting on a charity event. Will you give us your food at cost? It’s going to be - the mayor is going to be here, the… would you do that? Would you let us throw a big charity event if I was going to bring the CEOs of the biggest companies in the area? If I was going to bring the hospital administrators, all the big…” – you understand? Yes, Jim?

Jim: I designed a CEO breakfast having the Chamber of Commerce host it, and went to the Marriott for the breakfast, and the Marriott gave us the full breakfast just for the opportunity to have all the CEOs in town come to their facility, and I let the Marriott general manager do the introduction and give a little feature benefit presentation of the facility.

Chet: So how many people would like to do that and have it cost you nothing? OK, so that’s the point. If you’re thinking… you don’t have to spend money. You’ve just got to think, what are the smarter, better ways for you to do this, and how much can you optimize – right? Core Jay concept. Write articles, be featured or contribute as an
expert… I mean, these sound obvious, but boy, the mileage you can get from one great article can be amazing.

**Jay:** Chet?

**Chet:** Yes.

**Jay:** Realize this: You don’t have to write it yourself to have it bylined by you. You can go out and get all kinds of college master PhD students to do it for you. You can go out and get any kind of a person to write…

**Chet:** Find ‘em right on the Web.

**Jay:** You go on the Web and put a category in, and you can probably find 5,000 people who will write it either for you as a ghost, or who will share a byline with you and give you status. So just use your creativity.

**Chet:** OK. So you start to see how if you’re really thinking and you’re working on your business, and you’re adding all these elements, it could have a huge, huge impact on the ultimate result that you’re going to get. Reprinted articles are powerful tools… Oh, it’s funny, because somebody asked me last night, “Well, how did you and Jay meet?” And I said, “Well, actually, Jay was the hardest prospect I ever went after. It took me three months to get an appointment with Tony Robbins. It took me three months to get an appointment with the CEO of Dean Whitter. It took me one, two phone calls to get the CEO/Chairman of Wells Fargo Bank. It took me two years to get a meeting with Jay.

Another person – I forget who I was talking to (forgive me, because I talk to so many people) said, “Well how often was that?” And I said, “It was about every week. Once a week, twice a week, and when I had time, three or four times a week.” I was in his face…in his face…on his case…in his face, every single way. And then *Success Magazine* did a story on me. How many people have seen that? It says, “Karate Master Chet Holmes Breaks Sales Records Wherever He Goes.” And it has me in a suit throwing a kick, like a six-foot-high kick. Sent that to him, and that finally got me the meeting which has been worth millions and millions of dollars we made.

**Jay:** A point – half of the PR you get may or not produce an instant effect from the media itself.

**Chet:** I didn’t get a single call from that stupid article.

**Jay:** I’ve had – no, I’ve been featured – OK, I was listed as one of the five top executive business coaches in the country from *Forbes*. I was listed as the – under a category saying who was the real thing. I was the only one of all five of them that was listed as being able to turn an under-performing corporation into a sales and marketing wiz, and nobody called. But, if you send a copy of that article to somebody, it is
exceedingly credible. If you send an article that was on the front page of *Investor Business Daily* saying that I know how to get maximum results for minimum efforts, it’s very credible. So you have a dual use. You have the cumulative…

**Chet:** Way more than dual. I’m going to actually lay like ten different ways to use that. But that’s a great example. That article got me my first meeting with Jay, was the first – it gave me enough social proof that he was like, “OK, well let’s take a look at this guy that’s been in my face for two years. We know he’s got fortitude.” And…

**Participant:** Are you sorry you waited two years?

**Chet:** Are you sorry you waited two years? I’ve been making him money ever since, you know.

**Jay:** No, we’ve had an interesting relationship, but I’m sorrowful that I didn’t use his technology better to help propel – we basically started out just selling his stuff without realizing that it represented an interesting connective mode to help drive people to greater performance.

**Chet:** OK, so…

**Participant 10:** Chet, if you can get written up in an article, even in a small publication _______ that you’re an expert in the field. Isn’t there a way?

**Chet:** Yeah, actually, that’s a good question. That’s really drilling down, and that’s important here. It’s not that difficult. She asked how you get written up in an article, and you just have to have a story – and by the way, your research that you so wisely realized that you have to do. That’ll give you stories. When you’ve got a thing that says the five most dangerous trends. Within that there’s all kinds of potential for articles. And then you go after the trade journals, and you just say, “Hey, you know, I have a story…” And I’ve been featured in 55 different publications, half of them as the writer of the article, and the other half them writing about me. But the writer of the article was actually pretty easy. You just go after the editor if you have a good story angle, say, “Hi, I’m a writer, and I’m also an expert in this particular area. And I have something that I’d like to do a story query.” And the editor said, “Great, here’s my procedure for story query.” And they give you their procedure. “E-mail me at this address. Let me know – it has to be this.” They want it double spaced. They want it lined. They want a paragraph. They want a leader. They want a …you know.

And so if you want to be the writer of the article, that’s actually easier than getting featured. Being featured, again, you’ve got to have a great hook. And you should have somebody else call. It’s a lot easier.

I had (this is terrible, I must say) I had my secretary call a newspaper when I got the Warner Brothers deal and just say, “You know, my boss got this…” And she didn’t want to do it, and she was all uncomfortable with it. But I don’t want to hire a public
relations person for that, but I got a two-page feature story in the San Francisco Chronicle. Killer! It was great pictures of me at my baby grand piano at home, and you know…”Hollywood Dream Come True” or something, and it’s a two-page, elaborate article about my movie deal. And they interviewed Warner Brothers, and they – you know. And I got that by having my secretary call and say…

So it’s better if you’re not the one calling if you’re the one that wants to get featured. But even so, I heard a statistic that 85% of all news is placed. All the news that we see is placed by someone like you who called up and said, “Hey, I have a great idea.” Or some PR person saying, “Hey, I have a great idea.” 85%. Only 15% is some sharp reporter going, “Let me look for a story.” The other 85% is “Let me pick a story.” So you want to be one of those ones that they get to pick. That’s a very good question. I’m glad you asked that. Yes Tony?

Tony: I love this topic of PR. I’ve had a great, great history of success with that in my landscape company. I’ve had just over 100 articles written about me in the local press.

Chet: You’ve got me and Jay beat.

Tony: And that – but that was really from volunteer work in the community.

Chet: Ah!

Tony: I started – or went to work with a local organization called “A Clean Community Commission.” And that kind of matches with the background. And I still – I help them write grants, and get state and federal money to plant trees, and things like this. So it was really fun stuff.

But then when I got the opportunity to work on Super Lawn Trucks it was because of PR. I was about to be featured in one of the national trade journals and I knew that this truck system I had was really unique, and I had this patent application in and all this stuff. So I just knew it was the time to take advantage of the opportunity. And basically, at an association seminar, and had made comments that an editor of the magazine really liked. And he came up to me afterwards, and he said, “Hey you obviously either know what you’re talking about. I’d like to come down to Georgia and do a feature story on you.”

Chet: Beautiful

Tony: So then I kind of propelled that opportunity. I said, “This is a one-shot deal. Let’s have all this in line.” It takes awhile to get in the national journals, because you get months in preparation.

Chet: Yeah, that’s great. Thank you.
Jay: Why don’t we, for a minute – Richard, are you here? Richard Spring? Why don’t you go to the mike and do a little, like a five-minute…

Chet: Richard Spring, how are you doing?

Jay: Richard was a Vice President of what? Rudder and Finn?

Richard: Rudder and Finn.

Jay: So he’s got a bit of a perspective on it, because he worked for one of the largest PR firms in the country, so he might be able to give a quick – do you want to give a little…

Chet: Let’s get an expert.

Jay: Like a global and a strategic, and just sort of a quick, five-minute overview so you can help everybody grasp…

Chet: Can you get him a mike? You want to come up here? Why don’t you come up here?

Richard: I’ll do that.

Jay: How are you doing, Bud?

Richard: I’m well.

Chet: Long time no see.

Jay: You don’t mind, do you Richard?

Richard: I’m prepared for this.

Chet: That’s a good PR guy, isn’t it?

Richard: I really appreciate the opportunity to be blind-sided. Thank you very much.

Jay: Spontaneity is the joy of life. Go ahead.

Richard: OK, spontaneity…is this on? Can you hear this? I don’t know where to start.

Chet: PR.
Richard: My PR experience began in New York City about 25 years ago. And I had some really interesting experiences, and if I could think of one right now, that would be even better. What I’d really prefer to do – frankly I’m a little bit embarrassed, because I was completely unprepared for this.

Chet: Of course. *** Relax.

Richard: And you’ll excuse that I don’t want to be this spontaneous. And if I could come back in an hour, or a half an hour after a break…

Jay: Why don’t you – I’ll make it easier. Let me ask you some questions and just respond.

Chet: There you go. I like that.

Jay: That’ll be…

Chet: I got the first question.

Jay: Go ahead.

Chet: What’s the best way to get PR for a company?

Richard: It’s not one way.

Chet: OK. Name some ways.

Jay: OK, why PR? Let’s try that. Why should somebody really have a PR…?

Richard: Well, I think Chet made a great point. You can get all the publicity you want – and Jay did too. You can get all the publicity you want. If you rely on that publicity to drive your business, you’d better be really good at creating what we call “running stories.” A one-time story is like a blip on the screen. Nobody sees it. The public’s memory is really short. You can have a headline story on a front page, and the effect of it on your business will last about ten seconds. If it’s a running story, you can get great benefit. You can also get the opposite of great benefit. If your name’s in the paper all the time and it’s connected to something that’s not beneficial to your business, the public will remember that a lot more than they’re going to remember the good things.

It’s also harder to keep a good story in front of the public, because the reporter – he doesn’t want to report a good story. He wants to report a scandal. He wants to find out what’s wrong, not what’s right. Good news is not – doesn’t sell papers. Bad news sells papers. The financial press waited and waited and waited and waited for that Internet bubble to burst, and boy, those reporters are having a great time reporting on how everybody failed.
Why? They don’t make any money. They work deep in the bowels of a publication, even at the largest publication it’s not – it’s a great place to work if you love to write, if that’s your career and that’s your profession. It’s not such a great environment necessarily, to work in. They don’t make a lot of money, except – I mean, you see Dan Rather on TV. He’s worth $5 million a year, but for every Dan Rather there’s 8,000 local news reporters and stringers who make $30-, $40-, maybe $50,000 a year, and they get their psychic benefit out of finding out what’s wrong, not what’s right. Their careers are made on their ability to investigate and uncover, not on their ability to aggrandize and create benefit for you.

Jay: So what’s the implication?

Richard: The implication really is that if you were going to go design a PR campaign, first of all, it’s not a short-term effort. It’s a long-term effort. You want to position yourself every time somebody asks you a question in the press to have the same answer. You’ll get bored with what you’re telling the media a long time before the media will get bored. You can repeat the same thing over and over again for years. Jay’s done it, in many respects. The Three Ways To Grow a Business – every interview he’s ever done: The Three Ways To Grow a Business. He’s been doing it for 20 years. He’s been interviewed dozens of times in hundreds of places. The Three Ways To Grow a Business.

It’s the same as your USP – don’t change it because you’re tired of it. It's the same as the headlines on your ads. Don’t change them because you’re tired of them. I’ve had clients, Jay’s had clients who have left so much money on the table because they got tired of their message long before the public did.

So you have to kind of take a step back from your business. You can take all of the things that Chet was talking about. We had a sign that – I was also in PR at J. Walter Thompson, and one of my colleagues had a poster on the wall, “How To Get Publicity.” And there were 25 items: hold a parade; sponsor a charity event; get an article in the paper… and it went on and on. But those are just kind of bullets. You’ve got to put substance behind them. What kind of an event, as Chet was talking about. What kind of article do you want to have written? How can you help the reporter develop the article? It’s not going to be all about you. If it is, the perceived value of it isn’t even as great as you – we had so many clients say, “Well, how come they interviewed my competitor?” And in fact, sometimes a competitor’s name’s higher in the article that yours. Well, you can’t do anything about that on the one hand. But also, because your competitor has been quoted, it gives what’s said in that article a lot of credibility. And if your competitor gets a little benefit from it – well so what?

Jay: But your construction or strategy to secure – let’s talk about a press release or about the dynamic of getting through the clutter and getting the attention of either an editor who will pass it to a writer, or a writer –

Richard: OK, there’s a difference here (and it’s not subtle) between writing a letter to an editor to get an idea pitched and get a story done - and writing a direct mail
The one thing they have in common is the headline. Guy sitting there, he’s the gatekeeper, the editor – the articles editor…the business editor…the food editor…the editor responsible for charity - whatever story in the paper. You think you’ve got the greatest idea in the world, and you write this elaborate four-page, six-page, eight-page explanatory document about what’s going on, what you’re doing.

Think about that editor sitting here – you know, there’s a few papers on this. You ever see the desk of a reporter at a newspaper? A pile this high, they’ve got another pile over here… I mean, I’ll never forget seeing pictures, I think, of Morley Safer’s office at CBS 60 Minutes. He didn’t have a place in his office where you could sit down. Because there were piles everywhere – papers, videotapes, requests for…

So, you’ve got to get their attention, and you’ve got to get it in the first – in the headline. Sometimes the headline’s above, as it would be in the sales letter. Sometimes the headline is really better if it’s the first paragraph of the letter, because a reporter will look at a headline differently. If it’s in the form of a news release, they want to see the headline above the caption.

And there are formalized ways to create a news release, and you should learn how. You should have a standard way that your news releases reach the editors in your town, in your market, every single time the same so that they know “This is from him.” And you’ll develop, if you do it well, and you do it consistently, and you don’t waste their time with meaningless news releases. Think before you send it. It doesn’t matter if it’s news to you. You’ve got to think of what’s news to the public.

So, OK, you’ve got a headline or you’ve got a paragraph that’s a grabber. I’ll never forget, we had a… (this is 25 years ago) … in New York City, there was an office building developer. And there were a lot of office building developers - there were hundreds of them. They were building big buildings, small buildings, but it didn’t matter. There was this much space in the New York Times every Sunday for real estate - two columns, an eighth of a page. How in the world are you going to get your message into that space?

Well this guy had an interesting idea that he was going to make his buildings interact with the city. So the front entrance to one building was kind of a tunnel with lights, and on another building he put an airplane on the roof so that it would give the city some kind of an ambiance for air traffic going by. And he’d do interesting things in the lobby. Well he wasn’t the only one who did this.

We got a great break when the building code people in the city said, “Take out your tunnel.” And we sent a news release to the New York Times and to other media that said, “If they make Mel Kaufman move his tunnel, New York City may die.” Oh, really? Boy, they read the next paragraph.

But now let me tell you something about that letter, and about that particular story idea. It fit on one sheet of monarch paper. It wasn’t a three-page press release describing
who Mel Kaufman was. It didn’t talk about the other aspects of his building, and how it was 62 stories high, and it had these major tenants, and this was how much the rent was, and it barely even gave the street address. It just gave an idea. Why was New York going to die because they were going to make him move this tunnel? Well, he wanted to interact with the public walking by on the street. If the people in the city stopped interacting with each other, what’s going to happen to the city? Boy, they picked it up like that.

I had another one in San Francisco. This is good! Now I’m getting into this! You guys can take a break. I had a client called Fiber Board Corporation. They were then sold to Louisiana Pacific. Big company, made – what do you think? There you go. The biggest issue as far as their shareholders and Wall Street was concerned in valuing that company as a public stock was that they didn’t own very much of their own timberland, and they were very much reliant on contracts from the government - cutting contracts where they could cut trees. It was all done environmentally sound. It wasn’t an idea that there was going to be raping of the land in the forest. It’s forest management. But they were very much dependant on the contracts that they had, which meant that their resource was temporary. Georgia owned all their land, so they were valued differently by Wall Street.

Well, I get a call one day from the inside PR guy at Fiber Board. And I’m at Rudder and Finn. I was running their office in San Francisco. And he says, “We’ve got bad news, and we’ve got to put out a release to the financial press, because it’s about our timberland.” And he said, “What happened is we have a contract to cut in the Stanislaus National Forest. (It’s up near Yellowstone) and we’ve had a big fire. (And I don’t remember the number of acres, but it was in the hundreds.) Wildfire swept through our land, and we have to report that this timber has now been lost.” But he said, “The good news is the fire moved so fast through our timberland that even though it’s going to take years to regenerate on that site, all it did was kill the trees, but it didn’t burn the wood. It burned the bark and killed the trees.” I said, “Aha! What do we have here? We have, not a negative, but a positive if you tell the story right.”

Chet: You did the same thing with Kaufman. That was brilliant.

Richard: “Fiber Board has lost their trees. But wait – they didn’t lose the wood.”

I called Associated Press and CBS News, and I told them this story in the same way. I said – I don’t remember the headline or the one paragraph pitch at the time, but the essence of it was, “Major forest products company salvages trees from a forest fire.” The fire was still smoldering up in the Stanislaus National Forest. I said, “Here’s what we’ll do” to the inside PR guy. “Hire a helicopter. Let’s take only two reporters, one print and one TV, and let’s take them to the Stanislaus where the fire’s still burning, land, let them take the camera and their photographer – the still camera photographer – show the trees being cut down, let them see the inside of the trees not scarred and still usable.”
The next day, the front page of the New York Times’ Business Section carried that story with a three-column picture. Associated Press ran the story in 300 or 400 newspapers around the country. We were on the CBS Evening News, the CBS Morning News, the CBS Noon News, and the CBS next-night news. You know why? Because it was a forest fire. It was a great visual.

So you can take – it’s amazing what you can do. But you’ve got to think.

Jay: So Richard, give us – for time criticism – give us like a template if you can, presuming that the vast majority of these people probably will not use an agency.

Richard: Yeah, I should be the one. I mean, I was in a PR agency for five or ten years, and I should be espousing the value of a PR agency? But you really can’t – if you have a long-term strategy and you’ve got the money and it’s complimentary to your whole marketing program and you have a really good relationship. The biggest problem a small company has when they hire a PR agency is they get the guy at the bottom of the totem pole at the PR agency as their account executive.

Jay: What would you recommend, then?

Chet: There’s tons of little ones that will work for dirt.

Richard: There are tons of little ones that will work for dirt. Unfortunately, they usually aren’t…

Chet: That great.

Richard: They aren’t very good.

Jay: So give them a strategy. We’re trying to optimize. What’s an optimizing strategy?

Richard: How do I get you all to think in terms of headlines? I haven’t really thought this through, but I’d say – in a second. One thing you want to do – start to read the headlines in the newspaper, but read them for headlines, and read them for the way that you can see how you could write a headline.

Jay: That’s a great idea. And then basically, take them out, put them on a piece of paper and write 10 or 20 variations that might apply to your business.

Richard: That’s really good. Take the first paragraph – you know, it’s called the lead paragraph in the story? This isn’t like the sales letter you write, where everybody reads the P.S. People don’t get to the end. How many times – you read the newspaper, how many times you get to the end of the article? It’s not written that way. It’s not, “But wait – there’s more!” It’s “Here’s the story – read it.” You get it in the first paragraph. Start to read the first paragraph. If it’s the business page you want to attack –
great. If it’s the food column you want to attack, the restaurant critic… What’s the restaurant critic writing about? Look at your trade publications. Not just what they’re writing about, but what does it say in the first paragraph? What are the headlines?

A great way to get press is to identify trends.

Chet: And your research will do that for you. You’ll find trends and information…

Jay: Or implications, or correlations…

Richard: It’s never been easier to do research because of the Internet. I can tell you one way is the public library. You know, these librarians are sitting there. They’ve got nothing to do. They’re stamping the books…

Jay: They love helping you. They’re wild.

Chet: They are. They’re amazing.

Richard: Go to the public library. Think about a trend in your business that you kind of have an idea… and you all think about this. Every single one of you thinks about this.

Chet: That’s a great idea.

Richard: Go to the public library. Ask for the librarian to help. Failing that, go to the – you’ve all got a college or university in your town. They’ve all got a business curriculum. If it’s business that’s the subject…if it’s chemistry…if it’s physics…I don’t know what. Make a contact with a professor. Get the professor to do a survey of some subject that’s in your industry, important. Let him use his graduate students, or the students in his class.

Chet: That’s a great idea.

Richard: “Union College, in a survey sponsored by Joe’s Garage, just found out that in our town, car repairs are up 32%. And the biggest thing breaking is the left-handed feeble switch.” I don’t know. But you can do that.

Jay: That’s great.

Richard: And it’s really easy, and there are people out there who have a lot of knowledge. We used to write special reports all the time. I was in the antique business, and I didn’t have time to do it. But there are journalists out there – you know, these people who work for your local weekly newspaper. If you read the local weekly newspaper (now you’ve got me going, see.) You get people who work for the local weekly newspaper, and identify the ones who write coherently – and there’ll be one. And
invariably, in my experience, it’s a 23-year-old young woman – and I don’t mean that as a sexist comment, but it’s a fact. They write really well – who’s got her first job out of college, who’s creating a resume.

**Jay:** She’s very passionate.

**Richard:** And absolutely wants to interview you, wants to write, and writes well. But you know what? They’re paying her…

**Chet:** $300.

**Richard:** $250 a week.

**Chet:** Yeah.

**Richard:** And if you get to know her, you go to her, and you say, “Look, I need for you to write these press releases for me.” Or “I need you to write my press kit, and I’ll pay you $500, or $1000.” Well boy, now she can go from eight roommates down to six! You know, she can go from the pizza parlor out, actually, to the steak and ale one time next week. And she can become for you a great professional ally.

Again, back to the college professors. These guys know a lot. They don’t get paid a lot. You don’t have to get Peter Drucker, or...

**Jay:** Richard, what are a couple – I want to move on, because you’ve got all this knowledge in your mind.

**Richard:** I do.

**Jay:** Give us…what’s a powerful sleeper they wouldn’t think about that’s an incredibly universal, positive and just really impactful PR activity, other than the logical ones. The sleepers, the overlooked one or ones.

**Richard:** Chet had it on the board. The most single, powerful use of PR is after the fact. It’s the reprint.

**Chet:** He’s right.

**Richard:** You get your name in the paper, you take the reprint.

**Chet:** I’ll say something else.

**Richard:** If you only – give me one second. If you’ve got – there’s a long article, you’ve generated it, it’s 35 paragraphs long and you were only quoted in three paragraphs, cut and paste it.
Chet: Keep the headline, and…

Richard: Keep the headline, and keep what you said in quotes…

Chet: I like that.

Richard: You know, you don’t really have to go back to the newspaper and get permission. You don’t really. I mean, no one’s ever going to come chase you unless you’re using their name in some negative way. If it’s taken out of context and you didn’t reprint the whole article without permission. And actually, some of the smaller papers will reprint them for you, and they’ll do it because they’ve got – they’re really printing companies.

Jay: Yeah.

Richard: The local newspaper prints all kinds of crap. It prints catalogues, and also prints their paper. And so they’ll charge you $100 for 1500 reprints. Well go ahead and use it, but that reprint lasts forever. You can tell - your company story gets told once, I mean, you’re in the – who’s the restaurant guy? How many reprints are hanging in your restaurant? Lots, but you don’t have to be a restaurant. You can be a manufacturer. Every time you send out literature, then reconfigure your reprints.

Jay: Good point.

Richard: You’ve got ten reprints, so do this on a sheet of paper, and make a collage of all your reprints, and that’ll have the same impression. Jay does it. I’m sure Chet does it.

If you start to get some TV – Wow! Video clip here…video clip there…video clip here… Hmm – maybe you’ve got the local TV reporter who you can hire on the side to moderate your video clip reprint, which is now – it’s got so much credibility because you didn’t produce it as a TV spot, or as an ad. You just compiled it, and you’ve got him to bring continuity to it as the reporter standing in front of the mike. The reprint is the value of PR, it’s not the PR itself in almost every case.

Now you can do some event PR where you can get that running story. If you’re tied to a music concert, and maybe there’s charities involved in the middle of it, and the concert’s a month away, you plan your PR properly and you’ll have your name in the paper every day. You make a deal with a local radio station and give them some tickets to the event, and they’ll be plugging it all the time. Go back to every public affairs editor and every public affairs director at every media in your town. And they’re always looking for reasons to put your name, if it’s attached to an event. And I could go on and on, but this is a PR seminar.
Jay: Yeah, we want to have – anybody want to ask Richard a question as the last stage. I know it was spontaneous, but you want to ask a question? Anybody got a PR question? Go to the mike. Go to the mike. Go to the mike.

Participant 10: What do you feel is the value – or if there is any value – to creating an infomercial interview, and if you can’t get interviewed by any public or cable TV stations?

Richard: Well, first of all, you can get interviewed. And second of all, I think you’re in a whole different arena when you start talking about infomercials. So..

Participant 10: Oh, I’ll give you another great use. A celebrity – having a celebrity which we talked about yesterday…

Richard: Well, that’s really a different story. That’s an infomercial. That’s an advertising medium. We could go into that…

Jay: And Richard understands that, but _______

Richard: But we don’t want to go into that. I can tell you another great use of PR. And it’s a quick one. About 10 or 12 years ago, the way I met Jay. We had a mutual client when I was doing the public relations for a company – a business called “The Professional Coin Grading Service.” It’s about rare coins, and how they’re encapsulated and reviewed so that there’s uniformity in the quality, and then you can establish credibility in the price. And their challenge was not so much to get publicity to the outside market, but to get credibility to the inside market. They were developing a membership organization of coin dealers around the country.

So we went out and we got a couple of articles written about the coming new standardization in the rare coin business. The articles were somewhat read within the industry, but at the National Convention (a big coin show actually down here in Long Beach) I got up like I got up here and I had all of the reprints and all of our publicity, planned activities for this new, fledgling organization. I just had a room of prospects. These people hadn’t even signed up yet. And when they saw the guy in the tie – coin dealers are kind of sloppy guys, and they’re all - their stomach’s hanging over the edge of the desk, and they’re like this, and…boy, it gave great credibility to this organization when they could see that there was going to be a national push.

So you can use – what you’re going to do in PR – back to your own trade, back to your own clients – to get them excited and interested in ongoing support of your business.

Jay: OK, Richard.

Richard: Sir?
Jay: You know, Paul, while you’re going to the mike. Go to the mike, but I was thinking about it. You have the ability to acquire all kinds of goods and services on trade, too, so you have an incredibly negotiable commodity with restaurant credits.

Paul: Oh, yeah. All the time. I want a headline. The September issue of Playboy Magazine produced an article, “The Twelve Top Steakhouses in the United States.” Gaucho was included in the twelve top headlines.

Chet: Congratulations.

Paul: And I was thinking there’s a lot of mileage to get out of this out of a PR, but I’m trying to figure out a headline that would work that’s sexy enough to get us publicity in the newspaper.

Richard: Well, I’m not sure if I understand your – what do you have?

Paul: Well, if we wanted to put out a press release, right, that would…

Jay: Locally. In what, Seattle?

Paul: Yeah, in Seattle, in Seattle. For that one.


Paul: Yeah, we’re in Seattle, and –

Richard: How did you get your name in the article?

Paul: I’m not sure. John Moriarty is the writer, and he had picked us in 1997 as one of the top 20 new restaurants in the United States. And it’s either he was doing an article on steak houses and remembered us, or he had come back through town and eaten in the restaurant. But somehow we ended up in the article.

Richard: But in what context?

Paul: Playboy – he was doing an article of steak houses in the United States, and why people go to steak houses, and men, and this type of thing. And then he went through and he picked 12 steak houses and did an article on each of the 12 – a small article on each of the 12 steak houses in the United States.

Richard: OK.

Paul: And to me it was a positioning – another positioning place we wanted to be, which was in a top 12 or top 10 in the United States. And I went to get it published in a newspaper in one of the gossip columns, or something like that. And I’d like him to come up with something that would get their interest…
**Chet:** Press release material…

**Paul:** Yeah, press release.

**Richard:** Yeah, just send out a press release

**Jay:** The article, the fact itself is pretty remarkable, isn’t it?

**Chet:** Yeah, “Playboy chooses local restaurant…”

**Jay:** And it’s one of the top ten in the country.

**Chet:** That’s like, that’s killer.

**Richard:** Well, you know, on an ongoing basis, the first job I ever had in PR I was what they call a “plant.” And this is – I hate to tell you, Walter Winchell still had a column…

**Jay:** But only – Richard, you’re being so gracious, but we’ve got to move on. But it’s great. We’re going to stop, but congratulations to you, and thank you, Richard, for spontaneously…

**Chet:** Yes!

**Richard:** My pleasure.

**Jay:** Thanks a lot.

**Chet:** That’s another thing you could sponsor. You could get the band to play for free if it’s going to a good cause. Who here thinks it’s appropriate for them to do an event? Just raise hands. (I don’t know why that’s not working.) OK, good.

Who here thinks it would be valuable to have a party at their trade show. OK, cool. And then, what about getting an article written about a trend, or a product, or a service that you’re providing…who here would find that valuable as well? OK, great.

Because the reprints of that – it’s like I said, that *Success Magazine* article – and at the time we were selling all my videos, so we were like, “Wow, our account on *Success Magazine*!” I braced the sales for it. “Get ready!”

And the article came out, and Richard said, they couldn’t resist the visual. When the photographer was taking the picture, he said, “I guarantee you’re going to get an article.” And I said, “Why?” He said, “Because they can’t resist the visual.” Here’s a 6’4” guy in a suit throwing karate kicks, and I was standing on a table in my office which overlooked the Golden Gate bridge. It was just an irresistible shot. So they had – not the
Golden Gate, but the Oakland Bridge they had behind me, the Bay Bridge - and this killer view, and me throwing this kick. And it was really funny because in actuality, I wasn’t throwing the kicks. I was holding my leg (I don’t even know if I could do this anymore. This was like, four, five years ago.) I was holding my leg, like six feet in the air, and he was trying different poses, and he was taking all these shots. And at the very end he said, “Just throw a couple of quick ones.” So I threw a couple of quick ones, and after two hours of holding my leg up there, he used one of the quick ones, because he could see the speed on it. Anyway…

So, but we used the hell out of that thing for years and years and years to come, in all kinds of different places and positions, and Jay used it in one of his promotions of my material. And - but we didn’t get a single phone call, because the focus of it was not really what I wanted. So it helped the celebrity status, but it did not actually describe what my programs did effectively. And the interviewer who interviewed me for three hours wrote this thing that I went – “Did we speak?” It had a little bit of some of the stuff we talked about, but it didn’t really teach the audience as well as I had taught her what I wanted them to know about process vs. event training. And if they had covered that, then I would have gotten 3,000 phone calls, which we didn’t get a single phone call. Yes?

Participant 11: _______

Chet: Yeah, I have a good friend, and he’s been using it for 20 years, quoting that. But for you it’s trade journals. That’s not going to help you. You need to be in the trade journals. You need to be in the journals that the doctors are reading, that the hospital administrators are reading, that your market is reading, because that’s where it’s going to do you the best, and then once you get that article, then you can use the heck out of it.

We were talking to Mark earlier this morning – where are you? Mark? He’s not in the room right now. Yeah, like some of those products he developed. They’re perfect for press releases.

You can write a great news article, and let me introduce you all to something else, and Richard can back me up on this: The PR News Wire. Is that a great device? It’s called the PR News Wire. They’re in practically every city. For $600 they will take your press release and give it to every single news person in the country. Every radio station, every TV station, every newspaper, every magazine – it’s like 8,000 sources of news in this nation get that whole thing and you pay $600. But you’ve got to have - like Richard said, you’ve got to have that great headline. You’ve got to have that paragraph… Every time I used it I got an article somewhere – twice in the Wall Street Journal – using the PR News Wire, for $600, and bam! You’re everywhere. Yes?

Participant 12: How do you know where those articles are being published so you can get copies of them like that?
Chet: Well, generally the press release will generate interest from a newspaper who will call to get this story, and then you’ll know. When the Wall Street Journal called me, I pretty much figured I should…you know what I mean. So, but is there another way? There’s a tracking service, but it’s very expensive.

Participant 12: There are…

Chet: There’s tracking services, but it’s very expensive.

Richard: They’re called clipping services.

Chet: Clipping services, right.

Richard: There’s one called Burrell’s. It’s in, I think, Livingston, NJ. And you can hire them on a piecemeal basis, and they’re really not that expensive.

And there’s another thing you can do, and just very quickly…there are (and I think Burrell’s has this service) It’s called a “mat service,” where there are just thousands and thousands of little publications – weeklies, dailies – all over the country that are dying for any kind of editorial…

Chet: Right.

Richard: …to fill in space, because what they really want to do is just sell advertising. They don’t have really big reporting staffs. So you can go to a mat service, work with a reporter – reporter… A writer there. They’ll write with you the article about your company, and then they’ll distribute it to maybe 1200, or 1500 of these little dinky little papers, and half of them will pick it up, and you’ll get the reprint. And when you make the reprint, and you can say it was in the Flatbush Bugle, and you pick the best name that you can… and nobody knows that it’s only got a circulation of 800 and it’s free… And you can say it was published here, and in 300 other papers around the country. And you’re not lying. And then you build your credibility that way.

Now sometimes you can take that article and attach it the next time you go to a bigger paper. And you say, “This was in 300… But it’s not been in our local paper.” And they’ll read that, and they’ll pick up the story, and you get the snowball rolling up the hill…

Chet: I just want to tie it down while I’m thinking of it, Mark, too, for you. I said that you could have that art- - like he just said, and then you could include that with the bills to the other 300,000 customers that you go to that explains about the disaster recovery, or explains about the tracking – I can’t remember – the product names. But you know, all those cool little products that you have that people aren’t using, people don’t understand, people don’t know about. And that’s even more powerful in your communication, is to send me an article, rather than you sending a promo piece.
OK, so good section on public relations thanks to our honored guest speaker. Put that on your agenda. And in fact in the 52 workshops I gave you I did not give you public relations as one of them, so that would be another eight to give you, but you could definitely focus on that. And how many people actually think they will go out of here and put on an annual event? OK, good. Great. How many people think they will go out of here and try to get some article so that they can use it in 100 different ways? OK, good. All right, good. We’re moving.

You’re going to actually design a brochure right now. You guys are going to do it. I’m going to show you how easy it is, how quick it is. All right? And I do these for my clients on a regular basis. Take a piece of paper. You’re going to fold it like this, and you can have an instant brochure on any product, service, idea, offer, test – anything you want to do. You can fold it three ways, right? You know, like you’re going to mail it like a letter. Just fold one flap in, and the other flap over. And this is your front cover of your new, handy-dandy brochure to market your latest, coolest product. So this is the inside cover, right? And then this opens up, and da-da-da.

So we’re going to design one of these right now. Let me use this pad. And let’s talk about the front panel. So we need a **dynamic headline**. Actually, you know what? I’ve got a killer section on headlines, so I’m going to come back to this after I give you this little education on how to create great headlines…and then we have the master of great headlines here, so…hold up on that brochure!

Shift focus on how you help your customers, and let’s just write some rules here. **Should be the foundation around which all of your other tools are built**, meaning that your core story is so well told in your brochure. But they’re so easy to create – these little three-fold jobbies – you can take them to Kinkos and have 100 of them in an hour. Anybody know what I’m talking about? You know what I’m saying. You can have 300 of these…500…5,000 of these things in a couple hours at any print shop in America today. They can even fold them for you. So on any promotional idea that you may have, any service or product that you want to promote, no matter what kind of company you have. These are great. You could have, depending upon who you are, you should have six or seven of these. Because since it’s $100 to have 100 of them, you can have them – when I run sales organizations, my guys could go to a rack and pick out on different sales points, all kinds of different promotional pieces that would cater to what it is that we were trying to focus on.

**Should be an efficient sales tool – an effective sales tool.** So I should be able to, if I don’t have my orientation with me, whip this little puppy out of my pocket like this. And when I used to sell my services a lot more, I had one of these things in my pocket at all times, and I would take it out, and I would go over it with the customer, and it was perfect.

OK. **Use sub-heads all through it.** So now we get to the inside panels, and we’ve got a sub-head for every point, every major point. So you’re going to design one of these by the – within the next hour, so write these down. You’ve got to have sub-
heads. **It should have the logical flow that sets that buying criteria**…starts off with information which you may not have, but let’s make up stats, or let’s put information that you do at this point, and **it should use graphics and photos.** Absolutely – picture on the front cover. Something very engaging, and clip art all through it, or photographs all through it, because you’ve heard the story, but a picture is worth 1,000 words. I saw – (and I’m probably off on the stat, and I used to give it exactly, but…) when you’re paging through a magazine, the chance of – the first thing people look at in an ad is the photograph. Like, a photograph in an ad is the first thing they look at. Then they read the caption under the photograph, before they even read the headline. The eye is like, 700% more drawn to a photo than any other thing you can put in your ad - an actual photograph, or a graphic that illustrates your point.

So we’re going to try and So direct mail…create highly sortable database of clients. We talked about that. Send something every month without fail.

**Participant 13: Why?**

**Chet:** Because it’s what Jay calls a “Chinese Water Torture,” but I call your Dream 100. At least they’re getting one thing a month. It’s a different promo…it’s a different letter… But every month without fail we had that database of 2,000 for that magazine, of 2,000 advertisers, and there were 167 of them that really mattered. But we mailed all 2,000 every single month without fail. And if again, you’re targeting your Dream 100 and you’re picking the biggest, best clients, and they’re getting at least one thing a month, it’s a very inexpensive way for you to stay in front of your best buyers on a continuous basis.

So once a month, and we’re going to build those. You’re going to build – we’ll build at least six promos before lunch. Jay, add to that.

**Jay:** Two things: how many people in this room from yesterday said they have a good friend in their life, raise your hand. Do you talk to him or her frequently? Probably weekly, maybe daily, maybe multiple times a day. And that makes the friendship richer and stronger, doesn’t it? Tests have been proven – the more you communicate information or contact somebody with information of value to them, the stronger the bond.

**Who’s a Nightingale Content customer - client?** They did a test which is a mind blow. They found that by mail – they mail at least once a week, an offer to their audience, and they did a test of once a week, once a month, once every four months, and found that they got far greater loyalty, far greater response, far greater profitability, far greater sustained transactions if they mailed once a week.

I’m not suggesting you mail once a week, but if you had something really valuable to the receiver you could do that too. But it really has been clinically proven to make a big difference.
Chet: Well certainly for the Dream 100. It's just the easiest, most cost-effective way if you just stay in front of your best buyers with a continuous message of some kind.

So again, it's a blanket thing, and in some cases, for some of you, they're only going to buy you when they need you, so if you don't stay in front of them, how can you ever expect them to finally buy you when they're ready. So you need to have something, just, they're getting it every single month. “Oh yeah, this again.” And then at some point they tie that – remember, you open the reticular activating system. Now you're in their mind’s eye, so now when they come forward with something, or they have a need that you can possibly fulfill, you have an opportunity to make a connection that you wouldn’t otherwise make.

Send cards, letters, novelties, newsletter, promos... I had a person on staff who used to just come up with that stuff. I wish to hell when I was running all those magazines and newspapers I knew about the fortune cookie company, because that’s just killer. That’s a great little thing with the little legend introduction. The fortune by itself, you probably opened it, but with that little thing it makes you really wonder what it’s going to say.

Get your customers trained to buy from you, as Jay says, the more often the better. So advertising – just a little overview on some of these areas. Business publications, trade journals, radio, TV, newspapers, etc. – who here advertises? OK. Who here has trade journals that service their industry that they could be advertising in, but are not doing it? OK, definitely you, right Wally? You have trade journals for your marketplace. It’s the long-range bonding, and if you can be clever and creative and you can capture attention...and I’ve got a whole section on this, so let’s go to it.

Creates more top of mind – remember that study I told you about? $400,000 study? It creates more top of mind awareness than all of the other areas combined. Now that’s top of mind. Now, what is the most potent form of marketing? It’s personal contact. What creates more top of mind awareness is advertising, because it’s the one thing that’s in front of people on a regular and consistent basis, so when I say, “Name the fencing company?” (You ever get that? No. It’s the first thing I thought when I saw it!) Name a company that puts up fences? You know, Jerry’s been on the radio for years in his community. He probably has pretty good top of mind awareness.

Makes all of your other methods work better – so when I get that direct mail piece, if I’ve seen you in the trades, or if I’ve seen you in the newspapers, it also has a bigger impact. So it’s like the stacked marketing. All that stuff starts to work together.

And, study of most effective – oh, this is a really cool study. I don’t know why I was hesitating. OK, so we took hundreds of ads over a 12-month period, and we revealed the best responsive oriented ads. So we had this publication that tracked all the response from the advertising, and each month we would go down it. It had about 100,000 circulation, and we would go down and we would look at the – we’d get a reader’s service card. You know those cards you circle #5 if you want – so we’d get the computer
readout from the data company that sent the leads out to the client. And we would see 20 responses, 10 responses, 15 responses, 28, 38, 40 – ooh, there’s a high one. And then we’d keep going down in the thing, and after 20, 30, 40, then boom! You get to one (I hit it too hard) and it was like 200. And we said, “Well, why is this one…is this supposed to be something special?” So we quickly paged through the magazine, and went in and pulled the ad out thinking it must be something unbelievable in here, and it was a product that there were four other identical products in the same magazine, and the other ones were getting 20 responses. This guy’s getting 250, 270, 280. And I can give you very specifics.

But what we found, when we looked at the ads on a regular basis over a period – hundreds and hundreds of ads over a period of 12 months, that the guys that consistently out-pulled 10 to 1 in response, they all followed four specific rules. So I’m going to give you what they are.

#1 – this is of any – you could extrapolate this of advertisements, because it’s going to make real clear sense to you. Your promo pieces, your brochures, your sales literature – anything that you’re building that you want to try and capture the attention of the customer, it should follow the same four rules. So #1 is that it’s distinctive. It stands out. It’s something that gets noticed. Remember those Calvin Klein ads with all the bodies intertwined? Anybody remember those? Well I was a publisher of a beauty magazine then, so it was in my world. But they used to have them in all the big, glossy magazines, and they had all these (gap in tape) and you couldn’t tell which body part was what, you know? And you could tell they were all naked, but you couldn’t tell what was going on there. And I met the president of that – she launched Obsession, which became $150 million-a-year business virtually overnight because of her ads, which we all made fun of, remember? “Between madness and something – Obsession.” And we’d go, “What does that mean?” Meanwhile this perfume is selling $150 million, because the ads were so bizarre they stood out.

So is it distinctive? So this is an ad depicted better in a later slide, but all of these zebras in here, all of these stripes are like lifesavers – they’re all different colors. And this zebra is just in black and white. And it says, “In the corporate jungle, identity is everything.” Now this was a company that had corporate identities. And that ad stood out. If you’re paging through a magazine, it captured your attention. And because I’ve been teaching using that ad as an example for years…now, I’ve actually seen people steal that.

So before a prospective customer will even think about reading your ad, it has to be distinctive enough to rise out of the clutter. It’s got to stop them as they’re paging. It’s got to stop them as they get that direct mail piece, and I’m continually working at that in my marketing efforts of making something that’s visually effective, visually appealing, something that grabs people’s attention before they read a word.

OK, so the best response generating ads have a headline that follows this important rule. So this is the rule: Tell me what you want to tell me in 3.2 seconds.
What is it that you want to tell me? So in that, says, “In the corporate jungle, identity is everything.” What’s that ad about? Corporate identity. I mean, it’s just really right there, 3.2 seconds.

All right, so I’m going to show you ads that ran in Forbes Magazine. People spent $100,000 to run these ads, and I’m going to give you 3.2 seconds, and I want you to tell me what these ads are about, OK? Let’s have a look, it says.

All right, here it says, “Over the years, we’ve made quite a mark in our industry.” Anybody have any idea what that ad’s about?

Participants: ______

Chet: We’re paging on by. “The view from our mountain is just fine.” Anybody have any idea what this ad is about? Page right by it. “We’re serving the world in a new way,” and it has a little chef serving the world. Anybody have any idea what this ad’s about? These ads were like, flip, flip – you flip right by them. And I feel sorry for, if I’m the guy that created these, but here’s an example of some ad agency trying to be clever, and yet we found after looking at hundreds and hundreds of ads, and looking at the one, two or three every issue that out-pulled 20 to 1, that the only ones that really pulled told you what the ad was about.

And here’s an example. It says, “If you’re looking for the most cost efficient jet, look a little higher.” What is this ad about? It’s about jets, and it’s got a picture. So it tells you what the ad is about in 3.2 seconds.

It gives you a benefit. That’s the second thing your ad must do - your headline must do. Now I’ll read you this again because I know you can’t read it. It says, “If you’re looking for the most cost efficient jet look a little higher.” What’s the benefit?

Participants: The jets are cost-efficient.

Chet: There it is! There’s the benefit. A great headline has a benefit. Should it be a benefit to you - or a benefit to your buyer?

Participants: Buyer.

Chet: Thank you. OK. Uses the word “you” or “your.” Again, not always, but 9 out of 10 times those high pullers had the word, “If you’re looking for…” “If you…” “You need to do this.” “You should find that.” “When you’re doing this…” You or you’re, again, 9 out of 10. There was always that one that didn’t have that word “you” or “you’re.”

And obviously, makes you want to read on. I mean, that’s, you know – if it can be something that prompts your curiosity, that makes you want to look on, that’s even better. And again, you guys aren’t selling Obsession cologne, so naked bodies entwined
All right, so, the body copy should be curiosity-driven, each sentence unfolding the story that you want to tell. So body copy, rule for that – it’s curiosity driven. So if I were writing one for the heart disease guy, Dr. Clark, is it? Harper, sorry – why did I get Clark? But if I were writing the body copy for you I would have astounding facts in the beginning. It’s pretty much the way your funnel’s going to go. It’s got a “Wow!” right in the beginning that makes me go, “Wow, I didn’t know that. Wow, I didn’t know that.” And then you go deeper as you go.

It should also be benefit-oriented. Don’t tell me what it is. Tell me why it’s valuable. Too many people went on in their promo pieces or their ads, they start to describe what the product is. Features tell, benefits sell. So this is pure (if we could read it, which there’s no way we can) but it’s pure – it’s actually an extremely good ad. It’s all full of benefits. It’s chock full of benefit. It’s totally focused on the buyer, not on you. And I’ve seen it, and I just so take this for granted. But most of you will focus completely on yourself in your ads, in your promo pieces. Don’t focus on you. Focus on the benefit your customer can get from working with you.

That’s going to be your brochure, too, as we go to the workshop to work on brochures and promo pieces. All right. (I’m not going to cover that.)

Let’s pause here, and now that we have some rules for effective communications tools, here’s what you should have in your tool kit. You should have a brochure on every major sales point that you want to make. And again, it’s focused on the customer, not on you, and what their value is, one of these three-fold jobbies, and we’re going to design one right now.

But I’m going to give you an easier way to go first. You should have a promo piece for every single angle that you want to make in going after your potential buyers. So if I sell financial plans like you do, Todd, I would want to have one promo piece that says, “You can be totally financially secure.” And then I would have another promo piece that says, “The five danger signs you’d better watch out for in your finances.” And then if I had another promo piece, it might say, you know, etc., etc., etc. So what I want you to do right now is let’s have you write six headlines using the rules that we just gave you that will make me, your potential buyer, want to read further. And then we’re going to turn those six headlines into six promo pieces that will be the first six months of your work in your Dream 100 approach.

Do you want to add something, Jay?

Jay: Oh, no, no. That’s fine.
Chet: OK, so work away. I want six headlines, and then Jay and I are going to come—or at least I’m going to come down there and take a look at some of them and see if I can help you whip ’em up. (chatter)

Chet: There’s a section on improving headlines. It’s very, very strong. Has anybody ever heard that? Familiar with it? Well then, let’s do it, because it’s killer. Stop on your headlines.

(gap in tape)

Jay: Let me give you some methods that will make your headlines far more powerful. (Make sure I’ve got it here. Yeah, OK.) I’ll go through these fast, but keep in mind they are on the tape. I’ll give you a headline to demonstrate it. First thing is measure the size of your claim. Not necessarily in order. These just happened to be the way I’ve got them written down here. Example: “17,000 blooms from a single plant.”

Next: Measure the speed of your claim. “In two seconds, Bayer Aspirin begins to dissolve in your glass.” Compare the claim. “Six times whiter washes.” Metaphorize the claim. “Melts away ugly fat.” Sensitize the claim by making the prospect feel, smell, touch, see, or hear it. “Tastes like you just picked it.” Demonstrate the claim by showing a prime example. “At 60 mph, the loudest noise in the Rolls Royce is the electric clock.” Dramatize the claim or its result. “They laughed when I sat down at the piano—but when I start to play…” State the claim as a paradox. “How a bald-headed barber saved my hair.” Remove limitations from the claim. “Shrinks hemorrhoids without surgery.” Associate the claim with values or people with whom the prospect wishes to be identified. “Nine out of ten decorators use Wonder Weave carpets for long life at low cost.” Show how much work in fine detail the claim does. “Relieves congestion in all seven nasal passages instantly.” Offers information about how to accomplish the claim. “Here’s what you do to get rid of pimples fast.” Offers information about how to accomplish the claim. “Here’s what you do to get rid of pimples fast.” Ties authority to the claim. “Here’s what doctors do when they feel rotten.” Before and after the claim. “Before Wheezo, hay fever medication made you drowsy. With Wheezo, you can have relief and be fully alert.” Stresses the newness of the claim. “Announcing: Guided Missile Spark Plugs.” (Some of these are older headlines.) Stresses the exclusivity of the claim. “Ours alone—Persian lamb coat originals, just $289.95.” Turn the claim into a challenge for the reader. “Does she or doesn’t she? Only her hairdresser knows for sure.” State the claim as a case history question. “Would you believe it? I have a cold.” Condense the claim: interchange your product and the product it replaces. “Pour yourself a new engine.” Symbolize the claim. Replace the direct statement or measurement of the claim with a parallel reality. “Starting July 5th, the Atlantic Ocean becomes only 1/5 as wide.” (That obviously was an ad for the Concorde.) Connects the mechanism to the claim in the headline. “Floats fat right out of your body.” Offers information in the ad itself. “What everybody ought to know about the stock and bond business.” Turns the claim or the need into a case history. “Aunt Mary, who never married…” Gives a proprietary name to the problem or need. “When you’re weary with daytime fatigue,
Chet Holmes

take Alka Seltzer.”  **Warns the reader about possible pitfalls if he doesn’t use your product.**  (This was written before sexism came about, so bear with me.) “Don’t invest one cent of your hard-earned money until you check this guide.”  **Emphasizes the claim by its phraseology, breaking it down into two sentences, or repeat all or part of it.**

“A man you can lean on – that’s Abraham.” Or “Nobody, but nobody, teaches like Abraham.”  **Shows how easy the claim is to accomplish by imposing a universally overcome limitation.** “If you can count to eleven, you can increase your speed and skill at numbers.”  **States the difference in the headline.** “The difference in premium gasoline is all in the additives.”  **Surprises the reader into realizing that former limitations have now been overcome.** “See what happens when you crush our executive luggage -- nothing.”  **Addresses the people who can’t buy your product, but by limiting its target, entices all to learn the secret.** “If you’ve already taken your vacation, don’t read this. It will break your heart.”  **Dramatizes how hard it was to produce the claim.** “It took 24 years and genetic engineering to make this product possible.”  **Accuses the claim of being too good to be true – that’s a great preemptive way to deal with the logical suspectness of the mindset of a lot of readers.** “It should be immoral to make money this easily.”  **Challenges the prospect’s present limiting belief.** “You are really twice as smart as you think.”  **Stress the need for quick action.** “You don’t know me, I realize, but I want you to have this before it’s too late.”  **Selects readers without wasting a word.** “To men or women who want to quit work some day.”  **Highlights the large audience of those looking for improvement.** “How to develop a silver tongue, a golden touch, and a mind like a steel trap.” Who wouldn’t want to know that?  **Anticipates incredulity in order to overcome it.** “New diet burns off more fat than if you ran 98 miles a week.”

**Chet:** There you go, Dr. Harper.

**Jay:** A stopper that challenges the reader to read. “What’s your best chance to make money in real estate? The answer below may surprise you.” (Hold on.) There’s tons more, but that’s a good start, don’t you think?

(chatter)

**Jay:** Is that enough for you, isn’t it?

**Chet:** OK, guys, let’s write six headlines as fast as you can – seven. And I’m going to come in there and work with you, but we can cut the...

**Jay:** And in the process, by the way, if I were you, I would look at all the ads – all the direct response publications, including everything from Cosmopolitan, TV Guide, The National Enquirer – and I would look – I’d tear out all the ads that recur, that appear more than once. Because those are working, winning direct response ads. And I would take the headlines. I would put them on a list, and then every day I would go through writing five, six, seven, ten variations of adapting those headlines over to my offering. I think that would be very powerful stuff.
Chet: OK, and this isn’t just for your ads. It’s for your promo pieces, for your direct mail…it can be used for everything.

Jay: And it can be modified actually for the opening usage that your live people on the phone use. A headline translates everywhere.

Chet: Right.

Jay: The reason why and benefit is really what people are supposed to be selling when they call somebody on the phone, or when they knock on your door.

Chet: OK, so let’s write six, and if you done with six and everybody else is still working, and you’re prolific, write twelve. I’ll show you how to use every one that you write. So just keep writing. And I want you to write them at the top of an individual sheet of paper each, as if they were twelve separate promotional pieces that you would have at your disposal for the different parts that you want to try and do persuasion for. Twelve separate promos, Rhonda. Rhonda, are you with us?

Rhonda: ________?

Chet: Take your headlines that you wrote, and make each one of them now as if it were a separate promotional piece. Just take a piece of paper, literally, and take the headline and write it on this one piece of paper. Then tear that piece of paper off and write it on the next one. And then tear that piece…let’s get three or four or five or six of these promo pieces. And then we’re going to turn them into actual promotional pieces, and then we’re going to turn them into brochures, and letters, and all kinds of tools that you have at your disposal. Any questions? Vic, you look confused. You understand what I’m saying?

Vic: We’re going to do it in tri-folds?

Chet: Not yet. You’re going to make separate promotional pieces.

You know, you need to have at your disposal many different weapons in your arsenal. And these are separate weapons. So for every headline that you wrote, that’s a separate promotional piece that will have that angle to it. Right? So let me take somebody who wrote some pretty good headlines – where’d he go? He’s not even here – back from lunch yet. Who wrote some good headlines?

Participant 1: Are you going to come and look at them?

Chet: I just did some of them, but – you think you’ve got some good ones?

Participant 1: Um…I don’t know. I think they are. I like this one.
Chet: OK, “If you’re making too much money in your practice, don’t read this. It will break your heart.” OK, that’s a good promo.

Participant 1: This is my favorite one.

Chet: OK, but I want to see that at the top of a piece of paper. OK, here’s another one. “You’re in Hawaii. Your waiting room is full. What happens next might shock you.” Theme, benefit, trust us to supply your quality.

Participant 1: Well that’s not – that’s just for us to know what to use that for.

Chet: OK, that’s not specific enough. But this one’s killer. Because you’re very specific, you have the benefit, she has pain – I mean, that’s a killer. You’ve got the word “you” or “you’re” in there. So now take that and write it at the top of a sheet of a paper, and then take another one of these headlines, and write it at the top of a piece of paper. Because each one of those headlines is going to have a different graphic, right? A different way that you’re going to illustrate it. So I want to flesh these out with you. I want to try and get you to, you know…

Participant 2: Some of these pieces aren’t supposed to be letters?

Chet: They can be letters. They can be separate promo pieces that you stick inside the literature that you already send. They can be faxes that you use. They can be a follow-up piece that you need. After you’ve had a conversation, you don’t have to recreate the wheel. You’ve got 12 killer promo pieces right at your disposal that you go to the fax machine and fax them out.

Participant 2: Then that’s – they don’t necessarily have to be adapted to a brochure each time?

Chet: No, no. Just – we’re just building your… I’m about to show you how to get an appointment with anyone, and all the tools that you need. So let’s build some of them in advance. So let me see some of your headlines. OK, “How to lower investment fees to your advisor when you’re losing money.” That’s interesting. “How to hire a trusted financial advisor.” Um, let’s put some pain in there, like, “The five mistakes everyone makes when they’re hiring a financial advisor.”

Participant 2: If they don’t hire a trusted advisor?

Chet: Yeah – oh, that’s good too. Those are two separate ones. So give me a separate piece of paper for each one of those, and then I’m going to help you turn every one of these into a mail piece, into a promo piece, into a brochure, into a… So that you leave here with workable tools that you can use. I didn’t get to hear any of you guys over here. How are you doing? OK, got some headlines at least? Let me hear some.

John: OK. This is basically for our industry, OK? And that’s…

John: OK. And that’s a Computer and American Control. OK, it’s the constraints of a machining center, or machining centers. And this is the industry.

Chet: You just talk to me. I’m one of your potential buyers. What is the benefit of me dealing with you?

John: Just the fact that I will save you money.

Chet: You’re going to save me money. OK, that’s good. How are you going to save me money?

John: By minimizing the amount of money that you have to invest.

Chet: Write these down. Because…

John: I am able to do the things that other people can’t.

Chet: Like what? You’re smarter?

John: No, I’m about the same as anybody else.

Chet: No – wrong answer. But, like what? I don’t want to put you on the spot, but I’m going to just keep pulling it out of you ‘til we get to the big benefits, and then they become the headlines of your promo pieces.

John: Well, it’s extremely difficult for me to throw down an unsubstantiated claim. I refuse to do that.

Chet: That’s your engineering background.

John: Yes. I refuse to do that.

Chet: OK. All right, but what can we substantiate, then?

John: The only thing that I can substantiate is those things that can be qualified, quantified…

Chet: Like what?

John: Proven. Time, tolerances…I refuse to go off into the wild blue yonder.

Chet: ________- OK. All right, but you guys bring something to the table. You’ve been doing this how long?
**Chet Holmes**

**John:** 32.

**Chet:** OK, am I better off working with your competitors or with you?

**John:** Depends.

**Chet:** Can I physically abuse him? Sure – give your brother _____. No – come on. Work with me here.

**John:** No, I’m trying to. But you see, the thing of it is, is that I don’t shade anything. I tell it exactly the way it is.

**Chet:** OK, so give me something we can work with.

**John:** I bring things to the table – other people bring things to the table. Nobody’s perfect.

**Chet:** But what do you bring that’s valuable?

**John:** Experience.

**Chet:** OK, and why is that valuable?

**John:** Because there’s many people out there who will shade the truth. Who will tell the lie.

**Chet:** OK, we’re getting some progress here.

**John:** Who will shade it to an extent of getting the order, but the customer doesn’t find out about it until three months later, when he’s going, “Oh, shit! What am I going to do now?”

**Chet:** OK, so do you want to – “Three months from now, do you want to find out that the project you built is not working, or do you want to find out before you build?” You know what I’m saying? I’m ad libbing, because I don’t know…

**John:** No, I agree with you.

**Chet:** Well, you just told me.

**John:** But people don’t know that, and many – the story goes around in the businesses that people will say anything to get the order, because then they won’t – they don’t ever get it shoved back down their throat. When it doesn’t perform as best as…

**Chet:** OK, so what do you do differently?
**John:** If it doesn’t work you don’t pay me.

**Chet:** That’s a pretty good headline. OK, work here, John. You’ve got the stuff in you.

**John:** I’m trying.

**Chet:** All right, good. Good. I want some promo pieces that we can use for you guys. You’ve got the stuff in there, John.

(chatter)

I want to see separate promo pieces. A separate piece for each one of those headlines. OK, you’ve got some. All right, good, beautiful.

Now, if you have some separate promo pieces, start writing down, how could you visually depict what it is you wrote? How can you visually depict what it is that you wrote? How can you show me a visual that makes me go, “Oh!” That maybe in some way – wait.

Someone had a – Howard had a really good one. He’s not here, but he had one that said, “A face lift on your hotel can double your revenues,” or something. So I said, Take an old, crappy-looking hotel, right? And let’s say this is the ad. And so we show the front of a hotel with pillars and whatnot. And this half of it is in black and white, looks shabby, it’s got cobwebs, looks old. And this half is all lit up with orange colors, and it’s beautiful. You know what I mean? So you start to see the face lift coming up, and then now we need something that depicts the dollars. So this one might show a dollar sign with a red arrow, and this one might show a dollar sign with a green arrow heading up. Understand?

So take your ideas now...take those headlines that you wrote, and give me some kind of visual – Howard, you just missed it. I was totally bragging about you.

**Jay:** You were the hero, Howard.

**Chet:** Take – and let’s see some visuals that will work within those headlines that you wrote...that colorfully illustrate the headlines that you wrote. OK? Who needs help? You look like you needed help. Did you – you did? You don’t want the focus? I’ll come back to you in private. OK, let’s see a good headline. She had a great one.

**Participant 3:** “One of your doctors is interviewing this week.” Do you understand that concept?

**Chet:** No.
Participant 4: Well, the pain is that they’re going to… they’re losing staff.

Participant 3: They’re about to lose their…

Chet: Why are they losing their staff?

Participant 3: Burning them out, working them too hard.

Participant 4: Well that’s what we’re…

Chet: Let’s use the one that I liked. Where’s that other one, that killer one that…?

Participant 4: “If you’re making too much money in your practice don’t read this. It’ll break your heart.” We kind of stole that from…

Chet: OK, and what are we going to tell them?

Participant 3: We’re going to tell them that it really is more cost effective to use our service than… they perceive it as an overpriced…

Participant 4: As a high cost alternative.

Chet: OK, Oooh, that is really good. OK. If you’re making…

Participant 4: So we’re going to frame it that – I think the story is…we haven’t made up, but the story is basically this: First of all we’re going to show how using the local team of physicians vs. hiring a permanent doctor – because their belief is –

Chet: I like that. No, you’re shifting the buying criteria in the market. That’s top -

Participant 4: So…and how we’re going to do it, I’m not sure yet. But we need to show that, so we need – that’s education. And then – if they don’t buy that there’s another angle. The other angle is, OK, well if you don’t believe these statistics, then our angle is while you’re trying to replace this physician don’t rush into it. Use one of our people to either test drive – test drive our doctors is an idea that’s kind of rolling around. And see how you like them before you put them in, or buy yourself time to make the right decision over here, because you know it’s going to cost you more to have two doctors in here over the…

Chet: I got it, I got it. So that’s your body copy, but you need something that displays either one or the other. That they’re making too much, so then don’t read this. “If you’re making too much money in your practice, don’t read this. It’ll break your heart.” You’re almost kind of saying something here. But anyway, so – you know, a broken heart…if we go real simple you’d have a broken heart in it. If you – you might show, is this you? “You?” With a question mark. And we show a struggling doctor who
can’t make any money, and then “or you?” And this is a very prosperous doctor who’s making tons of money.

One of the best ads I’ve ever seen was the Mercedes and the Rolls Royce ad. You guys remember that? And it had a guy in a Rolls Royce, like this, and he was facing...the picture was taken, picture him this way. And it had a guy in a convertible Mercedes looking over at the Rolls Royce like this. And the guy in the Rolls Royce was looking straight ahead, and all of a sudden it was, “Rolls Royce.” And nothing else. And it was great.

So if you can visually depict something that makes your customer feel uncomfortable, or visually show what it is that you’re trying to get. So just work on that for a few minutes. Take each one and see if you can put in some – there we go! We’ve got drawn pictures here. That’s the right idea. Exactly. Try to visually illustrate what it is that you have said. How can you visually illustrate it?

We’ve got stick figures over here. It’s working for me. “Your clients have already rejected your promotional…” – read for me, Bill.

Bill: Ideas.

Chet: Ideas.

Bill: “If your clients have already rejected your promotional ideas, don’t read this. It will break your heart.”

Chet: Ha ha! He went right for it!

Jay: And that happens with ad specialty people, doesn’t it?

Bill: Absolutely.

Jay: They get rejected about nine times out of ten.

Chet: Yeah, so now he’s got a guy with his – frowning. Put a frowning face. He thought of it exactly. The guys can be in two different industries, two different trade magazines...

Jay: Chet.

Chet: No one will ever see the two things. And make the guy frowning with a fortune cookie. Can you do that? Excellent. Come on, let’s get some good ideas down there.

Let’s now take your favorite promo and reduce it to a three-page brochure – just one of the many. You’re going to have your headline here. You’re going to have the
visual that you just came up with here, and the graphics, and you’re going to have maybe
two or three lines of copy to make me want to open and read some more. And you’re
going to have, on every brochure, (write this down) the phone number right on the
front...right on the back...right on the inside. You ever get someone’s literature and it
takes you five minutes to find a phone number to call them? Ever go to United Airlines’
website and it doesn’t have the phone number? So you actually have to make a separate
phone call to get the phone number. I’ve got to pay a dollar to 411 to get the phone
number and I’m on their website. It doesn’t have a phone number. It’s like – Hello!

OK, so that’s what it’s going to have. It’s going to have your headline, your
graphic, and your subquote, and then your phone number.

Jay: You can have it here anywhere. It can be a break-up of a statement that
summarizes or prepares you for the next round of paragraphs. It can be an excerpt from a
paragraph that is just so powerful. It can be anything.

Chet: OK guys, so – I’m sorry. ___

Jay: No, that’s OK.

Chet: Let’s – this is, kind of gives you the whole thing laid out. So here’s this
carpet cleaning company. This is their in-home orientation, their corporate story that I’ve
been telling you to build. It is also the number one training tool in the company. A new
employee can come in and be better prepared to sell carpet cleaning after 20 minutes of
looking at this than they were after two years of pitching on the telephone. The data is
better, the sales pitch is better. The graphics are awesome. Here’s the stuff that’s living
in your rug. Kind of looks gross, but let me just show you a couple of these that are
really powerful. Oh – that’s what a dust mite looks like. There’s 5,000,000 of those in
your carpet, if you haven’t had your carpet cleaned in six months. And you can’t kill
them with a vacuum cleaner. They need to have hot water extraction. These guys come
in there with 120° temperature water. There’s 5,000,000 of those things in your carpet.
If your kids are crawling around on the floor they’re breathing them in, they’re – in fact
they say that 30% of all allergies comes from the skeletons from these things, and their
feces make bacteria because the bacteria feeds on the feces. You guys want any more?

OK, here is...now this is actual, from the EPA, right? This is before the carpet
was cleaned, and this is after. So that’s bacteria, mold, spores that are on your carpet,
right? So then we took this, which is their core story, which is now being implemented
and deployed everywhere, and we built a simple – it’s not quite even produced yet. But
here’s their little three-fold brochure. It says, “Keep your home clean, healthier, more
attractive longer with our deep dirt extraction cleaning methods.” And then it says,
“Photo of carpet fibers that were vacuumed regularly. Dirt, bacteria and fungus are
cleaned as much as 1500% more, according to the EPA, with their methods with a
professional cleaner that you can clean it yourself. And it shows the before and after, and
that’s all in one – that’s on the front cover.
Then you open it up. We’ve got a big, ugly dust mite here. You know, there you go, a little simple thing, but it’s fully executed. And this, in the hands of one of their technicians, is a miniature version of that, so even the guys who feel uncomfortable whipping out a presentation and doing it… You know, ‘cause these guys are – you’ve got to picture what they’re like. They’re carpet cleaning guys, you know? I did an educational seminar for them, and I’m standing there going, “Whoo!” But the process has been quite extensive, and now half of them are using this thing, and the ones that aren’t will use this because it’s so much easier and it doesn’t take a big thing to hand this to the home owner.

And then we did – Jay came up with the idea of doing door hangers. So while they’re in the house – because they were in Manhattan, while they were in the home cleaning, they’d go to every other door on the floor and just hang a door hanger on the doorknob that has one of these in it, and you know, nice, knarly, ugly pictures, saying, “We just cleaned your neighbor’s house but we’re going to be back in the area in a week. Would you like us to clean yours?” Etc., etc.

So these are great. You need to have lots of these, and the visuals are powerful, right? You see that? I’m telling you that, that’s one thing. I’m showing you, and it’s a whole additional level of pain.

OK, so let’s get this thing fired up here. So structure your three-fold brochure. They’re just real simple. That thing for me, after I understood the story, took – you know, I don’t know, an hour and a half to lay the thing out. And then a graphics person just laid it out, another hour and a half to lay the thing out. And then a graphics person just laid it out, another hour and a half, and – well, he goes after thousands of customers, so it’s not something he would do a hundred at a pop at Kinkos, but for you guys who sell business to business you can do those things fairly quickly and have them come out.

(chatter)

OK, so other advertising rule – trade vs. horizontal, or vs. consumer, rather. Some of you people who are in consumer areas might want to learn a little bit about trade or vertical. It’s like I told you, if you’re advertising in Business Week, Business Week goes to Apple companies and zoo keepers, and doctors… Like if you were writing in here this would be doctors, lawyers, dentists, CEOs – you know, every kind of reader. Well every kind of that reader, there’s publications that just appeal to them. For doctors, there’s 40 different trade journals. Probably more like 80.

And so if you wanted to go after one of these vertical markets, it’s way cheaper. Meaning, advertising is like long-range bombing. So let’s say I’m IBM, and I want to lay a foundation among all these professions. I might go to Business Week and lay a foundation. That costs me $75,000. But for $75,000, I can be in Doctor’s Quarterly, maybe with five full pages. You understand. So I can go heavy in one market.

So there’s some markets where, that if chosen, persuaded by very persuasive ad sales guys who got huge in one particular field because it was cheaper and got bigger
penetration. You can be famous among the lawyers and have a generic technology product that nobody else knows about in any other industry, and you’re a $200 million company and nobody else knows about you.

So it’s just to say, consider that some of you might want to go vertical sometimes. Targeted advertising to best buyers. Advertising is the best form of long-range bonding—we’ve already said that. Advertising stays in front of prospects when you can’t be. Yes?

Jay: Can I just add? I’d say, in the search to become proprietary, and in the search to develop, create and dominate new markets, you should all ask yourself and look within. Can you—I wouldn’t say you might want to, and I’m not trying to—

Chet: Yeah.

Jay: And then I’d say you absolutely want to see if you can find a vertical niche that you can—because it was the same thing I said. A concept common as dirt in one industry can have the power and impact of an atom bomb in another. Find niches or some segments that you can own that are vertical. And you ought to go for it. Don’t you think, really?

Chet: Yeah. Absolutely, in fact…

Jay: New markets, new products.

Chet: They show that, as this stat says, 50% of all purchasing is motivated by advertising. So sometimes you need shoes and you’re looking through a newspaper, and you go, “Oh, great. So-and-so is having a shoe sale.” Other times you see a shoe sale, and it makes you think you need shoes. You understand what I’m saying? Well, according to, this is like Simmons Market Research Bureau, half of all purchasing was motivated because they saw or heard the ad.

So advertising works, is my point, and if you can have a budget for your six musts of marketing, that would be one of the things you would try and include. So tying it all together—and again, these tactics down here, there’s still some that we haven’t even gotten deep on yet, but you know, you guys gotta have a corporate story. You’ve got to have that story really well spelled out.

So here’s the—let’s see if it’s in color. Oh, this is a Mickey Mouse early version of it. But here’s the one for the doctors that we built for Immuno. This is just a working draft. But health care spending...just starts with general information for your industry. Your core story should start with general information that most people don’t know. If I turn around and ask a doctor, “What do you think the annual billings in the medical field are?” could they tell me? You’re a doctor—do you know? OK. Do you guys know? You serve doctors. Most people don’t have any clue how big their industry is. And depending upon what you want to prove, you can make it look big. You can make it look small.
When I was in the cosmetics industry with the publisher of the beauty magazine, I did research and found other industries that you would think were big, and show you how small they were. Like the whole movie business only bills about $9 billion a year, even though it seems like this huge thing, because it’s everywhere we turn, and movies are making $100 million. Well, it’s total gross revenue for all the movies in all the theaters everywhere is like $9 billion. It’s a tiny little industry in the real world.

Health care spending - $1.2 trillion. Now if you put that next to the entertainment industry, and the dental market and the – you know what I mean? It would look huge. And so you just extrapolate the information to make it look interesting, and projections - $2.6 trillion. And then this just shows physician income. It shows every other area of specialty is up. Everybody’s making more money. Physician’s income is down. You know, so then it starts to go into the pain. It goes from the broad information and starts to go into the pain, and the whole thing is a righteous set up for the ultimate shift that we want to try and give these guys.

So now I can take any one of you here, take you through this, and you are ready to sell this. You’re ready to go. I mean, you might have to practice it a few times, but you are ready to go. So you need a corporate story that an idiot could read and basically get through, and effectively communicate your story to anybody that you’re trying to communicate it to. And it should start with information that is interesting and broad in scope, and then from there you can go anywhere you want to go. If you hook me in the first couple of panels – you know, you had me at “Hello.” If you can have them at the first couple of panels and keep them interested, they will be riveted to their seat right from the beginning.

So you need that corporate story. That should, if you have looked at it and do the research, you will actually start to dictate a strategic position that you didn’t think about. You start to look at your marketplace and study it and stuff, you’re going to start to see things, opportunities you’re not seeing now. How many swimming pools are being sold, or what do you do? Outdoor signage, too, Marshall? How much is being spent in that? What is the most common trends in it? How has it changed over the last ten years? What is the data…? And so you start to look at that, and all of a sudden it starts to help you form a better story than you would have ever got if you didn’t look at it. And that starts to lead you to developing a strategic position that’s better than you would have ever got. This Immuno Labs thing, this guy sells food toxicity testing. What is he doing teaching the industry about all their problems and troubles and the trends, and all that? It’s a righteous setup for his strategic position as the answer, or one of the answers to all the problems that they’re having.

So that helps you develop your crystallized identity. The slogan that we worked on…the business philosophy, because if this is really well defined you’re going to come up with different ways to do it. So David Dean, for example, sells to plastic surgeons, he’s out there every day doing presentations to plastic surgeons and effectively selling them, but unless we get another star like him it’s going to be very hard to duplicate that
model. So what we need to create is a story that’s more compelling and doesn’t rely on
talent as much as it relies on the information that’s there. And then we add talent to it,
and everything goes up. You understand?

And then once we have that story there might be a hundred different ways we can
deliver it that you’d never thought of. For example, a similar model to his, we used to
send out faxes offering free telephone orientations, and people will call up to find out
what it was about, and we’d close every one of them, or seven out of ten, or eight out of
ten of them, to spend an hour on the phone. And an hour later 25% of them would give us
$4,000 on their VISA from a stranger. To an hour – 90 minute later conversation, you’re
pulling out your VISA and letting this guy charge $4,000 on it.

OK. So then that sets up the buying criteria, which I don’t have to explain,
because you guys got it really good by now, and now we go into our subsets, targeting
buyers. We want the Dream 100, stack marketing. We want to make all of these things
here start to work together so they all have a common theme, a common look, a common
message. If you get articles written, down here, in public relations, in personal contact
you bring them and you show. You’re advertising and you quote the articles. In your
direct mail you quote or send the articles. In your market education you use the articles,
you send the articles. In your sales literature, your promotional pieces, you send the
articles, you use the articles. So that everything you do starts to build on each other and
you’re working half as hard to get six times the result. Now that’s a real company who’s
very serious about dominating their market, wants to become top of mind, or wants to be
a #1 player in their field. Am I talking too fast? Jay keeps saying, “Chet, you talk too
fast.”

So you want to be #1 player in your field. There it is on one page. I have this
page. Would you like this page?

Participants: Yes.

Chet: Carl, I have this page. I’ll give it to you in a minute. OK.

So, all three of these…this is a California Lawyer…this is such a killer research
study. The research was done, the advantages were found, the buying criteria was reset.
I already explained it to you. They were a regional publication. They weren’t going to
get national dollars. We showed them how it was the only publication that really counted.
We backed it up with facts. We offered a free orientation to anybody who wanted to see
it on how to succeed in the legal market. So we targeted 32 top technology companies,
and in six months I had 28 of them in the magazine. And rather than having these little
local guys who wanted to reach lawyers like the expert witnesses, or the little guys –
Xerox was coming in for four-color spreads. From one year I got 104 four-color spreads
out of Xerox. Because four divisions came in with color spreads. Now has anybody here
ever sold advertising have any idea what kind of a sale that is? You sell 12 full pages in
your magazine, you’re feeling pretty good. That’s a great schedule. Imagine getting 104
full-color spreads. It was phenomenal.
But it was because we positioned ourselves as the experts, and I ended up advising their advertising department and their advertising team on what kinds of ads to even come in with. Sales people took turns presenting to the group in and out, so once that corporate story was built, we had contests, we had – we even would do negative things, like we had this potato that had just gotten rotted and rotten. We called him Mr. Potato, and if you were the low salesman for the month you had to have Mr. Potato on your desk for the whole next month. So guys would like kill themselves not to have that thing, because every time somebody walked by they would go, “Oh, you were the low salesman this last month.”

So it’s rehearse and work ‘em over. Have some fun with it. Make it work for you. The sales manager policed the strategy constantly. Every time he talked to a client he would set an appointment. So the salespeople were like, “Well, I’ve never gone and given an educational orientation.” And some of them even told him, “Yeah, yeah, I’ve been doing it. Yeah, yeah, I’ve been doing it.” So every time the sales manager would get with a client he would say, “Hey Eileen, Steve’s your rep, isn’t he?” “Yeah, yeah.” He said, “Has he showed you that educational orientation we have on how to succeed in the legal market?” “No, I don’t think he has.” And Steve told the sales manager that he had. So the sales manager didn’t say, “You lied to me, you slimy dog!” He said, “Let me set him up to do that for you.” And he’d go to Steve and pretend he didn’t even remember that Steve had said he had presented it already to Eileen, and he said, “I’ve got you set up for next Tuesday to go do that orientation.”

So whatever it takes for you to get your guys to use the stuff once you have the vision to create it, and the vision to see the wisdom in it, and the vision to see how it sets up your market’s buying criteria, and the vision to see how it gives you strategic preeminence beyond any other place you could ever be using lowly little tactics without all this stuff, then you’ve just got to push it through your organization. And that’s how you succeed.

Salespeople were trained on the same material every single week – week in, week out, week in. Man, I’ll tell you. That was just the finest experience watching that little cadre of salespeople who had all been trained on the same things, again and again. So they knew. You could say, “Name the Six Steps to Time Management.” “Touch it once, blah, blah, blah, blah.” “Name the Seven Steps to Every Sale.” “Qualify the buyer, blah, blah, blah.” And you could say, “Oh, you didn’t qualify the buyer good enough.” And the sales guy would know this whole thing of it. “Oh, you didn’t cost-justify.” There were all these rules. So the people got to be so well trained, it was like the S.W.A.T. Team…the Green Berets elite team…Navy Seals. If that’s what you want, I showed you how to get it. You’ve been taught it now. You already know. It’s just the same stuff. You know – do the jumping jacks. That’s all you’ve got to do. Get them to do the same darn things, again and again.

The Dream 100 Sale was put into full force here. The dozen superior access vehicles were created to help sales people gain visibility with the highest players in the
market. Awards ceremonies…annual symposiums… trade associations…press releases…comps…great parties at every trade show…free placement service – Oh, I totally forgot about that one. Oh, that was just a brilliant idea because the people who placed advertising – half of them got placed by the personnel of that magazine for free. So if I take you, Adrian, and I put you in a job over here where you’re now controlling the ad budget, and I want you to buy advertising in my magazine, I’m not going to put any pressure on you to do that, but gee, you know, that’s going to be something where you feel obligated. So what kinds of services can you provide?

So then, all the advertising directors who used to ignore these salespeople started kissing their ass, because they know if they’re going to need another job, this rep is in a position to help them get… And this rep has his finger on the pulse of every other player in that market. That was a really good superior access vehicle.

Procedures, policies, and proactive planning sessions were constantly created to improve every customer interaction. Results – publication moved from #15 to #1 in 15 months. Sales doubled for three consecutive years. You had to see Charlie Munger, this billionaire, 70-some-year-old guy going, “I don’t understand. I’ve never see a business double three years in a row.” And that’s exactly what he sounds like if you heard him. “We must be lying, or cheating, or promising something we can’t deliver, because business just don’t double sales three years in a row.” It was astonishing, but it did because of all this. Because it was just the finest-run thing you’ve ever seen. It went from 2% of market share to 28% of market – of national market share. It should not have happened.

OK, so we’re ready to go to the next module.

…you know, pain, pain, pain, pain, pain… You open it up, it’s pain in here. This is like, this is the finished product. I’ve got several of these.

**Participant:** Can you pass that one around?

**Chet:** Sure, that’s a great idea. I don’t need them, I just… I only brought four, unfortunately. But this goes in the doctor’s office so it doesn’t have their contact information. I want you to get one for sure. Here, I’ll just pass that along over there. But that follows all the rules. It’s a perfect example. And then pass it back to the table behind when you’re done. OK.
Chet: So let’s go on to how to hire superstars. And I think that we have really made a case that most of you here – well let me just ask. How many people here feel that they could add some more talent to their company? OK, so just everybody.

So that is really a core strategy, and we’ve done it in every single company that Jay and I are working on together. It’s one of the first things I do, because if you can structure an offer that’s attractive enough, you can get some pretty impressive talent coming right in there to try and make their fortune within your company. So that’s a worthy goal, right? And if you can have several, then you’re even better off. Some of you can have three, and four, and the Immuno Labs guy is hiring three this week.

So this is about recognizing superstars, designing the perfect ad to attract them. You’re going to write this ad right now. I’m going to help you with it, and you will leave with this ad. So some of you I was talking to – that ad can drop Sunday in your local newspaper. How to screen through the hay to find the needle, and the only way to interview to find superstars.

And I’ve got several pages of pain here. You know, how it’s harder to get to them, blah, blah, blah. You guys are already sold, so I think I can skip through that. 3,000 commercial messages a day…it’s just really hard to get to them…you know. OK.

But fundamentally, these guys – one of the greatest skills they have is that they break through the clutter. A great description is they are relentless, clever, entertaining, persuasive, compelling, highly communicative, and a pleasure to deal with. So the Immuno Labs guy, his perception – his father always thought salesmen were like these seedy, slimy people, and so that’s why he didn’t have any.

So he has very highly technical products that – not that technical. I explained it all to you in two minutes, but it used to take them six days. And they hired very smart, very nice people who had some medical training because they were dealing with doctors. And as a result, they are very smart and very nice, but totally passive. The doctor makes all the decisions. The doctor says what the next step is. Remember I told you, a sales cycle is six months, and they’re hounding them. And they’re not very good at it, because they’re not these guys. You see this guy breaking down the door? That’s not the people that they hired. Now they were very nice people, and (because I’m just afraid they’re going to be listening to this!) But they didn’t have the psychological profile that even when we taught them the right things to do, we slowly got them around. So Jeffrey just said, “You know what?” (Jeffrey’s the CEO) “Let’s just hire a whole new team of people.” Because he had so much trouble getting his people to adapt.
So – further description. Within months they outsell the people who have been your best for years. The type of person I’m talking about goes into a company as the new guy, and within three months he’s outselling your best. They perform well even when put in bad situations with poor tools. They’re just so clever, so creative, so inventive, so resourceful, that even in bad situations with poor tools it doesn’t stop them. They’re still going to get it done. They learn quickly and soon put innovative improvements on everything. They succeed no matter what. So you don’t want to try and sink a battleship with a sling shooter, meaning that your markets are competitive. You’ve got tons of problems. Why would you want to hire a lightweight? Jerry says to me, “Well, I just got news today that my one salesperson quit, and it’s a good thing because I need a whole different kind of a person in there.”

OK, so we already talked about these two things, and it is a beautiful blend of ego and empathy. So now what you want to be able to do is test that in the interview. That already predicts something you want to do. You want to test the self-esteem. Can you make me feel bad about myself? What do you think, exactly? Me, Chet Holmes, that you have gotten to know over these last three days, do you think that what you say could actually make me lose my self-esteem?

**Participant:** You are ugly!

**Chet:** Nothing compared to you, bitch! Whoo! I’m just kidding. Can you erase that one?

OK, so that’s what I’m saying. What made me come back like that? It’s a sense of self. But that’s what you want to try and probe for in the interview, so if you already know…now this is getting – this is not my opinion. This is based upon studies. The top 4%. OK?

The empathy – the superstar actually has a psychological need to bond with others. So they’re very open in an interview. Meaning that if you find someone who’s close-vested, and you have to draw things out of them, what don’t they have? Can I give you guys a hint. Let me underline it, OK? They adapt to every situation. That empathy makes them adapt. When they’re with someone who’s big and kind of loud, they have fun at laughing. And it’s not like they’re phony. It’s just that’s their psychological profile. They have such an empathetic nature that when they’re with different types they become like that type. And it’s just pure empathetic nature. But again, too much of that, and you have someone who will never close. The customer goes, “Well, I don’t know. I just want to think.” “I wouldn’t want you to do something you’re not sure of. Please take your time and think.”

I had a sales rep that worked for me in real estate who used to do that, and I just felt like saying, “Are you crazy? Buying a house is a big decision. You need to help them make that decision, not help them think of all the reasons why they won’t make the decision. They get them right to the point. “Well honey, what do you think?” And she’d stop them now? “You don’t need to make a decision now.” You just want to go,
“Excuse me, but if you’re ready to go I’ve got the binder in my briefcase.” Stick your hand over her mouth, is what I was doing there. She’s wondering why I was sticking my hand…

But empathy can work against them in an interview. You know, “Hiya, hiya!” They try just so hard, and they’re so eager to please, they’re just a little too eager, and what they’re selling in an interview is themselves. So they tend to come on a little too strong, and it turns people off. So most of you until you saw this would never hire a superstar. You’d just think – they’re terrible interviewers. They don’t interview well. They come on way too strong. It’s the ego and the empathy. They’re trying to win you over. They’re trying to either – they’re moving and dodging around. They’re trying to be your best friend. And most people are like, they’re trying too hard. But when they sell your product, they transfer all of that to your product. “You don’t understand. You’ve got to listen to this service we have. You’ve got to understand it.”

So a superstars irritate some interviewers by seeming overly eager to please. But these same people will ally themselves loyally to your product or service and bond closely with clients. That’s their nature. That’s what they’re made out of. They’ll stay on them until they get them, and they need to get every client because it’s part of their psychological profile.

So again, the ego – the other half of the equation – they never give up. It’s a core ingredient of a superstar. They become even more determined when presented with a challenge. So it’s like I told you yesterday, when you hang up on a person like this, something in their brain goes, Click! “Oh, I don’t think you were listening! Let me try again, because you didn’t hear me!” And that’s what you want. But again, that same quality that you want in a salesperson when they’re in the field can work against them in an interview. Sales stars often seem too full of themselves in an interview.

While you want them to present your product with confidence, when they present themselves the same way people think they’re too aggressive. In an interview, the person is the product. Their original style cannot be cramped and may seem abrasive, but these same people will knock down the doors to sell your product… pitch your product with tremendous confidence, covering every sales point. They may come off a little too strong in the interview, but for some reason that same type, because they’re so eager for friendship and approval and accomplishment, they’re with the client and they kind of go like this to the situation so beautifully that they just get sales nobody else can get. They get customers nobody else can get. They bond where nobody else could have ever bonded before.

So I just want to – this is ideal. God bless you if you can find this perfect person. You’re going to probably end up with shades and degrees of it. And usually, they will have very weird backgrounds, because if you’re a star, you tend to jump from thing to thing, and especially if you’re a top producer, because you keep getting yanked away from the job you were at before by one of the clients who you sold to.
So look beyond the resume. Design a challenging ad, and now I’m going to go into perfect specific interview techniques, OK? So these are your ground rules.

Beyond – say again, Terry?

Terry: We didn’t get those ground rules.

Chet: Oh, you didn’t get them. So look – I’m going to cover them, so it was like, the ground rules – now here they are.

Beyond the resumes, age and background are almost irrelevant. Psychological profile is everything. Like I said, Ray Kroc was 52 when he decided to start McDonald’s. The guy was a milkshake salesman, and died worth $14 billion, or $43 billion, or some unbelievable amount of money. So you never know what kind of people they are, and if you’re looking for psychological profile. It’s everything to you. So if you put an ad in that says, “Must have background selling to hospitals,” and I’m standing over here at the 25-year-old version of me looking to sink my teeth into something. “Give me something, Chris. Just – come on. Let me get in there and get some accounts for you.” You don’t want that guy working for you because he doesn’t have the medical background? I mean, how much training do I need to really sell to an administrator what you’ve got? How much training do I need? I might need – not that much, because this type, they learn very quickly. They grasp it right away, and they innovate on it, and they find ways to illustrate it you never thought of.

And so don’t think you need a specific background. It’s irrelevant. A star is a star. Pluck him out of here, put him into there…the perfect psychological profile. No matter what one of you guys I put one of these stars in, he’s going to go and kick butt over your best people very, very fast into the paradigm. Do you understand what I’m saying? Does anybody disagree with me? OK.

Because the Immuno situation was the same thing. “Oh, it takes a long time to learn our …” I can teach you their pitch in 20 minutes, and he knows it now. And he’s got this ad that I’m about to show you in the newspaper last week, and screening to hire three new people.

So would you hire for your company someone who ran a bungee jumping business? Someone who worked in a sweater store? Was a movie theater projectionist? Was a milkshake machine salesperson in ’52? These are all stars that I have known who are now extremely successful people. This guy had a bungee jumping business and I recruited him because when he responded to the ad, and I said - and he was 25, sleeping on a friend’s couch…that’s where he lived, and I said, “So Mark, what do you want to do with your life?” And he says, “I want to be a millionaire by the time I’m 30.” He had the job, because what’s that showing there, guys? What’s that showing of the two main traits I showed you so far? Is that empathy or is that…?

Participants: Ego.
Chet: You know, and – there’s a funny story. He tells me years later… I interviewed him, and he just had everything I’m about to show you. And as I’m walking out of the office behind him, I’m introducing him to one of the other people in the office. And as he’s shaking hands with her I go to her, I go like this, “He’s the one!” And I made this guy jump through hoops, but he saw in the reflection of the glass, me doing that. So he knew he had the job, and he just played along with it, you know? You know – two years later he tells me this.

Participant: How did he end up doing?

Chet: He’s a very rich guy today. Extremely wealthy. Owns three or four homes, buys his cars for all cash. Has $2.5 million in the bank, and he’s 30-something…32, 33.

But I saw it in him at 25, and he’s sleeping on a friend’s couch. So like I said, you’re looking for psychological profile. And he had a bungee jumping business that in the end it was a seasonal thing and it didn’t work out. But he made a fortune. He was making like $15,000 a weekend when he was 24 years old with the bungee jumping business, jumping off of bridges and silly stuff like that.

But – was a milkshake salesman…oh, this one worked in a sweater store. I walked into a sweater store to buy a sweater, and this salesgirl was on me this way, on me that way, on me this way… And I looked at her and said, “You will make way more money working for me than working in a sweater store.” And of course, being discreet, she said, “Well, thank you. I’d love to see your card.” I gave her my card. She ended up running like four companies for me. A total star.

So you can spot it. You can see it. The movie projectionist – theater projectionist – was me. And somebody said to me, “You know, you ought to try sales. I think you’d be good at it.” No clue that I was going to go in and out-produce the next five guys who’d been there for 20 years.

So it’s the psychological profile that makes people good in almost everything. There’s a certain type. Their ego and empathy traits make them very eager to bond with clients and prove themselves worthy of almost any challenge. They often lack other things, by the way. They’re not perfect. They may be terribly unorganized. They may never do policies, plans and procedures. They may not make good entrepreneurs, or leaders, or I’ve had killer salespeople that made terrible sales managers. So – but you want to just get that type, because there’s a place for these people in the world, and it’s in your company making you a ton of money.

Often these types are frustrated in most companies, so they go out and form their own companies and become extremely successful. So you want to get them before they do that. Or, like I said, sometimes you can get a guy who’s been there already, lost it all, and he’s trying to find his way back. And your ad that said $600K, or $300K, or $200K,
or the most you can put in there that drew him, because he’s made that money before, plus there’s a few other things that would draw him that no other ad would draw.

So let’s talk about… the ad must challenge them, scare away the unsure, and not ask for resumes. The worst thing you think you can do is hire a superstar from a resume. What is usually the first point of contact when your salesperson is trying to make a sale? Is it by a resume, or is it on the telephone? When they’re trying to get appointments, when they’re talking to clients…? It’s on the phone. So that’s the first thing I want to hear, is how they – what do they sound like on the telephone?

Participant: _______

Chet: Say again? OK, challenge them – I’m going to give you the whole ad. So I don’t know how deep you need to get on that. Challenges them, it scares away the unsure, and it does not ask for resumes.

Now I have run many different versions of this ad. This is probably more extensive than you need to go, and this one we will make a copy of for everyone because it’s too long to have them all write it down. So do not worry. Do not try to write it all down.

This says, “Don’t Even Call - Superstars Only.” That’s the headline, and that’s going to be very important, because when I call the first thing I’m going to do is test the guy’s ego when he calls in. I say to the “guy” (as an asexual term), “Don’t even call unless you’re a truly awesome salesperson. You have a burning desire to exceed, are extremely customer-oriented, highly motivated, and never say die.” What am I appealing to there? Ego or empathy? Ego. “You develop deep and meaningful rapport with your clients, and communicate with piercing persuasiveness.” Right, OK? “You believe you can be the best in almost anything and everything you do, and you can prove it. Don’t call unless you fit this bill. Excellent salary/commission structure.” It’s better if you can put a package – in fact, that goes up here. “Package to $600K,” and you watch the stars you will pull out of the woodwork. They will just – you’ll be astonished.

I was telling a guy at lunch that I had one of this ad pulled the President of, like Boeing, or something. He started as a top producer. He was top producer every place he ever worked, and because he was just good at everything he ended up becoming this huge player. And he’s flying all over the world. He’d just flown in from Japan, and he was tired of it. And so he said, “I just want a job where I can sell, and when I go home I don’t have to worry about 40,000 people. And where I can make $6-, $700,000 a year. And I saw your ad, and here I am.” I mean, this guy was like, wearing the $5,000 suit. It wasn’t up to me, and I don’t think they hired him. But he scared the hell out of the guy who was in charge. It scared the hell out of him.

“Excellent salary, commission structure, and a great opportunity for upper mobility. Build an empire within our fine and progressive company…(type of business here).” Doesn’t hurt to put the type of business, because then if he’s got all this and he’s
got medical background… and he’s got swimming pool liner background… and he’s got financial planning background, or architectural background, or fortune cookie background (which I doubt he would have, fortune cookie) – but you know, if he has the background it’s just an extra incentive, and it’s wonderful, because it will pull them as well. So put the type of business here.

“We don’t hire backgrounds.” This is the killer lines, guys. This is what pulls you the Ray Kroc, or the CEO of Boeing. It says, “We don’t hire backgrounds. We hire top producers.” Now, to someone who might have skipped around a bit… who had a bungee jumping business… who was in the sweater business… who because they were a star got recruited and has had six jobs in the last six years and was top producer at every one of them and is now having trouble getting hired because his background is too unstable and he comes on too strong in an interview… And he sees that in your ad and he says, “I’m home! This person knows who I am, and I am going home!” And you’ll pull him, and you’ll be astonished. You’ll be amazed at what you’ll get.

OK, so let’s analyze that. All right?

**Participant:** Can I ask a question?

**Chet:** Yes.

**Participant:** Would you adjust your ad any if your were calling on the top of the business – CEOs such as that?

**Chet:** You could say, “Calling on…” you tell what the job is. “Calling on top producers… Calling on doctors… Trying to get CEOs of the largest companies…Type of company…” You can put some description in there of what the job is going to be.

**Participant:** So my question is, if that’s the case would you not maybe eliminate some people that would – the young chargers, 25 years old…?

**Chet:** That’s a very astute question, and that requires an astute answer. Too bad I’m not astute. No, I’m kidding. But the – so, I’ll give you an example.

In the last ad we ran for Immuno, it said, “Earn $60K if you’re average, and $400K if you’re awesome.” Now, I did that on purpose, because I didn’t want the 25-year-old Mark – guy I mentioned to you – looking at $400K and going, “I can’t get that job. That’s $400… I haven’t made anywhere near that kind of money.” But he sees $60K, and that’s what he made. $55K last year or whatever, not knowing who he is, and thinks to himself, “Now wait a second now. Maybe I could make that.” It shows a range, so that’s not a – that’s a very good question. I would not have given that little point.

And again, you may not have the $400K as a possibility, but if you do you can put that in the ad, and you’ll just pull this enormous talent. And it’s OK to get them while they’re young before they know who they are. So that’s not a bad thing. You get some
young guy looking to make his place in the world who’s 23, or 25, and he knows he’s a salesman by now, and he or she is looking through the want ads under sales and it says –

Oh, here’s another great line, and this is not in that ad so write this one down. It says, “Young or old, if you have the stuff, we’ll know it.” That is actually in the Immuno ad that we just ran. “Young or old, if you have the stuff, we’ll know it.” It’s also not bad to put (if you are) “Extremely reputable company. 44-year, highly respected company.” Why? Why do you want to put that in there? Because if you’re a sales guy like I have been, and you’re going through those sales – there’s so many scams in there, and guys trying to get insurance salesmen, and some timeshare in Bolivia. So “highly reputable company” or “the finest… something.” Something that refers to the type of company that you are, or something that refers to your reputation is not a bad idea.

So let’s analyze this ad. It says, “Don’t even call unless you’re a truly awesome salesperson. Only superstars (and dreamers) feel bold enough to respond to an ad that begins this way.” I say that – dreamers – because you know, there’s some guys who really think they’re great, but they’re really not. You will get a couple of them that are just full of crap. And I’m going to show you how to find that out right away.

“Excellent salary.” It’s better to put specific numbers, such as “Base of $30K, or package.” I disagree with this now, because again, with all these clients, and we’re doing all these ads for them. We put “Package to…” and the number. Don’t put what the base is, because if he can go with no base, or a very low base, you get the right person in there, they’re not going to care about the base. If the upside is big enough, and the opportunity is big enough, then they’ll be there for the opportunity, not the base. It will be insignificant. I’ve hired a ton of people in just the last six months with no base because we made the opportunity so juicy, their hands were trembling and they couldn’t wait to get to work on it, including two for Jay and I, two salespeople, no base. Killing themselves right now, trying to make themselves rich. And we put the big numbers in front of them.

OK. This is a great line: “Build an empire within our company.” This is a very exciting line for this type I’m telling you about, right? A super ego always views his or herself as building empires, a builder of things. You should be so lucky to find, hire, and channel such a person, right? Wouldn’t you just love to get Donald Trump when he was only 23 and have him turn your company into a $90 billion organization? These guys will have a massive impact, let me tell you.

“We don’t hire backgrounds.” Superstars may have done many different things. This line tells them a lot about you and your company. It tells them that they don’t have to lie or try to show a stable career path. If you want stable, hire an accountant. The average accountant stays at their first job for 9.9 years. Seriously, if the guy’s with you for a year and he breaks every record in the history of your company and he moves on, God bless you had him for a year. You understand? So if you’re looking for stability, hire an accountant. If you’re looking for a superstar, get ready for anything, because you never know what’s going to come in there with the swirls, and the wind blowing, and
Zoom! And sit down in front of you – remember that Bugs Bunny cartoon with the – what do they call him?

Participants: Tazmanian Devil

Chet: Tazmanian Devil – Zzzzzz! Sits down in front of you. And you’re like, “Ho…a little nervous here.” Some of you will be nervous. Some of you will just be right at home with that type. You’re like, “I get this guy completely.” If you’re an entrepreneur and a great salesman, you’re going to recognize these guys easier than other people will. You tend…if that’s not you, you’ll tend not to ever hire this type. Mark Gordon. You tend not to ever hire this type, right? This type of guy would make you very nervous. And so you generally will – you’ll hire people who are more like you. That’s a fact. Studies show we hire people who are like ourselves. I’m showing you a different way to hire a kind of person who will really set your world on fire, all right?

Now here’s what you want to do, especially in the learning curve process. You want to put – you want to personally screen – oh, there’s another thing missing in that ad. You need to write this down. “Call between 12 and 2…11 and - ” Give yourself about two hours every day. There’s nothing more important to you. At this point in the process, forget the resumes. The only thing a resume does is it gives you something to talk about so you can check out the way this person’s brain thinks, right? You’re not hiring a background. You’re hiring a person. So the only value the resume has is it gives me a way to judge you - how you think, how you process. There’s nothing more important than getting a solid sale, so you take the time to do it right. Take two days and screen all the calls. You get about 60 calls in a major metropolitan area. So if you’re not in a major metropolitan area you’re going to get half that. If you’re in a small community you may get 20. But you know what? From that 20 you’re going to find one killer barracuda, knock ’em out of the park. And you’ll be thrilled. And if you can find two, hire them. Yeah?

Participant: Would you do a credit check?

Chet: No. They’re flakes! They have bad credit!

Participant: You mean you wouldn’t want to know if the person was ever arrested, or…?

Chet: That’s not a credit check. Boy – I mean, you might want to do a criminal background check. I don’t know anybody that does that, but – yeah, go ahead Eric.

Eric: About how long for each call?

Chet: I’m going to explain that. You’re getting ahead of me. Go ahead, David.

David: I’m getting ahead of you, but how do you make sure that you’re making them sell themselves to you?...
Chet: I’m going to give it all, OK?

So the point is, is your first point of contact is the telephone, but just so that you can manage your time, and you build this right into your schedule – you know, you remember, you’re doing the six things, messages… So one of them today is you’re going to take two hours, and you may puddle around and do got-a-minutes, and miscellaneous during those two hours, depending upon what the flow is like, but your main goal is to sit there, and you’re ready for the calls. So you put, “Call between 12 and 2” and sure enough, you always get one person who breaks that rule, or two. And it’s either because they’re stupid, or they didn’t read the ad - or they’re trying to get in there before everybody else.

“I’m sorry I couldn’t call between 12 and 2, but I happened to have an appointment right at that time (baloney) and so I thought if you could talk to me now it would be really convenient. Would that be OK?” Is that a guy you want working for you? Here this guy’s trying to beat the pack, you know? Let him get in there. And you say, “No, I can’t really talk to you right now. Can you call back between 12 and 2.” Or maybe “I’ll talk to you after 5,” or – you know what I mean? But usually, I just have the receptionist tell the people, “I’m sorry, but the ad says call between 12 and 2.” Oh, sorry – I didn’t see that.” So at 12 sharp, you get nine calls in a row. You try to take as many as you can. There’s two aspects of this. One is to check them out, but the other is going to be, if they’re really a star, they’ve got lots of choices. So you need to sell them too. That’s part of your process, all right?

But here we go. Here’s the first part of the telephone screen. Act busy. Be gruff and to the point. So you call in, and I go, “All right, so tell me why you think you’re a superstar.” Because that immediately tests what?

Participant: Thinking on your feet.

Chet: Yeah. Because if you can – you get these people who perform these nice interviews, and you have a lovely experience, and you interview them, and you had a wonderful time, and they were such nice people, and you thought, “God, that guy’s great. He is so solid. He is terrific.” You get in there, you hire him. He comes in, he gets along well with everybody, and it comes time for him to pick up the telephone - and he thinks he should be filing. And it comes time for him to make some calls and get some appointments for people – and he thinks you need a better direct mail letter.

A star says, “Get out of my way. Let me get the phone.” So that’s where you want to test that self-esteem early. Let’s test it right out of – let’s just get him off the phone, right now. “Yeah, hi – yeah, how ya doin’?” “Yes, hi. I’m calling about your ad in the paper.” “Great. Tell me why you think you’re a superstar?” “Well, in my last job, I did a really good job.” “Yes, I’m looking to find out why you’re a superstar.” “Well, for two years I worked for A&P, and then I went to Jones & Smith.” “Yes, but why are you a superstar?” “Well, uh, you know, my mother says that I’m…” These are actual
I go, “I’m sorry, but I don’t think you’re a superstar.” “OK, thanks very much. Bye.” You would have hired that guy if you didn’t hear this. And in fact, you’ve got a few of them working for you now, don’t you? Because what’s a superstar going to say when you start to put him through that?

Now, be prepared, because – actually, the ego comes up pretty strong. “Yeah, I’m sorry…” Didn’t you go through this with me, Diana? I was brutal on you, wasn’t I? I was so brutal. She was sweating. But you know, it’s that – that’s what tests the ego. Because I don’t want to find out three months later that you just can’t make the cold calls, and that you’re just afraid of the phone, and that you don’t have enough passion to talk somebody into meeting you, because the key to getting appointments and great ones with the prospects that you need to get these guys to talk to is, the one with the most passion wins! If I’m more sure that you should meet with me than you are that you shouldn’t, that’s how I get the appointment.

Carl Reichardt was darn sure when he picked up the telephone that he did not have to meet with whoever this jaboney is that happened to blow by his secretary. He was so sure he didn’t need to meet with me – and I was so sure he should, I made him doubt himself. And then he gave me an appointment. “All right, well, can you be here tomorrow at 3?” “What? Tomorrow – I need time to prepare! OK, I’ll be there.” It’s like you’re trying to recover from that one. I couldn’t believe that! I thought it would take three months. It took one ten-minute conversation.

So you’ve got to make them sell you. If I can’t talk my way in to get an interview with you, do you really want me trying to talk my way in to get an appointment with one of your clients? You know what I’m saying? If I can’t even get an interview with you, how the heck am I ever going to get you a client? So let’s just find out right up front. Now, if you brush him off… You say, “You know what? I’m sorry, but I’m looking for a real superstar, and you haven’t said anything that really impresses me yet.”

Now what happens if you say that to Jay? You could that response, actually, so be prepared. Sometimes they get arrogant. They go, “OK, I guess you have bad judgement.” You go, “Wait! Hold on! Why do you say that?” “Well, because I’ve been top producer every place I’ve ever worked.” Oh, now we’re getting the right answers! You know, that’s the ego that comes right out. The minute you’ve tested it, he responds in a very positive manner. And they will talk themselves in.

I’ve had where I’m about to fill the position with somebody else, and had a guy talk his way right in there with me saying, “Look, the position’s already filled.” “Oh, you’ve already hired somebody?” “Well, we haven’t hired him, but we’ve pretty much made the decision.” “Well, are you sure you made the right decision?” I say, “Well, I think we made the right decision.” “Well, let me tell you about me, because I think once you’ve heard from me, you might think that you’ve not made the right decision.” And I’m going, “Oh, now this is a guy I want working for me!” And I hired that guy.
So that’s what you need to look for, and it’s just so obvious when you see it. And it’s not as obvious when you don’t, especially because you feel rude, let me tell you. This is called “the attack phase.” You put him under attack. Now, you put a person with a strong sense of self under attack and they come out fighting. You put a weak person under attack, and they turn and run away. So as this says, “If you can chew them up and spit them out on the phone…” Don’t even bother to interview them. Why would you waste both of your precious time? Your time, his time, her time… Just get rid of them. Candidates must be confident when confronted with the third degree... able to talk their way into getting an interview. If they’re weak, get them off the phone. Do us all a favor. Say, “You know, I’m sorry, but you just don’t sound like the right type.” “Oh, all right. Have a nice day.”

I’ve said that though, and said, “I’m sorry, but you really don’t…” And that’s a great test. I’ve said that. “I’m sorry, but you really don’t sound like you have the kind of superstar background we’re looking for.” Or “I’m sorry, but you don’t sound like the superstar…” Because remember, the background is irrelevant. “I’m sorry. You don’t sound like the superstar to me. But thanks for calling anyway.” “Um, all right.” Click. One minute later the phone rings. “You know, I didn’t handle that very well, and I think that you need to listen to me a little better because I am really a superstar.” And I go, “OK, now you’re talking. That’s what I was looking for.” Now if they hang up the phone and they call back, what’s that?

**Participants:** Persistence.

**Chet:** Yeah. But which part of the personality is that?

**Participants:** Ego

**Chet:** That’s right. And that’s what you want. You want somebody that can kick down the doors and really get you the appointments.

OK, before the interview. If you decided to interview them, ask them to write down five questions they would like to be asked during the interview. What are you looking for? You’re looking for their judgement. You’re about to enter into a relationship where I’m going to be representing you…where I’m going to be trying to get you business…where I’m going to be living with you, eight, ten hours a day. You want to know me. So the interview is where you sit there and say, “Tell me three good things about yourself.” “Tell me three bad things about yourself.” And then you try to make a judgement on their personality based upon that weak surface interview. By the time I’m done, you’re going to know everything about this person. And you will get, in your heart, if you’re going to make a good hire or a bad hire.

So ask them, “Bring your resume to the interview.” How many want to see it in advance. Half the time I don’t read them. Wrong – nine out of ten times, I don’t read the resume. I don’t think I’ve read one in six years, or seven years. I don’t read a resume. It’s irrelevant. Anybody ever put the bad things you’ve done on a resume? So I ask
them, I say, “Write down five questions you want to be asked. You’ll be judged on the quality of these questions, and I want you to write questions that will show me your best side.” Because now we’re going to take a different approach in the interview. We’re not going to start off with the attack, and there’s a lot of psychology here. The questions will tell you a lot about them, and then tell them, “Bring your resume to the interview.” OK, got that?

Participants: No.

Ruddy: Chet?

Chet: Yes, sir.

Ruddy: Can you back up and just kind of, the flow of what you attack, and they come back and ____, and segue into this. In other words, you obviously – do you stay in that kind of mode, or do you kind of take a step back and put them at ease, or do you leave them uncomfortable?

Chet: When they talk their way in, if you were trying right now, and I said, “OK, Ruddy, blah, blah, blah.” And you say, “Well, I’ve built one company up to $5 million, and that only took three years, and I could do that for you if you like, or I could just go call on these other ads. There’s so many people looking for stars like me.” “OK, Ruddy, sounds good. Let’s definitely have you in here for an interview.” And there’s – and thank you for asking, because there’s no slide on this.

But at some point, I’m going to have to sell you. So I’m sorry, this is part of your…if you wrote down the ideal structure, it’s attack and sell. (I don’t have to write those two words down.) On the phone, it’s attack and sell. Because you put $300K or $150K or $75K, or whatever that number is, you’ve put it in your ad. I need to know how I’m going to make that money. And so with Immuno Labs, after the attack I’ll say, “Well let me tell you about the job. OK, basically…” and I’d describe the process.

Now I say – because I actually did this with a client, listening on the other line, and we took calls together so I could show the client how to actually do this – what the attack was like… Because when you hear it a couple of times it’s like, whoo! Big learning curve vs. hearing it in principle. And you’re going to find it hard. You’re going to find it so hard to be like an asshole. “OK, tell me why you’re a superstar.” OK, and you’ll be chewing gum when you do this. You just really want to – because they’ll respond. You’ll feel them rise up to the occasion.

And so then I’ll explain the product in a very positive way, because remember, if they’re a star they have many choices. So now, there’s the point in the pre-screen where you want them coming after the job now. Now, a good producer will start right off saying, “So, hi. I’m calling about your ad in the paper.” And I go, “Yeah, OK, hi.” “Can you tell me a little bit about the job.” And next thing you know, you’re not in control. That’s a good producer, but that’s the wrong thing. You don’t want to be standing there
explaining the job. You want to put him immediately on the defensive. Say, “You know, I’ll be happy to tell you about the job. First, tell me why you’re a superstar.” And I’m glad I said that too, because half of them will get you talking first. And I’ve seen most interviewers talk the whole time. And so they leave, and they go, “I like that guy.” Because he stood there and shook his head yes through the whole interview.

You don’t want to be talking. You want to be asking the questions. So half of it is the attack. And then you say, “OK, let me tell you about the position.” “OK, you sound good. Let me tell you about the position.” And you’re still a little gruff, and that’s really important, because it’s going to have an impact when they come in to meet you and they get a completely different person.

“Let me tell you about the position. We sell to…” (let me just pick somebody who thinks they’re going to do this. Chris – use you as an example) “We have foundry equipment, and we sell to some of the largest manufacturers in the world, and we sell to manufacturing plants. It’s highly technical, but we have an extremely thorough training program that gives you all the information and knowledge that you need. A small deal is $150,000. A large deal can be $1 million, or $1.5 million, and we pay a 10% commission on that. So if you are a star like you think you are, you can get in here and you can – you bring me $6 million worth of business, you can make $600,000 here. It’s very conceivable. But that’s why I really have to have a player, because it’s a complex market. There’s lots of competition, and there’s 30 other guys vying for that, and – but we’re the oldest, the finest, the best. We’ve been doing this longer than anybody else. We virtually invented the industry.” You know, you’ve got to make me want to come in and interview. Remember, that’s half the job is you’ve got to recruit me. You’ve got to make me say, “Yeah, OK. Yeah, I want to interview here.” You’ve got to make me want to come after that job, OK?

And if you’re willing to pay a base, you say, “Look. The package is to $600K. I’m looking for someone who’s more looking to be performance-oriented…” And if you have a base available, that’s good too. But the kind of person – depends on where you are. Like for you, Jerry, you’re not going to get a $600,000-a-year person, but in your neck of the woods if you can pay $70,000 because I bring you $700,000 worth of business, that’s a pretty good living. $70,000 in your neighborhood, right? $50,000. $50,000 might get you some 21-year-old future billionaire who doesn’t know it yet.

Jerry: 30 to 40.

Chet: 30 to 40 billionaire? $30,000 to $40,000 is good living where you are. Is it? You know, I would put the most you think you can make. If I can bring you $700,000, would you give me $70,000 of that? Is there margin there for you to do that? If it’s in addition to what you’re already getting?

Jerry: Yeah.
Chet: Yeah. So you define that, and make me business. Who raised their hand? Was it you? I’m sorry.

Participant: Would you put your company name in the ad?

Chet: Yeah. Why not? You’re not trying to hide anything. Put your reputation right out there. Unless you’re trying to hide from your competition, and most of them will go, “Wow! How can he afford to pay that? I can’t believe that!” You know?

OK, so let’s go on.

Participant: You may get swamped with that kind of ad, too. You could pull all of your competitor’s top salespeople with that kind of thing.

Chet: Mm, God bless you. Well, it’s all in the structure. It’s all in the strategy. OK, so here’s the interview. It’s relax, probe, attack. Those are the three words that you need to be thinking about – relax, probe, and attack. Now let me explain each one.

OK. So this guy is coming in there now, and you were so belligerent almost, that he’s coming in like this: “OK, I’m ready for this guy!” And you’re like, “Hey, how you doing? Nice to meet you!” And it’s just such a – like a shock. It just totally throws them off. So you want to relax at the beginning of the interview. You know why? Because you want to see my best side.

Now we’re going to test the empathy. Be super-friendly. Your goal is to get in rapport with the candidate. This will prove invaluable later. You need to get deeper with them in an interview than anyone else has ever gotten, and I’m going to show you exactly how. This will really throw them after the way you screened them on the phone. Relax the candidate and let them see that you really like them. Let the candidate show you their best side. We want to completely open them up. (chatter)

The basic theme is you’re just going to be really friendly. You’re just going to be extremely friendly when you first meet them, very warm. You just want to make them feel right at home as fast and as easy as you can. Your goal is to understand their psyche... how they process information. You want to see their judgement. If I put any one of you through the process that I’m going to put this candidate through, I’ll have such a good understanding of the way you think, the way you process... this is going to be very valuable for me, first of all in the interview, but also in any relationship that I’m going to have with you if I were interviewing you as an employee.

So I will say to you, “Look Eileen, I’m way more concerned with how you think… with your judgement… with how you process information… you know, with what makes you tick. I don’t really care about your background. I’ll say this right at the beginning of the interview. That’s why I didn’t want to see your resume in advance like everybody else. I don’t really need to see your resume, because I’m going to hire you based on the person you are. Now what this means is that I want to really get to know
you in this interview. And so if you give me the standard interview answers that you
would think you should normally give, you might actually fail this interview. So since
you’re unsure of what I’m looking for…because I’m looking for a psychological profile,
a specific type. And if it’s you, I’m going to know. And if it’s not you, I’m going to
know too. So if you try to give me the ‘interview answers,’ you’re going to be guessing
and then we’ll both make a mistake here. So just be yourself. Just relax. Just
completely, let’s be totally honest with each other. You know how you say, ‘Well why
did you leave that last job?’ ‘Well, I left it for a better opportunity.’ And you know
what? People normally don’t leave jobs that they’re happy at. You leave jobs when
you’re unhappy.”

That’s a fact. Remember – what causes change? Pain. That’s why people leave
jobs. It’s when they start to feel unhappy in their current job, then they move on and look
for another job. If you’re thrilled, you don’t go anywhere. So there’s always a bad
reason why they left their job. I’m sorry, there’s never really a good one. “Oh, I got a
better opportunity at such-and-such.” When I worked for that law publication, I couldn’t
stand the boss. He was an idiot, and I was making a boatload of money. But I couldn’t
stand working for a dumb person who didn’t treat me with the proper respect for what I
had done, building the company and breaking every record in the history of the thing, and
fighting with me over, I got an advertiser to buy, like a $200,000 schedule. It was the
biggest sale in the history of the magazine, and so the guy was on vacation. I sent him a
bottle of Dom Perignon - $100. And my boss said, “Uh-uh, we don’t do that.” And I’m
like, “Did you see this $200,000 insertion order?” So you know, it was just stuff like
that.

So anyway, be honest, blah, blah, blah. So I literally say this. “Don’t give me the
standard interview answers. You don’t know what I’m looking for. So the best thing for
you to do is be honest so we can discover if you’ll really be happy here. I want to
understand why shaped you. So if I ask you a question that you feel uncomfortable with
Eileen, just tell me, ‘You know what? I prefer not to answer that.’ And I’ll move on.
I’m not going ask any – highly personal (and this is exactly what I say in the interview.)
I’m not going to ask anything highly personal, but I want to get to know you. What
molded you? What shaped you?”

So you’re going to seek a deep understanding of the candidate’s psyche. If they
become uncomfortable answering questions about themselves, then what do they lack?
No, if they become uncomfortable when you’re trying to find out about them? That’s not
somebody who’s a bonder. Empathy makes people bond, so if I start to feel
uncomfortable if you’re trying to ask me about where I was raised, or any part of it…
One guy’s sitting there in a meeting, and “So tell me about your childhood.” “It was a
good childhood. In high school I…” “No, no – your childhood. I want to know, like,
where were you born?” “I was born in (this guy was born in New Zealand) I was born in
New Zealand.” “Yes, and what was your family life like?” “Well, in football I was into
sports, and…” “No, no, no – your childhood, man. Let’s talk about your mother, your
father. Tell me about your brothers, your sisters. What made you who you are today?”
Now, a bonder will say, “Well, my mother was one of these beautifully creative people
and she just adored me, and I grew up with that. And my father was one of these – he was a military guy, and so I got this discipline, and the love, and the two…” and they’ll start explaining their whole psychological profile, where it came from, and just be like an open book. They’re just right there. They’re natural bonders. Howard, you and I were having a conversation about your wife, and that whole thing…You know, they’re just natural empathy. They make wonderful bonders. So you literally want to ask those kind of questions.

OK. Here is a very unsettling thing if you are a parent, and you have not raised an overachiever. So I literally will say to them…I’ll say, “Eileen, when you were five years old and you went to your mother – now remember, you’re only five, and you go to your mother, and you say, ‘Mommy, I’ve decided I want to be just like Christina Aguilera. I want to be a rock star!’ She says, ‘Well honey, most of those people starve and I wouldn’t want that for you. Don’t do it.’ ‘OK, if that’s what you want, so you’d better have something to fall back on, so take accounting.’ ‘If that’s what you want, I’m sure you’ll be successful.’ Now just out of curiosity, if you don’t mind answering in front of 55 total strangers, what would your mother have said to you?”

Eileen: She said OK.

Chet: What about your father?

Eileen: He did the same thing.

Chet: OK, well what’s at stake here is not the child’s choice. So if you’re a parent, and your child comes to you, their choice at five years old is irrelevant. What’s at stake here is your belief in their ability to accomplish their goals. Understand? So they did this study, and they listed – they had 200 different overachievers. Donald Trump was in the study. Bill Gates was in the study, Eddie Van Halen, greatest guitarist in the world was in the study…they had artists, painters, inventors…they had this whole list of them in the study. And then they did variables to try and find out what about their background was the same. Were they raised rich? And they went down and, “Well, this guy was raised rich. Well this…most…no, OK here’s another one. OK, that’s not the same.” Were they raised poor? No. Were they raised in rural communities, suburban areas? Were their parents happily married, divorced, nothing.

And then all of a sudden they came way out here – 187 variables later, and they found one. And it was absolutely the case in every single case – 200 case studies of over achievers. A blindly encouraging parent, almost always of the opposite sex. Because when the little girl is growing up, she will walk like the mother, talk like the father – talk like the mother…Talk like the father! “Hi, Dad!” You mimic the movements of the same sex, but you look to the opposite sex…who here has got a boy and a girl? So Ruddy, I’ll just use you as an example. You love your son. It’s Your Son. You love him. And if you’re a good father, you hug him, you kiss him just like you do the little girl. But your daughter’s your little princess, and you kiss her little hand, right? You get a little romance going. And you, it’s the opposite, right? You love your daughter, but
with your son it’s a little romance. And so the little boy falls in love with the mother, and
looks to the mother for his self-esteem, even though he walks like the father. Plays
baseball like the Dad – but he looks to the mother for his self-esteem.

So if you’re a parent, there’s a little lesson for you. So Jay, unfortunately you
have four boys. It’s not up to you whether they’re going to be overachievers. It’s totally
up to your wife, which she’s probably going to do a very fine job.

So understand that this is one of the things you’re looking for. How were they
raised? Did they have that blindly encouraging parent? You’re probing to find that out.
So what would your mother have said? How about your father? You’re looking for one
of those two to be blindly encouraging. But you see, the interview answer is B. But it’s
the wrong answer. You understand? The wrong answer. B is the wrong answer. “OK,
but you’d better have something to fall back on.” That’s not the right answer. The right
answer is, “Honey, if that’s what you want to do, I’m sure you…” My mother, I’d go to
her, “Ma, I want to be a bank robber!” She’d go, “Son, you will be the best bank
robber!” I mean, like, it didn’t matter. She was just the most supportive creature you’ve
ever seen in your life.

Participant: So it’s my mother’s fault?

Chet: It is your mother’s fault if you’re not an overachiever. Well, I mean, you
know. I’m just saying that it could be all kinds of things. So I mean, really, it could be
all kinds of factors. I’m just giving you some stuff that comes up when you study
overachievers.

Determine if the candidate’s background contributed to their confidence. So ask
questions like, “Well what types of things in your childhood shaped who you are? Tell
me about (this is a great question) Tell me about some of the biggest challenges in your
life, and it needn’t be work-related.” Actually I say – because I try to get them when
they’re this age. Because they say, what is it – the Buddhists say, “Give us the child, and
at eight years old we will give you the man.” By eight, it’s too late. By eight years old,
that’s like your best work is before eight years old. The child hits the age of reason at
seven, and if you haven’t instilled that self-esteem, you’re working twice as hard after six
or seven years old to try and build it into your child.

So you want to ask this: “Tell me some of the biggest challenges.” You know,
Jay was talking about building a paper route before. And I never heard you tell that story,
but what, you started with a little tiny paper route, and you built it into a giant paper
route? Yeah, did you build it up? Yeah, now he’s trying to be shy, and humble…No,
I’m just saying that that’s the trait of an overachiever. They get a paper route.

I had a paper route when I was 14, and it had 26 people on it. And I didn’t think
to go get more people on it. You know, I was 14 – what do you think? “Oh, a paper
route. You were making $13 a week, or whatever it was. This was a long time ago. And I
get this little flyer in the mail, and it says, “For every new subscriber you get, we’re going
to give you a chance to win a brand new bicycle.” And I was a poor kid. My father after the Marines became a cop, had five children. My mother didn’t work. We were poor. I didn’t know it – you know, you don’t think of yourself that way. And so I went, “Get a new subscriber – hey, what a concept!” I got like 21 new subscribers, so then the results of the contest comes out, and it showed you, “Billy Jones, 1 increase. Bobby Smith, 2 increases. Bob…comes down to Chet Holmes – 26 or something. I’d doubled my route. And I looked at that and went, “Huh, that’s interesting.” You know, I was 14. I didn’t have any perception at all, but some other kid won the bicycle and he only had one. I thought, “That’s really stupid.” At 14, I even said, “That’s the wrong reward system. Get a chance to win a bicycle.” I thought it was the one who got the most won the bicycle. Now what should it have been?

Participants: The most.

Chet: Yeah, exactly. Somebody at that newspaper circulation department needs to take one of my courses.

OK, “Tell me about the toughest sale you ever made.” Now this is an opportunity for you to get deep with the detail. These are great questions nobody ever asked in an interview. “Tell me about the toughest sale you ever made.” “Mmm…I got a really hard one.” And I can take you through like five or six, where you go, “OK, this guy’s got real horsepower, the real juice.”

Ask a lot of detail. Side – step-by-step specifics. In between this question and that question is a walk from their whole childhood up to their first job. You understand? So this – you don’t just jump from this question to this question. You don’t jump from “Tell me about a big challenge in your childhood,” or “Tell me your childhood,” right into “Tell me a sale you had a tough time getting.” We want to go chronologically. I want to know you, and if I interviewed you like this, you can get the idea. I want to know you to your core, and I am not going to make a lot of mistakes in hiring. You understand?

It’s way better to – the average mistake in hiring cost you $60,000. Small company, large company, a bad hiring error cost $60,000, according to national studies. That’s what you paid ’em, what they lost you, what your time was, what you spent on it, what you didn’t get, the lost opportunity - $60,000 for every bad hire. So wouldn’t you rather find out in the interview? Wouldn’t that be a great thing? So that’s what this is designed to do. You’re going to ask me all about my childhood. So, “You have any siblings? Tell me about your brother.” Oh, here’s a great question. “So Eileen, how would your mother describe you?” So now, you get really weird answers. “Well, my mother – well, blah, blah, blah…” “Well, how would your father describe you?” And again, if you feel uncomfortable in any of this, blah, blah, blah.” Now one on one, you’d feel perfectly comfortable, right? Because he’d tell me you’re a sales animal. But you’d be perfectly comfortable in this, right?

Participant: _______
Chet: Oh, OK, there you go. That – she’s got both. So that’s what I’m trying to say, is that you want to get deep into their psyche, and these kinds of questions. “Tell me how your mother would describe you. Tell me how your father would describe you.” Right in an interview I’ve said, “How about your girlfriend?” Or “How about your wife, or your husband?” He’d say, “Oh, my wife would say I’m very…” And I’d say, “You mind if we call her?” “What do you mean?” “Well let’s call her right now.” “Really? Yeah, go ahead, call her!” Because remember, these guys are like an open book. So I call her with the guy sitting right there, say, “Yeah, hi Betty. I’m sitting here with your husband, and he’s interviewing for a job, and so I’m going to check his reference with the person that knows him the best. Tell me what you think of this guy.” She goes, “Really? He’s sitting right there?” And I say, “Yeah, so you really can’t say anything too bad.” And I’ll have fun with it, this and that. But you get these – just such honest view of the person. You want to slice him open and really take a look at them. So literally, I’ll call their mother while they’re sitting right there. I’ll call their father while they’re sitting right there. Because you know, you just want to put me in a situation where you get to know me, right? Do we want to make these mistakes after we hire you, or do we want to get deep and find out while we’re in the process?

OK, you want to look for areas of other accomplishment.

Participant: Ruddy says, “Is this Candid Camera?”

Chet: Yeah, exactly. I’ve never had anybody say that. “Is this Candid Camera?” People start looking around...

They usually have some other area of discipline and physical accomplishment. It is a fact that you cannot find a top producer who doesn’t have some other area of huge – usually of huge competency. It’s not physical, necessarily. It’s an area of discipline. I had a top producer once who was a master astrologer. What a powerful rapport tool! Man, he’d meet you and say, “Oh, when were you born?” And come back the next day, this guy would know everything down to your sexual preferences. It was really scary. “Nobody knows that about me!” He was really a master, and there’s quite a science there, and he’d studied it, and he convinced me there was something to that science, because he was so compelling and perfect and good at it. So he wasn’t a physical superstar, but he was highly disciplined. You know, they have other areas where they just have soared and achieved.

Jay is the only guy I know who can do 400 dips, and he’s got the dip machine in his room. He has it assembled in every hotel he goes to. So you’ll find stars that have other areas of accomplishment. For me it was karate. Right you guys all know, you know, studied karate for 22 years. They have other areas, because they have a need to succeed. It’s their personal drive that fuels them.

Here’s some more questions. “Tell me about a time in your life when you surmounted very difficult odds.” That can be a personal story, or it can be a professional
one. I prefer both. I want them to tell me a personal story and a professional one. Now by law you can’t ask them how old they are. You can’t ask them if they’re married. But remember, if they start to be uncomfortable about anything, they’re not a top producer anyway. Just stop wasting your time and get them out of your office. Top producers are like an open book. They’ll share anything with you.

“Tell me about three or four things of which you are most proud. Tell me the things you’re most proud about in your life.” These are great questions. Anybody ever ask you half of these? But if they did, would they really get to know you? That’s my point. This is how you’d really get to know somebody. “Have you practiced and overachieved in any areas of discipline? Sports, music…” Sometimes you have to give them ideas, because they didn’t think about it. “Oh, yeah, I’ve been playing piano for 28 years. In fact I would rock your world.” Music is another discipline…writing…specialized knowledge… Like I said, the guy who was an astrologer. I had another fellow who was an expert in genealogy. Who knows? That’s the trace of heritage. I mean, an absolute expert. And he – it was fascinating to talk to him about it (for at least ten minutes.) Anything that’s (I hope he never sees this video)

Just getting by… just getting by in life is not an overachiever. You’re just going to find that they will have other areas of accomplishment. And if there’s overachievers in this room, do you have other areas of accomplishment besides business? Raise your hand. I just want to see who has the ego to say they’re an overachiever. Thank you.

Innate ability to bond, that’s the other thing we’re checking out. They are eager to bond. Their lives are open books. I ask questions like, “How would your best friend describe you? Tell me about your best friend.” Jay said, “Does anybody have a best friend that they do…” That’s a great question. “Tell me about them. How would they describe you? Can I call him/her right now?” That’s a great person to check someone’s reference with. And you think, “Oh, they’re just going to say all the right things, and this and that.” Well you can sucker-punch people too. That’s a whole ‘nother art.

“Of all the people you know, who has the most faith in you?” That’s a great question. “Of all the people you know, who has the most faith in you? What are some of your best memories?” If I can get them to cry in the interview, I’ll tell you…Now we’re really bonding. Misty-eyed – I want ‘em misty-eyed.

Mike: _______

Chet: No, you’re going to have them in front of you on a sheet, absolutely.

Jay: Don’t sound like you’re a telemarketer.

Chet: Yeah, you don’t want to hold it up and go, “How would your best friend describe you?” But yeah, bullets on a sheet in front of you so you don’t forget to ask the question. When I trained our clients, I gave them all the questions on a sheet with bullets.
Here’s a killer, guys. We will give you this sheet as well – wherever Carl is, because I don’t want you to have to write this down. OK, I’m just going to use David because I know David was a top producer every place he ever worked, and I just want to see. It’s a little test.

“Weigh yourself on a scale from one to ten in the following areas;” (this is a killer thing to do.) Now, you go, “Drive…” So, ambition. I put this right in front of them and give them this exact sheet – except cut out the parts that are for you. “A superstar will rate themselves very highly in all areas.” Don’t – take that off the sheet before you give it to them. Because if they rate themselves…This one here, “time management” – that may be low. That may be one of the ones that they’re not that... “Self-improvement…” just out of curiosity – can you read those from there, David? Where’d you put yourself on most of these, on a scale from one to ten?

David: On most of them?

Chet: Yeah.

David: At least ten.

Chet: At least ten. Is there something higher you were going to go for? OK, let me tell you. A top producer will rate themselves at ten in practically every – in every area. Someone who rates themselves a nine, I get disturbed. Because remember, what’s it test, there? If those are personal traits, you want to rate them… A top producer will say, “Ten, ten, ten, ten…” Or nines and tens, and if you say, “Why only a nine here?” “Well, there’s always room for improvement.” But the right person, actually, will give themselves a ten.

Participant: Can we get a copy of that?

Chet: Yes. Thank you for reminding me. Just testing to make sure that you’re paying attention.

All right, so more questions. “Who’s the best salesperson you ever met?” This is a great punchline. So David, who’s the best salesman you ever met?

David: Probably me, or you.

Chet: Ha ha! OK, that’s the right answer. But if he says, “You know, there was this guy I worked with once. His name was Bill Smith…” And then you go, “No…”

Participant: “What’s his phone number?”

Chet: Yeah, exactly. “What’s his phone number? Thank you. What’s his phone number?” And then you say, “Well, what’s the difference between you and Bill?” So that’s a good question. Write that down. Who’s the best salesperson you’ve ever met?
If the candidate names his or herself you should probably offer them the job. David, you’ve got the job. If you want to leave your own company you can come and work for me and Jay tomorrow. If not, ask what’s the difference between you and the other person. So I already said that. So that’s a great question: Who’s the best salesperson you ever met?

Here’s another one I will give you a copy of. Ask them to rate themselves. You don’t need – but these are sales steps. On a ten, ten being the best. So again, David, establish rapport – scale of one to ten, ability?

**David:** Oh, rapport?

**Chet:** Yeah.

**David:** ___ a ten.

**Chet:** OK, I won’t put you through this anymore. Eileen, establish a need…ability to qualify the buyer?

**Eileen:** Ten.

**Chet:** OK, I already gave this one away. Build value, create desire, overcome objections, close the sale and follow up. Those are steps you want to – that’s what makes a great salesperson. All those things, right there, all right? On one page.

**Jay:** Chet?

**Chet:** Yes sir.

**Jay:** And, speaking of Eileen – Paul, you could perhaps adapt that to certain other applications in your restaurant. You could modify – just everything…

**Chet:** Yeah, the sales – waiters too. These are perfect traits. They attach themselves to the customer…they bond…they… You can try and take a guy and make him be that way, or you can just hire someone who’s that way, and you’re going to be better off every time. But they don’t need that strong of an ego. They need more empathy – waiters.

**Paul:** They need empathy more than ego.

**Chet:** Yes, they do.

**Paul:** ________

**Chet:** Yeah, you wouldn’t have…they wouldn’t make…they wouldn’t get along with anybody in the office.
OK, determine dedication – what was the last (another great question) self-help book you read or tape you listened to? If they say, “Well, I really haven’t listened to anything lately,” that’s not a top producer. Because remember I showed you the five points of the star? They’re always trying to get better. Like I said, you can’t go to a top producer’s car and not find some tapes from Nightingale Conent in the trunk of the car. It does not happen. So “What was the last self-help book? Who influenced you?” That I saw in our questionnaire, that was one of Jay’s questions. Who were some of the people that had a profound influence on you? Write that down, that’s a great question. Who were some of the people that had a profound influence on you? OK.

Notice that we haven’t asked a single business question yet. These are all personal questions to get to know them. Now, you pull out the resume. And as it says here, because of the previous probing part of the interview really getting in rapport, now people will be totally honest and thoughtful in answering questions about their resume. So before, if I just start right off going right through the resume, I’m going to get the interview answers. “So why’d you leave your last job?” Well, I got that new opportunity, and blah, blah, blah.” Now the guy’s going to say, “You know, my boss was an idiot.” I say, “Well what do you mean by that?” Because I want to now make a judgement on if I would think this guy was an idiot, based upon the input that this candidate is going to give me, you understand?

So now, we go through the resume and we just went through your whole childhood and we bonded. Now I’m going to really get a very straightforward answer, and now we go through it. They’ll keep trying to talk about their job unless they’re great bonders. Then they’ll go down any memory lane you want to go down, and be happy to be there for several days. But if they keep trying to go to their job, go to their job, go to their job, you don’t have a bonder. And again, you’re here in like years of experience, talking here. When they start going, “Well in college I…” “No, let’s talk about your childhood.” “Well when I first started noticing that I was a star athlete in college…” Although that’s a very good thing, by the way. Anybody who was a star athlete typically has a very strong ego, star athletes. Anybody here have a very strong athletic background? Why don’t you – yup. I knew you did.

OK, because of the previous program, blah, blah, blah. Going through the resume…this is my favorite question. I want to know why they left their last job, why they left the job before that. People don’t leave jobs if they’re happy. And I’ll say that to them in the interview. I’ll say, “Eileen, you know, the fact is, typically if we’re really happy in a job we don’t leave.” It’s very, very rare that some new opportunity plucked you out of this job. You went looking, and you were looking because you were not happy in your last job. And I want to know why. You know why? Because we’ve bonded now, and I want to have a heart-to-heart talk with you, and I want to see how you make your judgements. Because I just want to see if we think alike. I want to give you the opportunity to be your most honest self with me, because that’s how we’re going to make a decision here.” Right? Isn’t this a great interview? You get what I’m saying
here? I mean, when I’m finished, am I likely to make a mistake with an interview like this vs. what most people do?

And so one of my clients – I won’t name which one – I said to them…the president of the company said, “Well, I’m interviewing four people on Tuesday.” I said, “Oh yeah? How long did you allow for that?” “Oh, a half an hour each.” And on that she’s going to make a decision to hire a top producer. And I said, “Half hour?” “Oh, too much?” “No, no, no.” “How much time do you spend?” “Well I spend an hour if I’m not sure, and three hours if I’m sure. Because then I want to be really sure. I’ll spend five hours. I’ll take them out of the office. We’ll go and sit by the pond. We’ll go – I like to break things up. I like to do unusual things. I don’t make a lot of mistakes in my hiring because I typically will make it really tough on the candidate, and I really get an understanding of who they are, what shaped them, etc., etc., etc.

Jim: Do you ever stack them, like two or three interviews in your process? Like two hours today, two hours tomorrow…?

Chet: Sure. Yeah. But I allow time, because if I’m bonding, if I’m… Well, I’ll do an hour, an hour, an hour. And then if I think the person is someone I want to interview again, I’ll interview them again. I’ll go a step further. Like I said, if I’m sure, then I want to spend more time. But if I’m not sure, it takes an hour. And if I can tell right away they’re not the right candidate, they’ll be out of there in ten minutes. I don’t waste my time trying to be a nice guy. I’ll just say, “You know what? I really don’t think you’re the right person for this job. Nothing personal, but I don’t want to waste your time or mine.” And if they’re smart they’ll start to qualify me, but we haven’t gotten to that section. Yes, yes Jim?

Jim: Do you ever interview a spouse?

Chet: No, but I will talk to them. I will talk to them.

OK. Tell me about a disappointment or a disagreement you had with a boss. You can’t tell me – who here has never had a disagreement with a boss? Nobody. Do not tell me, “Well, I’ve never really had a disagreement with a boss.” Bull. So name two weak points of your previous boss. Ho ho, that really – you really want to get someone? Name that one. Tell me two weak points about your previous boss. What am I looking for here? Just judgement. I’m just looking for how this person processes information. Eileen, can you name two weak points about your previous boss? Don’t say anything bad about Paul.

Eileen: My previous boss?

Chet: Yeah, previous boss.

Eileen: Tendency to a real low boil point, and –
Chet: What do you mean by that?

Eileen: He got angry really easy. Kind of lost it.

Chet: Oh. See? That’s just normal, well-adjusted thinking. She’s not saying anything that I’m going, “Oh oh. What have we got here?”

OK, you get the idea. That’s a normal reaction. That’s a good answer. Even though you’ll never be asked that question again in your whole life by any other interviewer. OK.

Howard: Is there a right answer to the previous one?

Chet: You’re just looking for judgement, Howard. You’re just looking for how they think, how they process. So if you asked me, like the guy who, I got a $200,000 and he wouldn’t reimburse me on the Dom Perignon. And this was not a place where we didn’t do stuff like that. He just thought that was too extravagant. And I’m like, “Well the sale was the most extravagant sale in the history of the magazine!” So – and I was like – I was outraged by that. I was like ready to quit over that. And he said, “You’re not going to quit your job over a hundred bottle of champagne and you know it.” It was like, “OK, well all right.” How would you explain that on the next interview?

OK, so name two times where a supervisor criticized you. Actual quote: “One time I had to get a boss fired because he was ruining the business.” So I was actually sitting in an interview with this candidate, and later the sales manager said he would never hire this person, because he feared the same thing might happen to him. Right? What would you do? I’d ask him more questions. What do you mean by that? Because the fact is, he actually, when he explained it it sounded like he did the right thing for the business.

Don’t react, or react positive. Don’t react – OR, react positive, OK. “Really, you got your boss fired? Yeah! Tell me about it, stud!” So now he’s – you know what I’m saying? Your goal is to be in such a supportive role that they are so honest with you. If you react negatively to anything the candidate will clam up and cater to what they think you want to hear. And that’s not what you really want. You want to get to know them. If you react positively, the candidate is likely to expand on the comment. If you don’t really react either way the candidate might proceed in a more neutral way. So they’re going to take their lead from you.

OK, so now we are ready for the attack. So you’ve bonded, you had a beautiful experience, you had them all misty-eyed over their childhood. You know, so now, when I test the ego – understand what I’m saying here – now when I test the ego it’s really going to be a test. Because if you and I bonded, and now I say I don’t think you can do the job, if you don’t really have a strong sense of self, you’re going to admit it to me. You’re going to agree with me. And I’ve had it happen when you would have swore to God if you were sitting in the room with me, there’s no way this guy is going to crumble.
in the attack. No way. He is macho man, and I go, “You know, I like you. Even though I...” This happened with Scott Holman and I. And when he had one of his $100 million companies that he built from scratch, and I was interviewing one of the candidates for him, and this guy came in and he was like Dirk Handsome. You know - big, tall, good-looking guy. He had, like, escaped the Scanadian...he had left his country which was this little island in the – it was 150 miles from any other place, and come to America on a boat, and made his fortune. And he’s just a good-looking, tall, wonderful, sweet, beautiful guy. We get to the end of the interview, and we attack – and he crumbles like a child. It was astonishing. Both Scott and I were like, we couldn’t believe it.

So this separates the men and the women from the boys and the girls. You’ve found someone who you think is a top producer. They’re totally likeable. They have a good sense of self. They have great rapport skills. That’s one of the things you test when you do the probe. They’re a great communicator. But the attack phase of the interview reveals what the candidate really believes in his or herself, which I’ve made a very potent case for, is an absolute prerequisite.

So here’s an attack. Tactfully tell the candidate you don’t think they have the stuff. OK, so let’s test someone’s ego here. All right, let’s test you Eileen, because I know you’re a barracuda and you can stand it. “You know Eileen, you seem like a nice person. But I only have one opening and I need a real superstar. Now, while I’m sure you would do well in many other endeavors, this particular situation is very competitive. It’s a very competitive industry, and I doubt your particular skills and personality would hold up. So what do you think of that?

Eileen: Well, I think maybe you don’t want to be as successful as you possibly could be.

Chet: OK. A weak person will agree with you. “Well, OK, well you could be right. It could be. It could be too competitive for me.” “But what do you really think?”

Eileen: _____

Chet: I’m not going to repeat that on the mike! She gave me a derogatory comment. David, could I convince you of this? That this is a little too competitive for you, and I doubt that your particular skills and personality would do well in our industry?

David: Well, I think you’re making a big mistake.

Chet: Right. And that’s what you’re looking for. You’re looking for the person to say, “What are you, high?” And you can literally say – and you say it very cavalier. Watch the tonality here. In the next – in one of the next modules I teach you how. Your tonality has so much power in how you say something. And over the telephone it’s your most potent weapon. Your tonality is way more potent in the words that you use, and I’ll prove it to you. But if I say to you, “So, I think in this particular situation you probably don’t have the skills or the personality that would make you successful.” That is a direct
attack on your ego. And I kind of look at him and go, “What do you think?” I actually
don’t even like to say what they think, because that gives them the chance to keep selling.
I want them to think this is what I really believe. Because if I say that to you, Adrian,
and I literally – I say to you, “You know, I really like you. You seem like a nice guy and
everything, but I don’t think you’ve got the skills for this particular job.”

Adrian: Open up my own business.

Chet: I had one guy say, “Well, you just better hope I don’t go to work for one of
your competitors.” I want to ask you, do you think I hired that guy? You’re damn right I
did! I hired him.

So you feel how that got your ego up though, right? You feel that I’m
challenging you, and I’m looking at you all sincere, and I’m basically telling you you
don’t have the stuff. Now a guy who really does is not going to let me say that. Right? I
mean, you felt like, “No way.” And that’s what you’re looking for.

Now in certain societies and cultures there’s a politeness about them. I’ve found
that people from England, for example, “Well, OK, if that’s what you feel.” And I go,
“Well, how do you feel?” “I feel it’s a lot of crock, actually.” I had one guy, I said,
“How do you feel about that?” And he said, “Truthfully?” I said, “Yeah.” He said, “F__
you.” Dead serious. And I hired him, too. Swear to God.

A great number of candidates who looked great a minute ago will crumble when
you act like you doubt them. A top producer will never crumble. A top producer will
convince you that he or she can do the job even when you continue to attack and express
doubt. So easily discouraged in an interview results in a disaster in the sales field. Am I
right? So let’s not give them any opportunity to get out there and fail when we can just
find out in the interview.

The attack phase may be difficult for you. (chatter) The attack phase is often
hard for an interviewer. You will feel like you’re being mean. You know, you’re really
going to feel very uncomfortable with it, but this really tests the candidate’s ego, and
that’s clearly what you need. Make it clear to the candidate during the attack phase you
do not think they have what it takes. You’ve just got to – it’s just the most important part
of it, and if you say, - here’s a bad attack. Oh, I think I actually may have that in here. I
may or may not. Oh, yeah I do. OK.

So keep attacking. Really act like you don’t believe them. If you establish good
rapport, this phase is even more effective, because the rapport will help them drop their
guard. As a friend, in rapport, if you can convince them that they don’t have what it
takes, you surely do not have a top producer. You guys understand this now, completely,
right?

The weak attacker – here’s the weak attack. “Eileen, you haven’t convinced me
yet. Keep trying.” That is an invitation. That’s encouraging you. Saying to you, “Eileen,
I don’t think you can do it” is very different than, “Keep trying.” You understand? That’s a weak attack, and I’ve taught this, and that is a quote from somebody trying to do the attack who feels too awkward saying, “I don’t think you have the stuff.” “I just want to be honest with you, Jay. I just want to be honest, you know? Because I don’t want to waste your time, and I don’t want to waste mine, and this is a very challenging situation being in front of all these people, and I just don’t think – I don’t think you’re going to hold up.” See that expression? That’s the expression you want.

The real trick is the sincerity of doubting their ability. The only positive statement you can make is “While I personally like you, and I can see how you might have done well in other situations…” Because it’s – I don’t have to destroy the person, and I can say, “You know, look Adrian, I like you. I do. I can see – you’re a beautiful human being. But this particular situation is fiercely competitive, and I don’t think you have the skills for this particular situation. I don’t think, under our competitive environment that you really have what it takes.” How do you feel about that?

Adrian: I like you too.

Chet: All right. The attack is everything. And I’ve said this already. Wouldn’t you really rather find out if a person has a weak ego strength before you hire them? Don’t be sold easily. You will want to cave in and admit that you really do think they can do the job. Be prepared that they may get a little insulted. That’s also a sign of a healthy ego. That’s OK. When you say – I don’t think you saw Jay’s expression. It was like, “You have bad judgement.”

All right, so. Once you’ve hired them, can you keep them?

Participant: Chet.

Chet: Yes sir.

Participant: At what point do you decide they’re qualified?

Chet: The attack phase.

Participant: No, I understand, but then do you keep on attacking?

Chet: You can just tell. You’ll just know. There’ll just be a point where you go, “This guy is great. I can’t wait to hire him.” And then you can explain it to them, by the way. So they don’t think you are a total jerk. “Let me just tell you, I took this course on how to hire top producers and they say that one of the things that makes a top producer is that they have a very strong sense of self. And so me telling you that I didn’t think you could do the job was a test.” And they go, “Ah, I see the wisdom in it.” They immediately get it. They go, “Oh, wow! Psyche! I just learned something new! Wow!”
So top producers are original. They’re intelligent. They’re sure of themselves. They’re generally frustrated in most organizations. And they end up starting their own successful companies. So to keep them, you can’t cramp their style. You’ve got to know how to manage these people. They’re eager to please. They’re eager to take on more. They’re eager to do more.

So how do you keep them? You never say “no” to a superstar. You redirect that wonderful energy. “Hey boss, I have this great idea I’d like to run with.” “I don’t think so.” They walk out the door feeling bad. A superstar – “Hey boss, if we had better communication between the departments I believe our sales would increase. Could I put a program together for that?” This is actually a quote from me to one of my bosses, who, he just said, “No.” I was, “I’ll do it on my own time. I’ll do it after hours.” “No. That’s not your job.” “Yeah, but it won’t take anything away from my sales.” I was a young guy, but – “Great idea. Tell you what, Chet. Get me three more sales per month for the next three months, and I’ll let you run with that.” That’s what you say to a superstar. Put another thing that you want from them in front of them before – now when he does this to you, you’re going to be on. “I know this trick!” But it’s not a trick. In other words, if they want something, it gives you leverage to get something you want. And in most cases, it’s usually something that they think is going to help. But you may have better judgement as the boss, and see that their energy should be spent elsewhere.

Be grateful for the ego. Superstar – “This promo piece is terrible. We should have a better one.” You – “Great. Let’s see what you can come up with.” Vs. “This is terrible. Who created this dumb thing?” “I did – you’re fired.” This is an actual situation. Right, with the ego of a superstar, it’s like, “This is awful. Do we really use this piece of shit?” And the guy goes, “Um, I created that.” Or worse – “My wife created that.”

So great managers know just how to capitalize on that big ego. They say things that sometimes, it’s just insensitivity. They criticize things that you built that you thought were great. Just say, “Yeah, let’s see what you can come up with.” Throw it right back at them. “You think you can do better? Let’s see what you can do.” And sometimes you’re delightfully surprised when they can come back with something that’s twice as good as anything you would have ever thought of. You know, don’t be intimidated. They work for you. Like I said, I know just what to do with a top producer. I know just how to take advantage of that big ego. I know just how to push that button.

“Look Eileen, you said you were a top producer. You said you were really great. Well, so far you haven’t really done much. When do I see this star performance you talked about in the interview?” “All right. Get out of my way. I’ve got to get back to work.” Superstars will perform far better if you challenge their ego, but don’t forget to compliment them when they’re doing something right. Because they need that. They need that stroke. Remember, they’ve got that big ego. They need somebody to say, “Good job, man. Good job. You did good there.”
So let’s summarize. Ego and empathy are key ingredients. Also, that they are growth-oriented. So always, “What have you read lately, blah, blah, blah, blah, blah. Design a challenging ad. Make candidates talk their way into an interview. Use relax, probe, attack technique during the interview. To keep them you must give them challenges, compliments, and room to grow in as many directions as possible, because they will leave you if you don’t. David Dean is sitting here as an entrepreneur who, in his last job was all these frustrations, and started his own thing. And every one of you here, is that the case, you entrepreneurs? Is that how come you’re here, because you were frustrated working for some other idiot who didn’t take advantage of your brilliance, skills, ambition and talent? Everybody’s nodding, right.

So in summary, the relax, probe, attack. Befriend them. This will give you the rapport you need to be effective in the next two phases. The next phase is to probe deep, so you need to be friendly as heck in that first opening minute or two. And then doubt them, even if you’re totally sold, and you may be shocked at what you – you’ll feel like, “This guy is so right.” Now remember the platform you gave them. You made him feel better than he’s ever felt in his life. You let him cry misty-eyed about his childhood, and Christmas trees and whatnot, and angels and stuff. OK? And then, you feel like “The attack is wrong, the attack is wrong. I don’t need to do it. This guy is just going to blow me out of the water.” And just for the heck of it, trust me and try it.

I watch the guy, “Oh, well, OK. Well thanks anyway.” And you go, “Oh my God. I can’t believe that happened! ______ - and I mean, this was a case where I was sure this guy was drop dead top producer, gonna break open the world. And he crumbled and walked out that door like a small child.

All right, so if you want to write those ads, let me write your ad for you right now. After you have all this understanding, now let’s write your ad, right now. Because there were a lot of you that thought you could do this almost right away. So let me write your ad for you inexpensively, encapsulating the majority of the information that we covered. Meaning that that full ad that you got a copy of? That’s going to cost, like, $900 to run that in a major metropolitan newspaper. “And who, disguised as Clark Kent…” – OK, you’ve got to be old enough to get that one too.

Anyway, so let’s write a really inexpensive version of that ad. And it says, “Superstars only.” (This is your ad.) “Superstars only. Pkg (and put your dollar figure) So that’s your headline – “Superstars only. Pkg, P-K-G, to $100K” (or whatever that number is.) Make it what it would be if you were hiring David Dean to go build you an empire like he’s building himself a company. Or if you were hiring Jay Abraham when he was 25 years old and had no idea who he was yet, but you were about to get him. OK, “Superstars only. Pkg to $100K. Don’t even call unless U R a star.”

**Participant:** Do you need sales for that part?

**Chet:** Well it goes in the sales section of the newspaper. It goes under “S”, and it’s…I mean, they might make you put it, and then you put “Sales Superstar.” I’m just
trying to make this inexpensive for you. “Young or old.” Because this tells the young
guys that if you have the stuff we might know, and it also tells that guy who might be –
had had greatness once upon a time, and now can’t get hired because people think he’s a
has-been, but he’s still got some serious horsepower. And I’ve hired some of those guys
and had great success with them. “Young or old. If you have the stuff, we’ll know –
we’ll know.”

Now let’s say what they’re going to do. “Sell…” What? High end stereo systems
to wealthy prospects. Sell temporary physician placement to blah, blah, blah. Build
empires on the web for highly successful entrepreneurial organization. Not a bad idea to
have some qualification about your particular background. “Work for 30 year senior
executive.” But whatever the thing is, “Call btwn…B-T-W-N” (Every abbreviation saves
you, like $9) “Call btwn 12 and 2.” I like to do between 12 and 2, because then I can
kind of eat, and I’m there for the calls, and I’m at my desk, and I do it all in that two-hour
period. And that’s it. So my time management – those are the two hours I’m going to
spend on it. I’ll put that aside for the first couple of days, and then as you start to get into
play with them, then you start putting them into your schedule. Let’s meet at this time, or
can you call me back at 4? Etc., etc.

And I’m just trying to think if anybody has like a high powered, just pure
telemarketing. Yes?

**Participant:** ________ Are we giving the wrong impression if we can’t even
afford a full…?

**Chet:** I don’t think they’re going to be thinking you’re trying to save money.
There’s 100 ads in there. They’re just reading them. They’re just getting the information.
They’re not going to be thinking you’re trying to save money. I’m just trying to save you
money, because I’ve been an entrepreneur and I’ve written thousands of these ads, and
you know.

“Call btwn – call Joe (give them the name) – Call Joe btwn 12 and 2. Phone
number.” There you go. That’s still, like $350 in the *Los Angeles Times.* Probably $600
in the *Los Angeles Times,* but in the *Oregon Press* or whatever it is, it’s probably more
like $65. It’s just that – you know. And it’ll get the job done. That’s pretty much –
that’s test the ego. You’ll get the empathy thing right away, one way or the other.

OK, so we’re going to power through about three hours’ worth of information in
about three hours – or four hours’ worth of information in about three hours. So
realistically, to try and get you out of here by about 8, 8:30. So if we can turn this thing
on, we can get going on the next three modules.

**Participant:** Chet?

**Chet:** Yes sir.
Participant: __________

Chet: They’re coming. Oh, you know what? A couple of people brought up a few other things that were really good. If your job requires your candidate to be a good writer, test their writing skills while they’re there. Say, “How’s your writing skills?” “Oh, pretty good.” You say, “Really? How about you write me a letter, right now? Write me a follow-up letter.” Or, if you’ve explained the product to them, have them write you a letter about your product. Just test the skills right then and there, because some guy goes, “Yeah, I’m pretty good.” Then he goes home and his wife actually writes the letter for him. You understand what I’m saying?

And what was the other thing? Oh, at some point in the interview process you’re going to have to pitch your company. There’s some point in that process where you actually will sell the job. But it will be toward the end, because your objective is to – and you know, a good sales guy will keep trying to get you to talk. They’ll start asking you questions, and the next thing you know you’ve found you’ve talked for an hour and you didn’t do any of the things I’m telling you to do. Well that’s a bad interviewer. A good interviewer interviews. A bad interviewer talks. OK.
So this is called, “Effective Presentation Skills.” This is the one for you, James.

A lot of this stuff that you see was built over a 20-year career where Fortune 500 companies paid me a fortune. So this was from a video company that paid me to create an orientation that persuaded corporations to have highly stimulating, visually compelling video training programs, because they were using the tribal method of training. So the whole first part of this module is actually a setup for them, but it turns out to be a killer amount of information for you, OK. And it’s all factual, of course.

So what makes an effective presentation? You want to close two out of ten…or six, or nine out of ten? Your pitch and your body are one. Learn why how you move is more important than what you actually say. And the most common mistakes – I have a little humorous section with the world’s worst presenter. There’s about 10 common mistakes that people make when they present, and everything I’m going to show you here will sound really familiar, because I’ve done every single thing…I practice everything I preach.

So retention is very important. I already gave you this data. It’s 20% of what we see, 20% of what we hear, and 50% of what we see and hear. Now, I could have stood here for two days with no visual aids, and you could see what just happened in this communication experience. It’s… Whoom! It fell in less than half. So having visual aids increases your ability to communicate your ideas. Almost triples it.

And why is it important? Well, it’s very important for you to have retention because it makes them remember why they bought, and also if they have to communicate with other people, the more compelling – I’ve had where I’ve done such a great job that the guy says to me, “Can I borrow that? I want to show that to my boss.”

So you really want to have effective – The cool-off factor. (I’m going to cover that in another module, so we’ll skip right through that.) 85% of the information in the brain comes in through the eyes. So it’s this monster communication tool. 80% of all motivation is optically stimulated, meaning that we are more motivated by what we see than any other way that we get our information. So that’s why I say, take your ideas and illustrate them visually.

Information that is visually demonstrated and communicated has a direct and dramatic impact to the brain. What that also doesn’t say is that most of the brain is actually set aside just to deal with the information taken in from the eyes. Now how many images do you think the average eyes see in a single glance? If you were to guess,
Ken? Joe? (Just kidding – nobody here named that at all.) Tony, if you were guessing, how many images in a single glance?

Tony: There’s millions…

Chet: That’s the best guess I’ve ever had. Most people say, “I don’t know, probably 20. Well, a couple hundred at least.” It’s one and a half million – there’s a whole city skyline there, and we can take in that entire – millions of images. 1.5 million actually, images in a single glance. So you would be crazy not to use this powerful tool to help you communicate. And again, you can just see from me using these how much more it adds to the communication experience vs. me standing here for four days without this stuff. So my goal in doing this is to get you highly stimulated and have the maximum impact we can have so that you can learn and take away from this as much as you can.

The brain takes in information at 500 words a minute, yet we only speak at 140. Do you remember that guy that did Federal Express commercials, and it didn’t matter how fast he talked, and how you hear you’re going to have your packages there tomorrow no matter how fast he talked, you could actually understand what he said? He actually spoke at 565 words a minute, and you could still understand him. When I listen to educational tapes I listen to them at double speed and I have no trouble. I wish it would go three times faster. Because we can take in information three times faster than the average person can speak.

So without visual aids, people actually tune in and out. The brain tunes in and out, and so visual aids help stimulate the brain and keeps the prospect paying attention to what it is that you’re communicating. So that’s why I say you should have visual aids. If you can’t, if you’re selling by phone, you should have them drawing things. Our guys used to have people draw a pyramid, and watch this.

Here’s an exercise we’ll do. Let’s pretend we’re on the phone, and I want to try and sell you something. Draw a pyramid. And I’m not going to draw because I want you to pretend we’re on the telephone. Draw a pyramid. And I’m going to do this with you, Mr. Prospect. All right, you’ve got a pyramid drawn? Now draw a line dissecting across the top 10% of that pyramid. Just draw a line right through there. Now about another 20% down – so you’re only in the first 30% of the pyramid, draw another line through it. Now that pyramid actually represents your current marketplace. So by that top 10% I want you to write, “Buying now. Buying now.” And next to the 20%, the next tier down, I want you to write, “Open to it.” So the top 10% is at any given moment, anything you’re selling, about 10% of the world is buying it right now. Then there’s another 20% open to it or thinking about it. And then, there’s that 70% not open to it, not thinking about it. And great marketing appeals to all three segments. So draw one of those little face things that has the little nose on it. What’s that called? What’s it called?

Participant: Brace.
Chet: Brace. A little brace that shows you, and next to it write, “The best marketing appeals to all three levels.” Now this is a really good exercise, and I saved it for this moment because I’ve been wanting to teach you this for four days. Well let me see somebody’s drawing now. You didn’t – Oh, OK. You drew a little tiny pyramid. That was again, my mistake. I did not give her good directions. That’s exactly what I wanted you to draw. I usually tell them, “Take up the whole page. Draw a big pyramid.”

So that’s the point. I just got you, through the telephone, I kept you stimulated. I involved more senses. I got you involved. So if you need to communicate – if you’re a person who sells a lot by telephone, you need to write this assignment for yourself. Think through how it can get them more involved by drawing pictures. If you sell by telephone, think through how I can get them more involved by drawing pictures. So David, that’s a rap for you. Again, you got that, right? “Because at any given time, that represents your marketplace, Mr. Prospect.” If you sell marketing things like David does, then you say, “The best stuff you do will snatch the top 10% right away from your competition…will drive the other 20% who’s thinking about it right into the buying now position… – look at your pyramids – and get those who are not open and not thinking about it into the open to and thinking about it position.”

Got that? Swimming pools, fences – that’s your market. That’s what’s going on right now. You’ve got that 10% buying now. You’ve got that 20% thinking about it, open to it, and you’ve got the not open to it, not thinking about it. And the best ads, when you get these guys down at the bottom of the pyramid will actually, automatically appeal to the top two, yet most people only advertise to the top one. You understand? Now that’s taking a broader perspective, meaning “If you’re looking for a fence, you’re the company to go to” vs. his ads say, “You need to get a fence because it’s safer, it’s quieter, it’s smarter, it looks better, it’s whatever.” That’s appealing to the whole pyramid. Good job, on your case.

So another lesson taught – two lessons taught. One, that’s a good lesson to learn, but two, that’s one example of where we had to force ourselves to think something through when we were selling marketing by telephone that stimulated the buyer where they looked at it and went, “Yeah, you’re right.” And of course, we wouldn’t give them the answers. We just said, “Now how do you create something…?” And they’d go, “I don’t know.” “Well you have to buy this program.” OK?

Participant: Could you use it also in a person to person, where you’re having to take notes. Is that also…

Chet: Say that again?

Participant: Would the same principle apply in a one-on-one sales interview where you just have them. “I’d like you to take notes here.”
Chet: Um, you know, it depends on the level of executive you’re dealing with. I wouldn’t have done that with Carl Reichardt at Wells Fargo, you know what I mean? “Ah, take some notes, Carl.” It depends on who you’re dealing with, but again…

Participant: Theoretically it would.

Chet: Yeah, if you – well, I’d just do it myself. And anybody who has worked with me even a little, you see right away how I go to the boxes and start drawing pictures, and – because it just involves more senses. It’s more communicative. It gets more things involved. And I know that the eyes have twice – almost three times the impact on the brain. So involve the senses. So without visual aids they sleep. With visual aids they’re much more stimulated. OK. So let’s go. And now, if you’re going to use visual aids, let’s teach you in one panel everything I’ve learned about graphics, practically.

This is a thing that we built for a company that wanted to motivate lawyers to take action. This is – they wanted to put lawyers in pain, and this is right around 1992 when we built this. So, “Mr. Lawyer, as you can see, in 1970 there were 355,000 attorneys in this country. By 1980 there were 542,000 attorneys in this country. So you see over that ten year period, from ’70 to ’80 it jumped by 200,000 attorneys. From ’80 to ’90, it jumped by just a little under 200,000 as well, about 180,000 attorneys over that decade. So you see, we’ve been growing at a regular pace of attorneys of about 200,000 attorneys per decade. Well from 1990 to 1992, which is only two years, we’ve grown 250,000 attorneys.” Now, when an attorney sees that, they go, “Oh my God!”

Now there’s a lot going on here. First of all, the numbers get progressively bigger. You would never notice that if I didn’t point it out, but in your subconscious, that huge computer that you have up there is calculating that, and it’s having a dramatic impact even though I never even pointed it out to you that the numbers got ridiculously larger when we got to this one. So if you want to emphasize a scary point, make the number giant – big red numbers on it - just huge number. And the graphs, like this, is a great – this isn’t really good graphic…

Participant: It’s got a longer ______

Chet: And it’s not accurate, I know. Only an architectural guy would point that out. And in fact, you may not use this technique when you do – no. But, because he’s right. This is about ten – you’re looking at this, right? That this looks more like…

Participant: Well, not only on the right, but on the left you’re going ______

Chet: All right, never mind. I don’t …. All right. But if you have bar charts and you want to show a growth of something, we deliberately make the one that we want bigger also wider, so it will be like, little. And this one will be this wide, and the next one will be that wide, even though it’s only that much taller. And the number will be disproportionately larger. So in other words, use the visual aids as a method for
communicating in a creative and clever way that emphasizes the points you want to make. Understand? OK.

You can tell 40% more story. Can you imagine me trying to tell you all this huge data dump of information without this stuff? You tell 40% more story. Why? ___

amount of time without visual aids. “That was an excellent presentation. A lot of useful information, thank you.” They communicate more information with more impact, and they keep you on track and well organized. So I can whip through mounds of information, have a much better impact because I’m using all these visual aids. I’m using a laser pointer. I’m using this thing, I’m using that. In a very short period of time I can cover a monster amount of information.

They also raise expectations, so when you first came in, and I put these visual aids up there, you got an impression right away this is going to be more professional. “Oh, this is good.” You know – professional. It just – studies show that it actually raises your expectation of the experience when someone puts up a professionally prepared visual aids.

OK, so let’s talk about some rules for good orientation. Tell them what you’re going to tell them. So how did I start every single presentation? Tell them what you just told them. So every one that I started, started with this right here. Every single presentation started with areas covered. And every single one of them, without fail, ended with summary. And it’s jumping two at a time.

So tell them what you’re going to tell them. Tell them. Tell them what you just told them. So every presentation starts with areas covered, then goes through the mound of information and ends with a summary. “And by the way, in summary…” When you say that studies show that your interest goes to the highest it can be in a speech or an orientation. So have you ever noticed that politicians will say it in their speeches, like 14 times? “In summary…” Everyone is, “Oh, we’re summarizing? Let’s pay attention now.” And I’m serious, like President Clinton in an average speech will say “In summary” 14 times in 6 minutes. Are we summarizing yet, or are we really…?

OK. Since the eyes are so important, let’s put a graphic on every single panel. Every single – now Power Points, in this case, this, like (Oh, I’m sorry. Just to give you an example) This was one panel, and when I had them put it on the Power Points, I had them broken up into the sections of how I would deliver them. So that’s why there’s not a graphic on every single panel, because I wanted them in sections for more dramatic delivery. But I tried to get the graphic up there fairly quickly in the process. And this just says, “Desktop publishing…” I mean, this stuff is so cheap now, graphics and clip art and… It used to be, when I first started building these, was back in 1991, we had to buy art. We had to this and that. You can buy a CD-ROM that’s got 30,000 pieces of clip art on it for $300 in any specialty or field you can imagine. There’s tons of them for … the medical CD, the … You want to add something? I thought I saw you…
OK, so take a few minutes and brainstorm on one or two of your best sales points. We’re not going to do this, but – because I’ve already made the point with you, and I already actually had you starting to design your promo pieces. But I think you can see now how the visual aids are critical to any promo piece that you have.

So Tony, the one you showed me that’s all green – let’s put some graphic on that. Put a graph that shows “Saves you money. Gets you money.” Illustrate that with things that display it, because their eyes will go right to the graphic. They won’t even read the text. And then they’ll actually look at it, because it looks like there’s some information there that I can quickly grasp with a visual. Eyes are drawn to the visuals, so let’s build visuals.

So is your product faster? Is it smarter? Is it more comprehensive? Is it better rated? Is it more thorough? Etc. And then, now think of what you might visually communicate. So that’s the point. Bar charts, pie charts, clip art – write those down. You know, bar charts are really good. I’ve used them all through this whole thing. Six times more expensive – you guys remember that bar chart to illustrate that point? Pie charts, clip art, illustrations are great. I had to have some cartoons drawn all through these, because I couldn’t find the exact thing I needed in clip art. Humor, etc.

So it’s a really good workshop for you to do is to actually look at how you can successfully illustrate the points that you would otherwise make in a dull Word document. Don’t clutter the page. This is a great page. This is a good page. This is a bad page. They should both be on the same page, but – oh there we go.

So no more than one main message per page – keep it simple and stupid. This is the message for this page. It’s got two bullets on it. You haven’t seen any of these with more than three or four bullets - at the most, four. It says, three or four at the most. This is a bad page. This is a great page. Really illustrated a lot of information in a very short period of time, and that’s how we had the page. And then you just explain it. But Power Point makes it even cooler, because you can bring it up in stages, and it overlays, and I showed you that whole thing in one minute. So…

Keep it fast-paced. Prospects will get bored if you spend too much time on one page. This one has shown you already 13 panels, but if you break them down the way I’ve shown them to you, it’s probably more like 36. I’ve shown you 36 panels in ten minutes. That’s the way you want the thing. You stand there and put a panel up and talk for five minutes on one panel, you are putting your audience to sleep. If you’ve got visual aids, you want to be moving very quickly, OK?

Use facts and statistics. How many people knew that we can take in information at 500 words per minute? Anybody here know that already? Wow, we’ve got a couple of real smart people. Most people have no idea. So that’s a great “Wow” to put in the beginning of a presentation that’s going to talk about the power of visual aids. That’s a righteous setup if you’re a videographer and you want to try and communicate to people that they need to involve more senses in their communication process.
Facts in a presentation adds tremendous credibility. So I’ve already said this to you guys. You’ve got to do research on your markets. You’ve got to get information. It makes you look like an institution when you start off with factual information. And what’s really nice about it is that when you pepper a presentation with actual facts and “wows,” the credibility of this factual information translates directly to the pitch. (I know you don’t like that word.) To the part of the presentation where you’re going to present yourself. So if I’ve got information about – if I’m trying to sell to plastic surgeons, or I’m trying to sell to – who hires architects? Builders?

**Participant:** Owners, developers…

**Chet:** Owners, developers… And I start off with an orientation that has four or five or six pieces of information that they don’t know that makes them say, “Wow, I didn’t know that!” “Did you know that there’s over 78 hundred billion dollars’ worth of construction in this country every year?” “I had no idea.” “And do you know how many of those projects fail?” “I have no idea.” Flip – next page.

So if you can do that, then when you start to get to why your company is superior, or what you bring to the table that’s special, there’s a credibility transference that’s just - it’s natural. Their subconscious relates the same degree of credibility to the presentation as they did to the facts. So **surprising facts and statistics, or comparisons that make the client say “Wow!”** You want to make them say, “Wow!”

Well-told tales increase recall by 26%. People love stories. So **tell them stories.** (At this point I normally stop and tell you a story as an illustrative point, but I’ll use it in another place.) Can you tell a success story about another client? Make sure your story has a point. Some people just love to tell stories and there’s no point to them. Make sure that your story has a point.

Curiosity driven – **unfold the information in a way that keeps them interested**. Fact first, then an explanation. Or keep alluding to information to come.

**Be competent, but not obnoxious** – the art of presenting. Get in rapport with the audience, one on one, or focus on them, not on you. So people who get nervous focus on themselves. People who don’t focus on the audience. But let’s actually go through a little section here, all right?

Here is a quote for life, guys. It’s a great quote for a presenter, but is a quote that will shape your entire life. Thoreau said, “Maturity is when all of your mirrors turn into windows.” Somebody told me that when I was like, 16, and I didn’t even get it ‘til I was 25. And I think at the time I was bragging about myself. And somebody said, “Maturity is when all of your mirrors turn into windows.” And I’m like, “Yeah, cool. Windows, mirrors…” didn’t get it.
What that means, is most people live their lives surrounded in mirrors. *Their* feelings…*their* needs…how *they’re* coming off…will they get what *they* want. Top producers live their lives and see life through windows, and it’s a bigger world. In relationships, even with your best friends, are you the listener or are you the talker? The listener is the more grown up of the two. Empathy for others, feelings. Can they help the client meet the client’s needs? How is the client reacting? How can they totally serve this client, be a friend, be a confidant, give them value? That’s how top producers are totally focused, and it’s the same thing when you’re a presenter. Believe me, I care far more that this information has a dramatic and positive impact than I do how I’m coming off. So I will do silly things. I will embarrass myself. I will…you know. With the goal of making you have the maximum impact.

So, in a presentation you want to **use your body, use your face, use your voice**. Of the communication experience…of what’s going on here between me and you as my audience, what percentage of it do you think is the words that I’m using?

**Participant:** Seven

**Chet:** 7%. In fact, my tonality – *how* I say it – has five times more impact than what I say. Let me say that differently. My tonality has five times more impact than what I say. My tonality has *five* times more…You see what I’m saying? Now that’s not a conscious thing, where you went, “Look at how he stressed that word ‘tonality.’” Look at how, when he said ‘five’ he raised his voice.” But your subconscious – it’s *screaming* into your subconscious. Because remember, that’s like 90% of the brain, and it’s reading every subtle nuance. So your tonality is having five times more impact, and your physiology has 55% of impact. So this has, what is that, seven times more impact, and then ten times more impact? So your physiology – what I’m doing up here with my hands and my face and my body, has actually had more impact on your subconscious than the words that I’m actually using. So we want to do that as well.

Here’s another rule for presenting – **take control of the meeting.** Do you guys remember what I did when Jay first turned the mike over to me? First thing I did? I had you guys stand up and stretch. Remember that? So that’s the same thing for you. It shows the group that you’re in control. You actually feel a sense of security when I say, “OK everybody…” and I’m introduced, and I say, “OK, everybody, stand up.” And you go, “All right, this guy’s in charge.” You don’t want somebody to walk out there and be all insecure. You want to know that you’ve got a person who is in charge and in control, and you’re going to have a good experience. If you’re nervous, it is a wonderful way –

I have a great Scott Holman story for you, those of you guys who are working with Scott. He had to introduce the Surgeon General of the United States at the National Medical Conference, or something. Now, I’ve spoken for big crowds, but have you ever seen a crowd of 3,000 people? It was an indoor auditorium, and they just went so far back you couldn’t see the back of the room. And Scott – he was very nervous about this. In fact, he was terrified. He had to introduce the Surgeon General of the United States of America in front of 3,000 people in a Captain Kirk uniform, because that was the theme.
So he walked up, and he was literally like this. He was so nervous. 3,000 people – that’s a lot of people. And he walked out, and he looked at me, and I go like this. And he goes, “OK, everybody, stand up.” And 3,000 people – whoom! Got to their feet. He looked at me like, “This is pretty cool.” “Um…trade chairs. Roll over. Play dead.” I’m kidding, but he had them stretch.

But it really does give you a sense of control, so just as a tip for you as a presenter, when you’re going in front of a large group, have them stand up. In front of a small group or one-on-one, ask them to move. Put them where you want them. So if I’m going into a conference room to do a presentation for San Francisco Chronicle (which I did do) I moved everybody – and I’m walking… You’ve got to picture, I’ve got the whole executive committee of the San Francisco Chronicle, and I walk into the meeting and I go, “You know what? Would you guys…would you mind sitting over there with them? And if you guys could just move back a little…” And they just, “Yeah, OK…” So who owns the room? Who’s in control?

You cannot close if you’re following. The only way you can close is if you’re leading. People will not close if they are leading, and I’m going to get into that when we talk about selling, but never a desk between you and the prospect – never. And let me demonstrate. So let’s say that I’m pitching to Jerry, and he’s behind his big desk, as the big executive, looking to make the decision and here’s my presentation, and I go like this. I go, “You know what? It would be way better…you know what? Would you mind sitting over here? Sit over here? Just sit over here, and I’ll put this here, and this will be way better.” I’ve never - even Carl Reichardt – had him tell me no. Put them where you want them. They’ll go. And the minute you do that, you just took control of the room, and it puts you in charge. And when you’re presenting something, and you want to persuade, do you want to be in charge?

So - never a desk between you and the prospect. You are at a super psychological disadvantage. Have him come around the desk and sit next to you. I was thinking about one of my movie pitches, and I was with a top producer, and I was pitching a top executive at one of the big companies, and I had him come around his desk. And you could see this producer, like, “What is he doing?!?” He couldn’t believe I did that. And I got him outside, and I explained it to him. He still didn’t like it though.

So let’s have a little segment here. This is called “Sammy Schleb.” He’s the world’s worst presenter. And let’s go over his rules for presenting. #1 Rule, always apologize for taking their time. After all, what you have to say probably isn’t important enough to bother them, and at the very least, thank them for their time because that will make them feel like their time is more important than yours. Now this is something salespeople have such a hard time with. They can’t help but say, “Thank you for your
time.” Well the minute you say that, it belittles you. I never say “Thank you for your
time.” “Wonderful meeting you. Great working with you. Great to meet you.” The
minute you say, “Thank you for your time” you belittle yourself.

I was with a – and all this stuff is, like I said to somebody, that everything you’re
seeing here is all because of trial and error. This is all learned by doing all the wrong
things, and having to do the research to find out the right things. But I took a sales guy
who was having a hard time in to see a top lawyer, and the first thing he did when he got
in there was apologize for taking the guy’s time. “I know how busy you are. It’s very
good to meet you. I know how busy you are, so we’ll try to be quick.” I mean, you’re
just coming from the worst position in the world with that. “Very nice to meet you. I
think what you’re going to see is really going to have an impact.” And if you believe that
what you have is valuable, you should sure as hell not apologize for taking their time. In
fact, if you’re good, I don’t think I’ve ever had a sales meeting where the client didn’t
thank me. Anybody know what I’m talking about? Where you were so righteous, the
guy said, “Thank you. Really, thanks a lot.” “No problem. Spend $100,000 with me
anytime. I can accommodate that anytime.” Making the prospect think that their time is
more important than yours belittles everything you say. Same thing with a follow-up
letter. No follow-up letter should ever say, “Thank you for your time.” It starts off,
“Great meeting you.” But anyway, that’s a whole ’nother module.

Schleb’s Rule #2: Keep your hands in your pockets. You guys have not seen
me once in four days with my hands in my pockets – not once. Hands above the (I just
pulled my pants down) hands above the waist, and in front of the body. That’s the most
professional. And again, this is all based upon studies that show that this gives an
impression of a professional who’s in control of the audience, and it’s very polished, and
this and that – vs. two hands in the pockets at the sides, etc., etc., etc. I’m just giving you
the rules guys. You can follow them or not. Professional presenters keep their hands
above the waist and out in front of the body.

Schleb’s Rule #3: Never stand up. Because they found that people will pay
26% more if you’re standing up. So we’ll go back to Jerry who, let’s pretend I’ve
brought him around his desk now, and I’m sitting here with him, and I’m about to
present. And I’ve got my presentation right here in my laptop, all ready to present. And I
go just like this. I go, “Do you mind if I stand?” Never had a prospect say no. You feel
the difference in the positioning here? Vs. this, vs. this.

Jerry: I’ll stand when I’m talking on the phone.

Chet: Different thing. They don’t know. That doesn’t help.

Jerry: But it comes out in your voice.

Chet: Yeah, OK. So now I will present, and I will stand. And now I’m in a
much more authoritative position. Again, studies show – they took the same product and
they presented it to – this is Wharton School of Business - like 400 people standing up,
and 400 people sitting down, and they kept raising the price when they were standing up. And they found on average they could charge 26% more for the same darn thing, just because the guy was standing up. So it makes a very compelling case for standing up. Even one-on-one – “Stand up.” People pay 26% more.

**Schleb’s Rule #4: Be led around by the nose.** When someone asks a question that will be answered later, steal your own thunder. Interrupt your current message, and answer their question right then and there. Meaning if I’m going to answer your question later – and you’ve had me say this 15 times during this – “I’m going to get to that.” Or I can interrupt myself and have you lead me around by the nose, and that’s not going to be as good of an experience for you, because then I upstage my own information.

You cannot close if you aren’t leading. Don’t let the audience lead. Now you know where I learned that? Working in that furniture store at 19 years old. If you were following that guy around the store, you were never going to make that sale. It was literally a contest. I’d go, “So what are you interested in sir?” “Oh, I just want to look at couches. I see them, they’re over there.” And so I’m following him to the couches, and I go “What kind of couches?” “Well…” “Right this way.” And you were literally in a contest to try to get this guy to follow you, because he would not buy from you if you were following him around the store.

So you must lead in order to close in every situation. So I mentioned Immuno Labs? They weren’t closing because they were totally at the mercy of the doctors. “Oh, they’re doctors, you know. We have to do what they tell us.” Pff – who says? What was that rule? Who made up that rule? So now we say to the doctor, “Well we don’t accept just any doctors into our program.” And that just stops them right then and there. Who’s in control when you say that? Who just took total control on that particular situation? (That’s a good one for you.) OK.

**Schleb’s Rule #5: The presentation is more important than the presenter - cling to it.** If the audience is paying more attention to this than they are to me when I’m making an important point, shut it off. How many times have I done that? If I’m making a point and you guys are stuck on that thing, then I’m not really being effective in my communication experience. So you need the little – that’s a wonderful little thing to be able to do, is to shut that Power Point off when you’re making a point that the audience is paying attention to. You ever had that, where you’re trying to make a really good point and you see that the guy’s reading the Power Point, and you want to make an important point. He’s already read the Power Point. You already said everything on there, and he’s reading it again. So you lost control of the meeting. So if you want to have visual aids, have the ability to shut them off, or if you have a flip-chart binder, just take the binder and turn it toward you. But you are in control. This is an aid to help me be more effective. This is not the presentation. I am the presenter. I have the control to persuade. This is an aid. Don’t – it’s an important aid. It triples my communication abilities, blah, blah, blah. But if it’s in my way, I’ll shut it off. I’ll shut it down. I’ll blank it out.
Don’t use humor, because that raises interest and attention by 700%. So Schleb’s Rule, don’t use humor. Use humor. Find ways to be funny. Schleb doesn’t want to use humor, because it provides too much bonding with prospects. So you want to look for every opportunity to be funny, to be witty, to build jokes into your presentation. None of you have seen me do this either. You’ve seen me do this, but that that feels rude, doesn’t it? Point with your hand, not with your finger. It’s just – again, these are… studies show that the psychological impact is that it is rude to point at people, and yet the gesture with your hand is very comfortable. OK.

Don’t practice the presentation each and every time before you present because you want to make sure the presentation’s more knowledgeable than you. So how many times have I said when I said to you, “How many images in a single glance can you see?” And then I put up the slide. Or when I – oh, I was going to say a joke that’s yet to come. But the point is that the better you know that information, then you’re not disempowered by the information. It’s an aid, because you know it really well. So the way to be great is to know those Power Points. Now unfortunately, I had 800 slides converted to 3,800 slides like two days before I got here, so it was a massive memorization on my part in order to know all this stuff. That’s called a pre-frame, is when you say. “Now this next slide…or this next fact that I’m going to show you is the most important fact I’ve shown you so far.” Now does that raise your interest to see the next fact? OK, that’s called a pre-frame. So you want to be able to just fire through that.

Sell the sizzle, not the steak. And don’t make their mouth water with anticipation. So Schleb’s Rule is don’t presell. That’s what that whole section in the front is. The areas covered – that’s your presell. That’s where you make me really want to see that. When you have that areas covered, it needs to be, “Oh my God…” “Five dangerous trends approaching ____, the solutions for combating those trends, and how you can get started on a better, healthier life.” And then each one of those bullets you sell like crazy as you get to it.

So presell the entire presentation before you begin – each section, each panel before you turn to it. In an ideal world, you know the thing so darn well – and again, I had to memorize 3,800 slides before I came here – and I know the content really well. But in an ideal world, you’re summarizing the panels, and you’re not having to read them unless you feel like it reiterates the point that you want to make.

So in summary, the speaker owns the room – do something to assert your authority. They will feel better. Do something immediately when you come into a room that asserts your authority over the room. Be sure you are leading. Do not answer questions until appropriate. Stand up or shut up. You should be standing up when you’re presenting information. Now you guys will forgive Jay and I because we’ve been standing here for four days, and the first day, right in here, was like killing me. So the second day you saw me in this chair a lot more, because my calves were dead. I don’t stand up normally for twelve hours.
The presenter is the presentation. Visual aids are aids to help the presenter communicate. They’re not meant to take the place of the presenter.

**Participant:**

**Chet:** Because it gives you control, and asserts your authority over the situation.

**Participant:** Is there any rationale to later on, that,-

**Chet:** Oh, you say – no, you say the reason why. In their case I didn’t want to be ping-ponging back and forth between them, so I just put them all on the same side of the table. OK, yes sir.

**Jay:** Also, a lot of times when you do presentations to a group – seminars, previews – whatever you want to do, you’ll get people that’ll tend to sit in a splotchy way that terribly compromises dynamic. So what you do is say, “I’m sorry, but you have to all move over.” And you just bring them up and move them around. You don’t want holes.

**Chet:** Absolutely.

**Jay:** You don’t want holes. And you have the right. Because it’ll compromise the integrity and the dynamic of what you’re trying to do anyhow.

**Chet:** Absolutely. That was the last strategic panel, really - I mean, strategic presentation. Everything up to this point has been all the setup stuff. Now we’re going to get into the nitty gritty. Now we’re down in the sales experience, OK?

**Jay:** Are there any questions?

**Chet:** Yeah, so – any questions?

**Jay:** No, no, any questions?

**Chet:** That’s what I just said, any questions?

**Jay:** Yeah, good. Any questions?

**Chet:** Or, as Jay said, “Any questions?” Any questions?

**Participant:** Has anyone ever stood up opposite you and said, “I’m going to stand…” Has anyone ever stood up and said, “I’m standing also then,” or “No, actually I’d rather you didn’t stand.” Either way.

**Chet:** Nobody ever. Never. Not in 25 years of presenting in every possible concept.
Jay: And he does it when we’re having meetings, and it’s very formidable.

Chet: I do?

Jay: Yeah. It’s probably just habitual.

Chet: It’s more habitual than I thought.

Jay: No, it is. And he’ll say…

Chet: Now, the next time I do it he’ll say, “Would you mind sitting down?” Or he’ll go, “Don’t pull that shit on me, Chet. Sit down right now.”

Jay: No, no, no, but as somebody who’s experienced it, it is very effective. You tend to be subordinate to it. You say, “OK.”
Chet: OK, so this is real nuts and bolts – getting around the gatekeeper. But it is tremendous education, because I have never seen anything as detailed, or as effective as this section on getting around the gatekeeper – nothing anywhere, ever. Because this comes from only one thing: trial and error in the trenches doing it. You know? And so other programs that I’ve seen about getting around gatekeepers are theoretical by some very smart fellow who has never actually done it. This is from a guy who has gotten to the biggest executives in the world.

So here we’re going to go. We’re going to actually go through the dialogue, all right? And Carl, why don’t you move over and let me sit here next to you for a minute for this next section, because it goes kind of quick.

So here’s you, and… “Hello, is Bill Smith there?” Gatekeeper – “Who’s calling?” “This is Bart Jones.” Gatekeeper – “What is this call in reference to?” “I’m calling to talk about my product.” “I see.”

This is most sales people before they take this kind of training that you guys have had over the last four days. “Yes, I’m calling from GNC Company, and we’re calling – I want to talk to him about our product.” And so you’re starting from such a hard place with that approach, OK? Also, who is leading this conversation?

Participant: She is.

Chet: Completely. Every single interaction is her in charge. “Hello. Is Bill Smith in?” “Who’s calling?” “This is Bart Jones.” “What’s this call in reference to?” “I’m calling to talk about my product.” Every single thing that goes on there is this secretary in charge. You will not get to Michael Eisner if you are that weak, wimpy person, OK? It is never going to happen.

So. The one who’s in charge has the best opportunity for control of any situation – a sales situation, a cold call situation, any situation.

OK. “Hello, this is Bart Jones. Is Bill Smith in?” Now the last slide that we did, OK, she had to ask who was calling because this fool didn’t even give his name. Important people give their name. That is a fact. When Michael Eisner calls you back, it’s “Yeah, hi, this is Michael Eisner.” “Oh, hi!” You know, I mean, important people give their name.
So that’s the first thing you want to make sure you do. You go, “Hi, this is Bart Smith. Is Bill Smith in? Bart Jones, is Bill Smith in?” Gatekeeper – “No, I’m sorry, he’s not.” “Who am I speaking to?” “His assistant.”

Did I ask her what her title was? No. “What’s your name?” “Shirley.” “Great, Shirley, when will Bill be in?” “He’ll be back next Tuesday, next week.”

Who’s leading this conversation?

**Participant:** You.

**Chet:** OK, completely. Here, the gatekeeper can’t ask who’s calling. She didn’t even actually have a chance to try and take control of the conversation. I’m going to show you where it’s way harder than this. This is like a gatekeeper you can blow by in ten seconds. OK. But – and when they’re this weak, I’d go right by them, but I’ve had – who knows who Edgar Brompfman is? You know who Edgar Brompfman is? His secretary who screened me out like a champion. Did not get right through to him. But he did make Casey Silver, the president of Universal Pictures call me back in ten seconds, so that was pretty cool.

So the one leading is the one that has the chance to actually generate.

So – “Hello, this is Bart Jones. Is Bill Smith in?” “May I ask what this call’s in reference to, Mr. Jones?” What just happened here?

**Participants:** She’s trying to take control.

**Chet:** Boy, these guys are good, Jay. We’ve got a sharp group here. I am serious! OK, so am I going to let her do that?

**Participant:** No.

**Chet:** OK, so I go, “Who’s this?” She goes, “His assistant.”

Did I ask her her title? So what am I going to ask her next? “What’s your name?” “Shirley.”

Before we go for it, let’s talk concepts, because you have to have a – I’ve talked about most of them already, so you’re going to really get this, but this is someone who will not be told what to do, or where to go, or how to – you know, this is a person who’s completely in charge of the conversation.

And now I have two people that Jay and I have engaged to try and get us appointments with two different types of groups, and the first thing they’re running into is they were in a completely knee-jerk reaction mode with the secretary leading them around by the nose, and I got one of them now pretty darn good at getting the executive on the phone almost every single time, because we role-played. We went over it. We
rehearsed it. He screwed up. We went back. We did it again. He screwed up some more. We went back. We tried it again…he screwed up some more.

OK. **So never pitch the gatekeeper.** (I’ll stand up here for a little while.) Never pitch the gatekeeper - unless all else fails. That’s the worst thing you can do, and I’ve had those salespeople – you know the type, that their voice goes up: “Hi, this is Joe Smith. They say, “Oh, he’s a good friend of the gatekeeper. You know, you’ve got to win them over first or you can’t get through.” Wrong. Blow by her like she’s not even there. If all else fails, and you have no other choice in the world, because you’ve tried everything you can, then you have no choice. Now you have to befriend the gatekeeper. But first, you want to try and blow around her.

But why wouldn’t you pitch the gatekeeper, next? They will water down whatever you said when they go to the boss. You can pitch a gatekeeper for ten minutes, and she will summarize in 13 seconds, right? Your secretary comes to you and says, “Yeah, it’s a guy from KBNC and he says that he’s got a really good radio program…” “Tell him I’m not interested.” Is she going to argue with you, or are we done? We’re done here, right? The conversation is over! And that guy pitched your secretary for ten solid minutes, and totally persuaded her.

OK, so you don’t want the gatekeeper doing your pitch for you. That’s just crazy.

Too easy for the boss to say no to the gatekeeper.

The gatekeeper may pass you off to someone else. That often happens, OK? Now I got Michael Eisner on the phone to have him pass me to Joe Roth – anybody know who these names are, by the way? Joe Roth, CEO of Disney Pictures – well he just – you know, because, yeah… But he started his own company now, and they just did, what’s that? American Sweethearts, with Julia Roberts, anybody see that? Is that any good?

**Participant:** It’s pretty good.

**Chet:** Yeah? Glad to hear it. (A little plug for Joe Roth’s company, in case he ever sees this…)

Anyway, but when Michael Eisner passed me – not his secretary – when he passed me to Joe Roth, I got Joe Roth right on the telephone, OK? And when he passed me to David Vogel (these guys have all changed position now, because this is 2½, 3 years ago) I got right – I got a meeting with him. I didn’t even have to pitch him, it was just a meeting was set up. And I had, at one point, on my answering machine (because I kept them, but one day I erased them by accident) I had in one day, calls back from the president of Paramount, the president of Universal, the president of – on my answering machine. And I had played it – right now I’ve got a couple of big ones on there, and I just keep them on there. And if you call we can check my messages and I could play for you, Mike Kerb of Kerb Records, President and CEO, and the president of New Line Films, which is a division of Warner Brothers – where I’ve got these guys calling me back…come right to the phone and call me back, using all the tricks you’re about to see.
OK. So gatekeeper may pass you off to someone else, and is that what you want? Or do you want to speak to the person you want to speak to?

A gatekeeper may have the power to say no, but not the power to say yes. Do you want to deal with the person who has the power to say, “I’m sorry, but we’re not interested” - and it’s not really even their decision? That’s what going on back there, right? You guys at those tech levels. They have the power to say no, but they don’t even have the power to say yes. They’ve got to go to somebody else to get the yes. So why don’t you just go right to the person that has the power to say yes? And leave yourself out of this.

So, gatekeeper concepts: you want to complicate the issue. You know what?

Before I do that let me go a little deeper on this not giving the gatekeeper any information. There’s a couple of tricks that are not really here that I use all the time, and that I take for granted. But when coaching this recent hire of mine on how to get around the gatekeepers, I realized that there was a couple slides missing here.

So we’ll role-play again. “Yeah, hi, this is Chet Holmes calling for Michael.” I always use their first name, because it makes it sound like I know them. I give my name ever so casually, as if I make these calls every day and you’re just another one on my list, and the whole authority and tone of my voice is very authoritative. “Yeah, this is Chet Holmes. Let me have Michael please.” “Hold on one moment, please.” Because remember, normally who’s calling this top executive is some other top executive.

And even if not – even if you’re not calling Michael Eisner, I just want to give you, like, the “Golden Challenge” so that when you look at your world and say, “Oh, well, I’m not trying to get Michael Eisner. It should be half as tough for me.” And it’s true, but occasionally you get some secretary who’s just a master of the screen.

So she comes back to the phone, and she says, “I’m sorry, Mr. Holmes, what’s this call in reference to?” What will I say? What will I say? “Who’s this?” “Oh, this is his assistant.” “What’s your name?” “This is Becky.” “Becky, are you his normal assistant?” “Yes I am.” (I just got three pieces of information out of her.) “No, I’m not, I’m the reception.” “Well who’s his normal assistant.” “That would be Jane.”

And you have to hear me do this, and hear them give me information. “Well, what was your birthday?” “That would be February 13th.” They just start giving it to me! It’s just amazing! And I write down everything. “Becky, Jane…” You know, a thing like this.

So I have often gotten through by getting three or four names. I got and sold Merrill Lynch as a client by getting the three names of the top executive secretaries there. So when I call, I go, “Yeah, hi, this is Chet Holmes for Lee.” “Yeah, can I ask who’s calling?” “Is this Betty?” “No, it’s not Betty.” “Is this Becky?” “No, it’s Betty.” “Then it’s Jean...” And then I go, “Then it must be Jean.” She goes, “Yeah, this is Jean.” And I go, “Yeah, well just tell him this is Chet Holmes.” “Hold on one moment, please.”
Now again, if I want to answer every question she asks me, then you know, I’m not really in charge here. So she goes to him, and she goes, “Yeah, it’s Chet Holmes.” And he goes, “I…don’t know that name…”

Actually, he did know the name. Let me tell you why - it’s another great trick. You call – “Hi, is Lee in?” (His name was Lee Ruzzo) “Yeah, hi, is Lee in? It’s Chet Holmes calling.” “No he’s not. He’s not in right now.” “Oh, OK, could you just leave him a message that Chet – C-H-E-T, Holmes – H-O-L-M-E-S – oops, there goes my line – just tell him I called, and I’ll talk to him later. Bye. Thanks.”

So you come back to your office later, and you’ve got a stack of messages, and you go flip, flip, flip, flip…and here’s this one - Chet Holmes. And that’s the only one you don’t know who it is, right? Because normally you come back, and you’ve got a stack of messages, and you know why every single one of those people – traditionally, you know what every call is about. And here’s one you don’t know.

So you turn on your heel, you walk right back to your assistant, and you go, “Who’s Chet Holmes?” And he goes, “Pff – Ah, I don’t know. Sounded like he knew you.”

OK, so he goes back to his office, and that message sits on his desk for two days, where he tries to think of how he knows me, and who I am, until he finally throws it out. So a day later – because I know, it’s three days – I call and go “Janey, Jane, Becky, Sally – This must be Becky.” “No, it’s Jane.” “No, it’s Sally.” “No, it’s Betty.” “Yeah, this is Chet Holmes.” “Can I ask what this is in reference to?” “Just tell him this is Chet Holmes.”

Now I’m not lying here, am I? I didn’t answer. I didn’t tell her that he should know who I am. But he goes, “Chet Holmes…Chet Holmes… I know that name, dammit!” And he picked up the phone, and I had him. And they became a client.

So – now again, that’s not written down, but the point is, is that you need to continually take back the control of the conversation. So you go, “Yeah, um…” So she’s clever enough that he sends her back again. “Yeah, I’m sorry Mr. Holmes, but he doesn’t know what this is in reference to.” And I go “Oh, well just tell him I’m with Abraham Publishing.” “Well, will he know what that’s in reference to?” “Well, if you’ll tell him that, it should be enough.” “Hold on one moment please.”

Now, the third time I send her back to you, Paul, you’ll say, “Put him through. I’ll handle this.” It’s not like you’re afraid to take my call. You’re not going, “I’m so afraid to take phone calls.” You’re a top executive – you’ll take the call. “Put him through. I’ll handle this. How many times do I have to send you back, you twit?! Let the guy through!”

And I have gotten through so many times with just these five things, Diana. Just these five or six moves - right past the gatekeeper.
But again, you know what? What’s prevailing (One second, Rich.) Is my attitude. You can see it, you can hear it, you can smell it, and you can taste it. What is prevailing is my attitude, that I’m not going to answer questions to a gatekeeper. I don’t want to talk to her, and so when she says, “Well, what’s this in reference to? Well what’s this? Well, what’s that?” I just say, “Just tell him it’s Chet Holmes.” And she goes back—“He said to tell you it’s Chet Holmes.” He says, “Well, I don’t know who it is, so get me more information.” So she comes back, and she says, “I’m sorry, I’m going to need more information.” “Oh, just tell him it’s One Inc.” (That’s another company I’ve got with CEOs.) “Just tell him it’s One Inc.” “Well will he know?” “If you tell him that, that should be enough.” “Hold on one second, please.”

Because again, my attitude tells her, “Don’t question me, you lowly secretary!” You know, not to be insulting or anything, but—and I’m not even calling her that. It just has this attitude that, “I’m not someone you toy with.” And it’s pure tonality, you understand what I’m saying?

And so now—but then, let’s go to Edgar Brompfman, all right? He bought Universal Pictures. He owns Seagrams. His father’s the wealthiest man in Canada, or the second wealthiest man in Canada. So I get his secretary and she comes back—or I actually never even got to send her to him. Well, I think the first time I did send her—no, I never got—because she just set me straight. She just said, “Listen, I’ve been working for Mr. Brompfman for 12 years, and I know every single person who calls in here, and I know he doesn’t know you. And I know he doesn’t know what this is about. So if you ever have a prayer of speaking to him, you’re going to have to tell me what this is about.” “Oh! OK.”

So I gave her my best pitch, you know? What can you do? But I got a meeting with David Pottrich, the CEO of Charles Schwab, by befriending the secretary completely. (And I’m going to get into that later, and if I forget to tell you this story) Because if you’ve tried everything else and now you have no choice, I have to rely on winning Terry over—that’s Jay’s secretary—so that she will say, “You know Jay, this guy sounds pretty good.” And if she says that to you, can she get you to take the call? Terry can get him to take a call if she really feels like it’s something he should take. I mean, I don’t know—she’s not going to, like, make a hard court press for it, but she can influence him. And I’ll tell you that whole story later.

So, complicate the issues.

Be vague. Be authoritative. Never lie.

So in a gate—OK. So that’s what I already told you. Just tell them what—your company name. “Just tell him I’m with such-and-such. Just tell him I’m with DPS. That should do it.”

OK. So what you want to do is (let’s just summarize these) you want to be vague. You always want to be authoritative—and this I want to underscore. Nothing that I did here was deceptive, except in my tonality. There’s no actual words that I’m using that
are a lie. Michael Eisner could not pick up the phone and say, “You tried to trick my secretary!” Because all I did was tell her my name, and he picked up the phone. And remember, he just moves on to what this conversation’s about. He’s not processing the 15 things I had to do to get around her to get to him, OK?

So – “One moment, please.” Again, next slide.

Don’t you wish it was this easy? So that’s why I took you through all those iterations of more complications.

Gatekeeper: “Mr. Jones.” “Yes?”

“What’s this call in reference to?”

This is where you must redefine yourself. So if she comes back again and says, “You know, I’m sorry, but I’m just going to need more information.”

We help you…OK. Example 1, company became enormously successful getting to see top level executives by offering a free orientation on how to get more customers. This is a lot of the stuff, so let me page through this stuff, because I already covered a majority of this. Because depending upon where I’m teaching, and which companies I’m teaching it to, you know – depends on how you want to go on this.

Orientation, not a presentation. Orientation… then went into blah, blah, blah…so this is all stuff we’ve already said. “What’s this call in reference to?” “Just tell him that we now offer an orientation, and I need to tell him about it.” It’s even better if you send him a letter in advance. Then you can say, “Yeah, I’m just calling in reference to the letter he got.”

Be authoritative, be vague, give little bits of information, keep sending her back to the boss. The third or fourth time she goes back, he will pick up the phone every single time, in nine out of ten cases. Don’t turn into a salesperson with the gatekeeper. Once you give the gatekeeper the upper hand, you have lost, OK?

Participant: Chet?

Chet: Yes sir.

Participant: Would you give a title when you say, “I’m Chet Holmes, ________?

Chet: No, because if I have to give my title, that means that he must not know who I am. So I’d rather make them think that he knows me. I’d rather say, “Yeah, this is Chet Holmes. Is Bill in? This is Chet Holmes. Is John in?” “Hold on one moment please.”

Participant: ________going back a couple of times __________
Chet: Very good.

Participant: It might be over, so now…

Chet: Right, right. On the fourth or fifth level, he’s saying – at the fourth or fifth level of the screening process, giving your title might help, too. “Well, if you’ll tell him I’m the CEO of the Thank You, Thank You Company, I think that should be enough.” And that might do it. So yeah, that’s a good one. Screening number five…screening number six.

Further define your role. Of any salesperson… so this is all, like – oh, so here’s some more concepts.

Market influencer concept - any concept, product, or orientation or idea will gather far greater momentum when big players look at it.

Even if you have not actually gotten to see the biggest players in your market, you can certainly use phrases like, “We’re in touch with…” I did say this, but now this is the part where you really need to be paying attention to it as a down and dirty tactic. Now we’re down into the – remember, I promised, we’d be down into the nitty gritty of actually getting these appointments, but – so what you do is when you target your best buyers, target them all at once so that you can name drop. And get all the names. Get all your information before you call. Then you can name drop them all at once. You can say, “Yeah…” to the gatekeeper – next slide, actually, I think I have the word-for-word dialogue – No one likes to be left out of a popular loop. That’s why big players – the thing for you to play on is that you’re already in touch with everybody else. It’s social proof. It makes them want to deal with you.

“OK, tell me more about this orientation?” Don’t tell, or be vague and send her back. “Shirley, I appreciate that Bill’s a busy man.” See, this is again, just me not letting the gatekeeper take control. “Yeah, can you tell me - ” Because it’s a very effective method. I’ve used it a lot with a lot of different companies. “Yeah, we sent him an invitation to an orientation, and I see here that he wasn’t able to make it.” That implies he wanted to make it, doesn’t it? But I’m not saying that, am I? So this is an approach we use, and we got a lot of executives to come to the phone. We go, “Yeah, I see here we did an orientation on, whatever it is, and I see that he wasn’t able to make the last one that we were able to get into your area and we’re doing another one. So I wanted to fill him in on that. Can you just tell him that? That should be enough.”

So she’ll go to him and say, “Yeah, you weren’t able to make their last orientation, and blah, blah, blah… And by now, again, the guy’s like the fifth time, he’s like – “Well ask him what the orientation was about. I don’t remember this orientation.” He’s starting to get really impatient. So she’s asking me, and I say, “You know, look, Shirley. I can appreciate Bill’s a busy man, and if he knew how important this is he’d take my call.”
Take my call… “We’re already in touch with - ” and name-drop every one of his competitors. “We’re already in touch with (if they were banks) Carl Reichert at Wells Fargo, John Feldstein at B of A, Joe Smith at Bank of California, and if you tell Bill I only need two minutes he won’t regret taking the time.” So now she goes back to him and she name-drops the biggest competitors that he has. Does she know what the orientation is about? Can she tell him some information so he can make a decision on whether or not he wants to see it? All she can do is get – you see what I’m saying? It’s just you being in control… you being in control. She never has an opportunity to take any control.

OK, I’ll just summarize this. You know, be vague, never really giving details. Maintain authority in your voice so that you never sound like a salesperson. Keep asking for what you want. You’re in a contest of wills. And if you are a weak-willed person, then you will lose and the secretary will tell you what to do, and she’ll guide you around by the nose, and you will never get what you want. So are you a strong-willed person? Then you’re ideal for this kind of work.

Send the gatekeeper back as many times as you can.

“The boss says to send me more information.” How many people have gotten that, as a salesperson, right? Everybody.

Why don’t you want to do that? Well, because it’s probably never going to be read anyway, so why bother? That is just a brush off, and a waste of everybody’s time.

If it is read, they can make a decision without anyone to refute their thinking, so I never send information unless I get the executive on the phone, and I get him excited enough that I know the information will actually be read. Otherwise, waste of your time…let me just – Save the trees, guys…save the trees.

The information can be delegated to a gatekeeper who doesn’t have the authority to say yes.

So here we go. I’m going to give you the exact words that you used. The exact comeback lines for you, when somebody says, “Please tell him to send me more information.”

“Look Shirley, tell Bill that I’d have to send him ten pages to explain what I can explain in a few minutes of phone conversation.

“I’d be happy to send him information after we talked, but I don’t want to send him something that he’s not going to read, unless I’ve talked to him in the first place.”

“So just tell him it’ll take far less time for everybody if we take two minutes on the phone right now.” And I just did what to her? I sent her back to the guy again. “I’m sorry sir, but he said that it would save everybody a lot of time, and can you please just talk to this man?” “Put him through. I’ll handle this.” And then he thinks he’s going to
get some wimpy little salesman who will crumble in ten seconds, and he doesn’t get that, because you’re prepared. You have a great product.

Charge.

Give your name first.

Always lead.

Get names.

“Who is this?”.

Interrupt and lead. So you just interrupt him every step of the way. She starts to ask a question, just interrupt – “Who’s this?” Now, and watch the tonality, how I did that. I did that like “I already know everybody there. Who are you?” You see the tonality? “Who is this?” instead of “Who’s this?”, or “Who’s this?” or “Who am I speaking to, please?” That’s a wimp who’s not even going to get an answer. “Who’s this? What’s your birthday?” You know I’m serious, it’s like, if you do it with enough authority they’ll tell you anything, you know?

Never lie. Never lie. That’s the one thing I always stress to everybody, because that will bite you. That will hurt you. You never want to lie.

For the gatekeeper who wants your life story, tell it. She’s come back, this has gone back five, six, seven, eight times, back and forth, back and forth, and now it’s at that point where she has asked you really for a lot of information, and so give it to her.

Give the gatekeeper more information than they can possibly effectively communicate.

Make it complicated.

Name-drop large companies, trying to make the gatekeeper humble enough to realize this call is over his or her head. Did you want to say something?

Participant: What are examples of over-complicated. ___?

Chet: Oh, I’ve got ‘em.

Participant: OK


“Actually Shirley, we hadn’t really thought of your type of company for this program. We’ve been conducting these CEO orientations. All kinds of other businesses - a lot of this information has been presented at some of the largest companies in the
world, and at blah, blah, blah, but not yours, and I guess some of the other kinds of companies in your field like yourselves heard about the program, because we’ve started to get calls to bring this program to them. And so that’s really why I’m calling. So if you’ll tell Bill that, I’d like to speak to him. Go ahead.”

Does she know anything? But it sounds really important, doesn’t it?

This approach makes them feel like they’re out of the popular loop. You know, and again, my tonality suggests that I’m not, “Oh, sure, well actually, Shirley, we hadn’t thought of your kind of company…” That guy’s dead. That guy is not getting through that gatekeeper. My tonality is like, “Yeah, sure Shirley, this is no skin off my back, and I will indulge you momentarily to give you this information…”

The other CEO’s pitch, similar pitch.

“Actually Shirley, other CEO’s have been very grateful that they’ve participated in this program, because it’s been seen by, or is being seen by, practically every other bank, or telephone company, or manufacturing company, or fortune cookie company, or personnel placement company, or optician company - ” See what I’m saying? “And in your market or area – and it’s all part of an ongoing effort to help companies like yours prosper. In any event, I think Bill will be very much like the other CEOs in his reaction to all this, so if you’d like to have him call me, I’d be happy to explain it. Or let me speak to him - ” – or whatever.

You must make the program seem way over the gatekeeper’s head.

“So Shirley, this program isn’t for everyone. It’s primarily targeted for CEOs who are still very active…” This is the takeaway pitch, OK? This is where you don’t know if they’re good enough to get this program, OK? “It’s primarily targeted for CEOs who are still very active in the effort to take market share and grow customer loyalty. The most appreciative participants in the program are the more progressive and aggressive CEOs. We certainly don’t want to waste our time – or his, for that matter. So I would like to ask you, is Bill very active in the business or is he kind of not really that much involved?” “Oh, his very active.” “OK, well then, tell him it’d be appropriate for him. Go ahead.” You know, I’m serious. Like I do it every day. Go ahead.

“Certainly he is.” “Well then, I should probably talk to him. Why don’t you just go ahead. Put him through. Go ahead.”

The super-complicated pitch – and notice the expression on her – “Please, talk to this person!” “Actually Shirley, we didn’t really think about…” You know, you get the idea. It’s just make it so complicated – next slide – that they just can’t do it.

Tells her, when the CEO actually comes to the phone, you better have a story set up that you’re going to tell.

“Others called us, so we called you.”
“We’ve talked to other CEOs and…”

“Others on our staff said wait…” And so, like, in the case of the One Inc., this is a company that hired me to help them get to CEOs of the biggest companies of the world, and they had sent invitations out for the orientation that they were giving. So I said, “You know, you missed the – we had sent you an orientation, and I see here on the RSVP list that you were unable to attend last time that we had it in your area. And…” and I did my pitch, whatever that pitch is. And in this case, it was to get him to a CEO orientation, and the last one would have required you (I remember it now.) “The last one would have required you to go out of the office and spend like about six hours…and you’d be sitting there with other CEOs of the largest companies in the world, but the information would have been more broad in scope, because we had to cater to the entire audience. So our CEO has extended to you the ability to have this right in your own office, and have it customized because we feel that it’s important enough for you to get it.” “Well, what’s the seminar cover?”

He’s mine now. When they ask what it covered, that’s it. I have tapes, and you can hear when they ask, it’s just a matter of time now.

But again, it’s the authority, it’s the tonality, it’s the story, it’s the – and I really haven’t even told him anything, but it’s interesting, and it’s engaging, and he knows that all the other CEOs of the biggest companies in the world have already seen it and it has social proof, and so it uses all the stuff I’ve been teaching you for four days.

Negative sell – that’s that takeaway. “Well you know, it’s not really for everybody. We’re really interested in companies who are more progressive and looking to have competitive advantages.” Do you know anybody that doesn’t fit that bill? But it sounds like we might not actually give it to them.

Use notes with highlights – be prepared, you know. A CEO comes to the phone, you want to be ready to go. Know what you’re going to say.

Have a description of the orientation in front of you.

Seven steps to every sale – is the same for a phone conversation.

So rapport. Your tonality is hopefully showing massive credibility will help you gain trust and respect.

You need a reason to ask a few questions. You then need a few really good questions that will intrigue the executive. That’s a very good approach. Jay, earlier in his career, used to say to CEOs, “If I can ask you six questions about your company that you can’t answer, would you be interested in talking to me?” And the guy would go, “Well, OK, what’s the questions?” And he’d say, “What the lifetime value of your customer?” “What do you mean?” “Well, -” And then he’d start. And that was one of his techniques. So he would ask questions that really couldn’t be answered by most
executives. Now today, any company you talk to knows about lifetime value of customers, thanks to this guy sitting over here.

Build value mentioning that your orientation will be shown to other businesses. Builds value.

Pain – “Or your competitors will see this.” Pleasure – sell the sizzle. Talk about the areas covered in the orientation.

The one with the most passion wins. If your belief in their benefit is stronger than their resistance, they will invite you in to see them.

And then closing. More than your usually best – you know – you’re closed. You’ve got saying (he’s) interested, you say, “Well, we’re going to be in your area in the next two weeks.” ‘I’ll be in New York.” I had one guy say. I said, “All right, well, what about the week after?” I literally went three or four weeks out, but I got the appointment.

Now I’ll tell you an actual case study, just as a really great example. The wardrobe salesman concept, OK? If you now go into Men’s Warehouse, you will see on their business cards – anybody know – who doesn’t know who Men’s Warehouse is? Just you guys from another country, or different states. It’s a big chain, very successful retail store, and there’s a guy who has a beard, George Zimmer, who’s the CEO of the company, and he’s – “Best prices, best suits, I guarantee it.” Right - you guys can hear him with his New York accent doing it.

And so I had this idea, from the broadest perspective. You guys heard the pitch. Do you want to be a suit salesman? Do you want to be a wardrobe consultant? Do you want to be an image consultant? And it would give them so much control that I wanted to try and pitch this to George Zimmer, and I was so sure – because you know, most of these guys, you go in there and they’re wearing an orange sports jacket with green shirt, and you’re going to take this guy’s fashion advice? Even though they do have a thing called “Suits University,” and the guy who presents there is very charming and very funny, and in four hours you learn styles and walk out of there. And how much of that do you think sticks? How much of that makes these guys experts?

So they really needed it. It was like, you know, without any help from me, they’ve done just fine, but imagine if they’d had all the stuff that I’ve talked to you about...

So with that behind me, I decided I was going to get a meeting with George Zimmer. So I start chasing the guy, and I go, you know - it’s ten days of my best stuff. So finally he calls me back to tell me that he’s not going to meet with me. And at the time he calls me back, one of my vice presidents who worked for me, he’s “Can I listen in? Can I listen in?” So, “Sure.”

So I’m sitting here, and he’s like, sitting where you are, like through another office, and I can see him as I’m pitching. And so he said, “Listen, I wanted to tell you, I
was very entertained by your voice mails and your faxes and stuff, but I'm just calling you to tell you that I appreciate your effort, but I'm not going to meet with you.” And so I don’t remember the exact - because this is ten years ago, but I go – at some point we’re drilling down, and I’m trying to talk my way into it. The whole time, I’m trying to talk my way in, and he’s trying to tell me “no.” It’s a contest of wills.

And so I say to him, I go, “You are so sure that there isn’t an idea that will double your sales, that you won’t take an hour for it.” And he says, “There is no idea that would double my sales. If there is, I would have thought of it.” And I go, “OK,” and I said, “Well, what about an idea that would increase your sales by 20%, guaranteed, and… would that be worth an hour of your time? To find somebody that would increase your sales by 20%?” And I said something like, “You’re so sure there’s no idea that would increase you for 20%? You wouldn’t spend an hour to potentially find out?” (And I had already name-dropped every person I’d ever seen, and I’d already done every trick in the book at this point, you know?)

And he had said to me, the guy who was sitting there was going like this: “Five no’s, six no’s, seven no’s…” We were up to number eight at this point. And he’s holding up eight fingers, because I always taught these guys, seven no’s. And this guy is tough – it’s eight no’s. So I go, “Well, what about an idea that would increase your sales by 20%? Would that be worth an hour of your time?” And he goes, “Ah, you’re losing credibility! First you told me that you want to double my sales. Now you’re saying you want to increase my sales by 20%.” And I said in the same exact tonality, I go, “Ah, I’m not losing credibility. I know I can double your sales. I’m just trying to get the number down to where you can believe it so you’ll take a meeting with me.” And I said – and that was it. I let the silence… And then I hear (drumming)...He’s thinking about it. Am I going to be a dumb schmuck and say, “You know, because if we could meet it’d be really good!”

No, utter silence. And this was Close Number Nine, with the guy holding his hands up, like this, and the two of us waiting, and me smiling at him, because we know at this point he’s going to go – He goes, “OK, you got yourself a meeting.” I said, “All right, great.”

So then, I send a letter to him that said, “If you’re going to be closed-minded and so sure that no one can help you and that’s the way you’re going to take this meeting, then you know what? Cancel it. Because I don’t want to waste my time and have you sitting there with your arms folded, and da-da-da-da-da.”

So I get there, and he comes – “Chet Holmes!” He’s like this, like I am his old friend. He’s got – he’s actually got long hair that you don’t see the way they shoot him. He’s wearing, like, a dashiki. He looks like a hippie – sandals, and he’s not at all like you would have pictured him. Earring – if the guy had a saxophone he could have just stepped right onstage and been a saxo- you know, this and that.
And so then I presented, and I reset the guy’s total buying criteria. He grasped it immediately - had a vice-president of sales sitting there - and he stands up and he turns to the vice president and he says, “Hire this guy.” So I got Men’s Warehouse as an account.

Now, the problem again (and this is on tape, so I can’t go into too many details, but – ) the execution at the tactical level was somewhat inhibited by some people in the organization who didn’t get it like he got it. And he delegated it, and that was it.

So anyway, my one main contribution is now you can look at their business cards, and they all say “Wardrobe Consultant.” Even though they’re not, by any stretch of the imagination, what I would have had them do if they wouldn’t – if the political crap wouldn’t have gotten in the way.

Follow up – we had a whole ‘nother module on that. You know how important that is.

Bill Smith comes to the phone. “Bill. Bill Smith.” Again, Bill Smith, like you know him. “Great, Bill, we’ve developed a new program for top executives, blah, blah blah,” and you go on with your pitch.

Whatever your slide’s going to be. So summary – Always lead.

Be certain they will see you.

Main attitude – You will get what you want. OK? Why is attitude more important than what they say? It’s – you guys already know – get the names, ask questions, interrupt, lead, be vague and authoritative for as long as possible. Tell a story when you finally get the executive on the phone. Use superior access vehicles, and use market influencer concept, you know? That’s it.
Chet: Right. OK, so my point is that the strategy stuff is so critical that we spent the majority of the time. This we can go through fairly fast, these more tactical modules. But in order to really get them deep, it’s the workshops when you start to use the information, that’s really going to make a difference. So I’m going to do them just because I can’t help it in that I’ve got to get you to write some of this stuff down, but I just wanted you to know that we’re taking that turn toward the pure tactics now. We’re down at that lowest level of, now we’re in there using the material that you’ve been working on for the last three days.

So this is called “The Seven Steps To Every Sale,” and basically everybody who’s going to buy from you, anything that they’re going to buy, is going to go through these seven fundamental steps. Any sales warhorses in the room, been selling their whole life, know how to sell, sell like a champion? Only two of you? Three of you, four of you… OK. Well, you will not disagree with a word of this because it is so clinically accurate. You may have called it a different name, or one of these steps a different name, but you will not disagree with any of it because it’s just so totally, clinically accurate.

So rules for greatness – Keep it simple. Repetition is the mother of skill. This is simple. These are seven steps. I mean, I’m not going to make some high-falutin’ complicated thing, and if I want to turn your people into sales people, or at least have you understand it and turn you into a great salesperson, then you need to keep it simple. Just keep it simple. This is very simple. It’s not complicated.

Janis Joplin said, “You’ve only got to do one thing well to make it in this world.” Anybody know that song? That was such a great song. And if selling is that one thing, your future is always very secure, because it’s just one of those fields where you can always find someone who needs a great person who can really sell. So we’re going to crystallize the fundamental sales process. Then it may be studied and improved.

Now, these are the seven steps. You don’t have to write them all down because I’m going to go into each one deeply. So pay attention to the message, and then as we go into each one deeply then you’ll write them down. Because you’ll end up writing this down and then there’s going to be 15 things you’re going to write underneath it, and then you’ll have written down the second thing…

OK, so Rule #1 is the first step in every sale is when you establish rapport. When you shake hands…the way you answer the phone…every decision process, the
The first thing that happens is there’s a level of trust and respect that is established between the two people that are going to be involved in the transaction.

The second thing is that if you’re a good salesperson, you’re going to **find what their needs are.** The third thing is you need to **build value around what it is that you’re selling, so that they find it valuable.** The fourth thing is you need to **create the desire.** That’s the part where you make them want it…where you make them desire it. And we’re going to talk about that. Actually we have quite a bit already. You have to **overcome the objections,** which are the reasons why they may not buy, or will not buy. And you have to **close the sale.** That’s six of the steps, and the seventh one has it’s own area because it’s so critical it deserves its own special place in the world, and we’re going to talk about that.

Most people, most companies focus on this part of the sale, right in here. What are the reasons why a customer may or may not buy, and how do we close the deals? Close deals, close deals. Certainly, that’s where all the training is. That’s where your boss’ focus is. That’s where your focus as an entrepreneur seems to be here. But if you study your top producers, or if you have like I have, studied the top 4% of salespeople in the world, you will find that this pyramid is completely inverted. And the reason they are the top producers, and the reason they own their markets, and the reason they own their customers, and nobody can take them away from them is because they spend 40% of their time here, establishing rapport, another 25% - now, this is again, studies show that you are 65% of the way – 25% here, and 40% here. 65% of the way to a sale if you do a good job at finding their needs and if you have trust and respect with them.

So my question is, if we know that this is what the best do, meaning, if you tracked - not to brag, but clinically speaking, I have been top producer every place I ever worked, and my last actual sales job which was 15 years ago or something, I was outselling the next five salespeople all put together, and let me tell you, it was all here. It was all here. Now, I did all the other things good too, but I had my clients totally trusted me and totally respected me. Why? I was the most knowledgeable person they knew in the whole industry, not just for the magazine I worked for, but for all 45 of my competitors there was no other guy could even compete with the amount of information that I had about our industry… about what the trends…about how to succeed in it. I was a source of information and knowledge that gave me a massive level of trust and respect. And I knew their needs. I knew how to push their buttons.

And so then this becomes easier. If you go deep here, doesn’t this become a lot easier? If you find out their needs, then when it’s time for you to build value and create desire, you can do that a lot better. OK.

So top producers spend the majority of their time – so let’s define **rapport.** The ultimate definition of rapport. They like you, they trust you, and they respect you. Now this one, you’re kind of on your own. The company can help you here and here, but if you’re not likeable, it’s just something that’s hard to kind of get out of somebody. But I can help you as your CEO of your company, I can help create the tools and the
information and the systems and the support and the policies and the procedures, meaning Home Depot does not rely on the guy in the plumbing department. They rely on telling the customers about that, and there’s a whole big system that they put together that supports their organization, rather than hope that it works out. So likeability is something that is up to the individual. Trust and respect is something that basically your company can definitely support.

So how do you build rapport? So here’s a great workshop. We’re not going to do it, but write it down. This is not in the 52 that I’m giving you, so this is a bonus. Think about your best relationships. Now again, I have all different kinds of people I present for, so it says if you’re not in sales now, think of your best friendships. But your best – two of your best relationships. Now, write down the top three to five reasons why they’re great relationships. Just write down the – don’t do the workshop. Just write down what it is.

Now, turn those reasons into rules, meaning that “we share a lot in common” was one of the things you wrote down for the best client relationships you have. “Oh, we’ve got a lot in common.” Great, so then that becomes a rule that says, “Look for areas of common interest.” Understand? So take the things that you write down as the reasons why you have great relationships with anybody, and turn them into the rules on how to build them. Got me? Great exercise to do with your staff.

Manager, trainer, or you, if it’s a self-study session, should now rank the rules in order of importance. So that’s one of our workshops that you’re going to do with our staff. You’re going to ask them – and again, when I give you those 52 workshops for the next year of your life it has very good instructions on how to lead workshops, so it won’t be like you’re trying to figure that out, but again, “All right guys, let’s talk about – write down the people you have the best relationships with. Now write down why you have good relationships. I want you to think of every single reason. Now let’s hear what those relationships are.” And you tell me, “Well, because we have a lot in common.” “We like the same music.” You like the same music. “Well, I can tell he really cares about me.” All right, really cares about me. “Now let’s turn those into rules. So then find out about what music they like. Find out if you have common interests – look for common interests. Show you really care.” You see what I’m saying? And then when we get all those written down, now I want you guys to tell me, of these which do you think would bond me faster, better, smarter? Get deep. But I’m going to go deep on this.

For most companies these exercises will mark the first time you’ve ever conducted a proactive session centered on building better relationships. Am I right? Has anybody here in their company done a proactive workshop on how to build better relationships with clients, getting everybody’s ideas, and working on it? Anybody? All right – got one in there! And yet, that’s what makes the best producers, so that’s something you need to spend some time on, OK?

Here’s some more methods for rapport. Be their favorite cheerleader. Have a tremendous empathy. Be more interested in them than anyone else has ever been. If you
go to my clients from any position I’ve ever had and say, “So what do you think of Chet?” “Oh, great guy!” “Really? Is he married?” “I’m not sure if he’s married.” “Does he have any kids?” “Not sure if he has any kids.” And it’s because the majority of the time has been spent focusing on them. I’ve been more interested in them than anyone else has ever been, and they trust me thoroughly. They respect me completely. Find the common ground. I mean, you’re just looking for that.

Now again, if you hire someone who’s a natural Empathy Moonie, they’re going to be hunting for that as part of their psychological profile. But if you don’t – and by the way, the other thing I should add to that whole thing about superstars…you may not get that perfect profile. You may have to settle for a little less. So I’m just preparing you. You may not find the person with the perfect empathy skills, or the perfect ego drive, or the perfect blend. So you have to kind of – or can’t write, or as Jay said about optimizing, and that was a great idea. I’ve had people who are fantastic at getting in the door but didn’t follow up for beans. I had a guy who was the best service I’ve ever seen, but it took him a year to get an appointment, and he just wore them down. Where I had another guy who could get an appointment with his first phone call. I should have optimized those relationships.

Jay: A point that’s trite, but when I did the first eight years of programs, and I used to do long, five-day ones, I spent like an hour on really focusing on how the best way to be interesting is to be interested.

Chet: That’s a great line.

Jay: And if you’re just interested – and I told stories, and I won’t go through it, but people, the more they talk about themselves, the more they love the person they’re talking to. It’s really quite simple, but if you’re genuinely interested, it’s easy to develop a lot of rapport. And if you adopt the strategy of preeminence which says that you’re falling in love with the client, and you’re really, really celebrating for them, and you’re really connected to them, and you’re really seeing your product or service as it’s going to transform their lives, or their businesses, or their wealth – it’s really easy to get interested because you really care.

Chet: And you are the master at that. And I’m not going to give examples right now, because I’m going to save them for another module.

Have a sense of humor, be a great listener, talk about everyone’s favorite person, which is themselves. My broker is famous for calling and telling me the joke of the day, and they’re always funny. And he’s got a great delivery. So when I was in sales, I used to look for a humorous joke, and I would sit and write out hand-written jokes and send them to every single client. Take the same joke and photostat it, and then hand-write a joke to every single client. And I’m sure every client thought they were the only one getting it. And I sent it to 40 of them in the same day.
Rapport tools – providing information that helps your customer succeed gains more trust and respect. I’ve been saying that for three solid days. But this is a module that we built for one of our newspaper companies. And you know that whole study on advertising…we put that into newspaper companies’ modules so that when they go - They used to just try and sell advertising in the newspaper, and they started this free education on success strategies on how to succeed in the 90’s (because it was a newspaper in the 90’s) as sponsored by XYZ Newspaper. And it got them in the door faster. It got them more rapport. It gave them total control over the client. Half these newspaper sales guys ended up planning the media budgets for their clients. “So let’s see, should I give the radio any ad dollars? I don’t think so! No ad dollars for the radio campaign! Let’s put it all in newspapers this year. What do you think, Bill?”

So they got so much control from this thing – and again, this is a case where half of them didn’t get while they were doing it until the fifth or sixth time it worked better than they could have ever imagined. Then they started to go, “I need to take this presentation with me now.”

And they ____ mirrors and windows…mirror your prospects’ tonality and body language. Now again, natural binders, you’ll see them, when they’re sitting across from somebody (take a chair) they will go like this, and you’ll notice this. They’ll just find themselves going like this. And they’ll start talking, and this and that. I noticed yesterday, Jay and I were sitting in the exact same position. When you’re in rapport with somebody you subconsciously - and that’s Tony Robbins’ whole thing. But he tells you to do it on purpose, because there’s a subconscious connection that he says in his brain, “Hey, he’s like me.” It’s just subconscious, very subtle. That’s called matching and mirroring, and Tony does a whole day on it. And it’s brilliant, but the only person that I’ve ever seen that’s great at that is Tony because he has to teach it all day. Because it takes this huge learning curve to get it. But what he teaches is that if you’re really in rapport with somebody, and they’re leaning like this and you lean like this, after a little while you’ll be able to move and they’ll move with you. And I notice that all the time. I see it.

So people who are in great rapport tend to match and mirror. It’s not a bad idea. Harvey Mackay’s book – remember this? Swim With The Sharks Without Being Eaten Alive? Anybody remember that? Best seller? Salespeople competed to answer 66 questions about their clients. Everything - from their drinking habits to their children’s names. And he had it all in a database. Now when that book came out I don’t know how his clients felt about that. “Joe likes scotch three times a day.” But I mean literally, they competed. There were 66 questions he wanted his salespeople to know about their envelope-buying clients, and that gave them this enormous depth.

So if you and I are salespeople and we’re competing to find out more about Eileen who’s our client – or I’ve got Eileen and you’ve got Todd, you know what I’m saying? Now we’re trying to compete so every time I get on the phone with you and I’m trying to sell you some envelopes… And I go, “So, how’s it going today?” “Oh, good, good.” “You know, I never asked you. Have you got kids?” “Yeah, I’ve got kids.” “How many
kids you got?” “I’ve got two kids.” I’m filling in the database. “You’ve got two kids? No way! What are their names?” “They’re Amanda and Jordan.” Amanda and Jordan. “Oh, really. How old are they?” “Oh, they’re 12 and 13.” “Really?” And so the more data you get – their birthdays, their blah, blah, blah. Have you ever known any parent who doesn’t like to talk about their kids? It’s a favorite subject. It’s a great tool for bonding.

You must establish rapport as part of your job description. So you, as the entrepreneur now trying to build a successful company need to instill in every single employee that works for you that that’s part of their job. Part of their job is to get deep with their customers.

Now, how do you get deep? So let’s have a little test, right now. Think of your best client relationship, everybody. Think of your best client relationship, and I’m going to ask you a question, and just quickly raise your hand. Do you know how many children they have? Do you know their ages? Do you know their names? OK, I got a few of you. Have you been to their home? All right! OK. What are their hobbies? Do you know their hobbies? How about what would make them more successful? OK, we’ve got a couple masters of rapport out there. Where they’re from? What their history is? What their ultimate goals in life are? Ah, I got one guy, got that one. OK.

So this is the quintessential ingredient for control in your market. So when I was running California Lawyer and the American Bar Association Journal, which was four times our size, decided because I was having so much success in kicking their butt, which I shouldn’t have been, that they were going to open the California Edition of the American Bar Association Journal. Now that is a direct assault. I mean, that’s like when the Americans counter-attacked Japan. These guys were huge, and they were coming after my market.

And so I had these relationships with every single advertiser in my magazine, and I got on a plane, and I flew, and I visited every single one of them. And I had a talk. And while I was visiting having lunch with Mike, I said, “You know – Hey, have you heard that the ABA is starting a California Edition?” You’re damn right he had. They had been there and tried to sell them, and he was about to advertise in that. “Yeah, they were here, really.” “Oh, great, yeah. Well you know, they have talked to a lot of people, but I think the general consensus is, you know what? I’m not going to let them get successful on my dollars, and build an experimental magazine. I’ll just wait until they’re successful, and then if they’re successful, Mike, I would be the first guy to tell you to advertise in them. So you know, I think the general consensus of the other advertisers that I’ve been talking to is let’s just wait and see, see how they do.”

Well they couldn’t get a single advertiser in that magazine, and it was gone in four months, six months – it was gone! I kept them locked out of the market completely. They never had a prayer. That really impresses Charlie Munger. Slaughtered the competition.
So **establishing need** – this is step two. Give yourself a big section here. The deeper you understand your prospect’s situation, the more logical the conclusion will be, right? You can’t bring a sale to a logical conclusion if you don’t understand the needs. Great sales are logical conclusions. You’ve heard those things about “Use the close. Use this close. Use that close.” Now, I believe all that. I’m going to teach you that. That’s part of this module. Closes are good, and unfortunately most of the time you have to do them. But the great salespeople, bring the sale to such a logical conclusion, there is no need for a close. You and I decide together that this is the logical thing for you to do. And we do that, because I have such a great depth of understanding about your decision criteria that I can bring your decision criteria to that logical conclusion.

So let me tell you, no matter how good that corporate story is, you don’t whip that thing out and start going through it until you get their buying criteria on the table. And how are you going to do that? How are you going to understand their buying criteria? You’re going to ask a lot of questions, OK? There’s only one way to find out how to help your prospect. What is that way? You’ve got it – ask questions. Find situations where you can be helpful. Be a friend. Find ways to make your relationship mutually beneficial.

So, this is really important. Rapport, again, is something you as an entrepreneur can create the vehicles within your organization – the policies, the procedures… But there should be six questions, at the very minimum (it says six to ten) excellent questions that your salespeople will ask every single prospect. And this – again, if you’ve ever worked for me, this would be like so pounded into your head, and you can bet any salesman who’s ever worked for me – and even ten years ago could probably still tell you the six questions they had to ask. They never forgot them. Because you know Kit, right? He could still tell you, from the first job he ever worked for me 11 years ago what those questions were.

So make these questions part of your weekly training. Let’s have – I’m going to give you a few good questions for most sales situations, OK? What are the three biggest problems you’re having right now in your area? “So what are some of the challenges you’re having right now?” “Tell me some of the challenges you’re having.” Because they put themselves in pain. I don’t have to put them in pain. But I’ll be pushing that pain button all the way through the process that I’m going to take them through when we go into the funnel. So that’s a great question. “Tell me some of the challenges you’re having in blah, blah, blah.” I gave you that question earlier, actually, and then I said, “How would you feel if these things got worse, or didn’t go away?” “What areas would you like to see improvement in?” Because sometimes they go, “Well, we really don’t have any challenges right now.” “Really? What areas would you like to see improvement?” “Well, we’d like to improve this, we’d like to improve that, we’d like to improve this…” “Oh, so you do have some challenges.”
“Tell me about your company, your department, your life. Tell me about
yourself.” That’s a wonderful open-ended question. “Tell me about yourself.” Jay’s great
at this. I’ve seen him do it. He just really opens people up.

“How long have you worked for your company?” Now that question is starting to
go somewhere else than all the other questions went. Where’s that question going?
That’s going more personal, isn’t it? That is the segue question into the personal part,
because I can’t bond with you asking you about your challenges. I cannot bond with you
asking your about your company. I can bond with you only if I ask you about – who?

Participants: Themselves.

Chet: Exactly. That’s my only opportunity to bond. I’ve got to learn about you.
What makes you tick. Who are you? How long have you worked there? How do you
like what you do? Where were you before this? (These are standard for me, every single
situation I’ve ever been in.) What are some of the goals for the company or the
department? What are some of your goals? Big, broad questions.

Jerry, you’re in there qualifying them for that fence, and you say, “What are some
of your goals for the house? What are you looking to do with this place, ultimately?”
“Well, we’d like to …” Now you’re bonding. They’re talking about their home.

What’s your criteria? Here’s the best question you can ask. “So, what’s your
criteria for making a decision about telephone security systems (you guys over there.)?
Or about (pick on some people I haven’t been picking on) machine shop, or an optician –
what’s your decision criteria? Because if you tell me your decision criteria, it’s a heck of
a lot easier to persuade you within your own decision criteria, isn’t it?

So what are your six to ten questions that your people should always ask in every
single situation? Workshop – write it down. You should have like a little insignia you
put by every workshop so that when you get back to your office you can go through and
pick those workshops out, even though I’m giving you a year’s worth. I don’t think this
one’s in there, but it might be, because it’s… I tried to put ones that weren’t here so there
wouldn’t be a lot of duplicates, so you had two years’ worth of stuff to go home and do.

But develop six to ten questions your people should ask. Ask them what they
should be, and you’ll get some questions you couldn’t believe. But most of the time when
you do this workshop, you won’t them thinking of the personal ones. You’ll have to
prompt them that. Say, “Well, how do you get to know people?” “Well, I generally ask
them where they’re from.” “Oh, that’s good.” So you might have to prompt them, or
push them, or promote them to give you some of that.

OK, Step 3: Build value. So if we were in a classic sales situation, and I worked
for any one of you, and I wanted to now make this sale, I would have done my
qualifying. I would have had my little bonding session. Your rapport is established really
good in the neat part of the sale – in the second part of the sale. And now I’m ready to
present. So this is where I need to build value and create desire, the next two steps. So build value – I would say, “Well, are you familiar with us?” And I would have a brief statement at this point about myself. Just brief – I’m not going to do a big pitch, because that’s coming at the end of my story. I’d say, “Well, you know about our company, right? You know that (and even if they say yes) You know that …” and I’ve got a word or two, or a line or two that I then give about my company.

Now I introduce some market education. I say, “You know we’ve put together this orientation, and based upon some of the challenges that you told me, I think that you’re going to find this thing really valuable.” And I never, ever, in my entire career, despite all the pressure from the idiots I work for, had a sales pitch. I always had an educational orientation, and it always made me top producer in every job I ever had. I was always the most educated rep in any company I ever worked at.

So, introduce market education…spending a brief moment, so (I’m going to skip through this section here.) How to build value, stress the quality and service – OK.

So, Step #4, so that’s where you introduce the market education, and that’s where you would start to do your presentation in the classic sales situation.

Now you’re ready to create desire. So again, depending upon what audience I’m in front of and what I’m teaching, most people don’t get the full program that you guys have gotten. I might be just teaching sales training, so I’m reiterating points here. And I think this audience is so well trained, you guys could take it from here on this, on this whole thing how you create desire. It’s problems and solutions, and which one of these is more motivational?

Participants: Problems.

Chet: Problems. And it is the blend of those two things that make a great salesperson. Because when you bring up the problems, you say, “You know, and you have this problem with this, and you have this problem with this. But our clients, they…” So that’s, the people will move faster if there’s a problem than they will ever move to gain some currently unrealized benefit. I mean, “Yeah, yeah, that’s nice, but I don’t really need a swimming pool now. I don’t really need a fence now.”

But if you can make me feel in pain for not having those things, you can motivate me a lot better. The competition is taking my business. (These are problems.) They are missing out on a vast opportunity. Other products or services are ineffectual. Things that you have now aren’t working, or they’re not working well, or they’re causing you problems, or they’re not as effective as they could be. Or they’re not as efficient as they could be. Or they’re not as smart as they could be. These are all pain points. Money is being wasted – pain point. And market information gives you pain points. Lack of knowledge – they don’t want to look stupid. Lack of knowledge.
If your prospect is comfortable with their current situation, they are not motivated to change. Understand that? If I’m comfortable where I’m at, you can’t motivate me to take any action. Everything is fine. But if you can make me feel uncomfortable with where I’m at…

So that’s part of your orientation is to make them feel fear or pain or whatever, for not being in the position. But it’s a blend. It’s benefit. They move away from pain and toward a benefit. So if you can paint some elaborate future of what their world’s going to be like… “When you have our machinery, this is the view from your office window.” (No, I’m just kidding.)

Features tell, benefits sell. Don’t tell them what it is – tell them why they should have it. That’s so obvious to me and so ingrained in my personality, yet as I went around the room, half the people in here, in their headlines, were more on what than on why. “We have the company that does such-and-such.” No, no, no – why do I need it? “Well, because we do so-and-so.” No, why do I need it? And you push people, and then they start coming through with the benefits. Features tell, benefits sell. The better you’re painting elaborate pictures of their future with your products or service, the more desire you will create.

So summary so far. You gained excellent rapport. You asked excellent questions and discovered fabulous and meaningful ways in which you bring something to get your prospects out of pain and into pleasure. You’ve presented terrific educational material that helped you build even more rapport, find out more needs, build even more value, create even more desire.

So now, use all you learned in step two as you presented, blah, blah, blah. So this step here, if you’ve really developed need, you’re going to be way more powerful in these two steps. Does that make sense? OK.

So step five is you have to overcome the objections before you can close the sale. And as it says here, the toughest objections to overcome are those that are unknown. So – and I’m going to cover that really well.

How to overcome objections? Well, if you thoroughly qualify while establishing need, then you shouldn’t really have too many objections because you’ve found out before you started what those objections were. It’s just like the funnel process here. Questions, questions, questions… ask what the prospects think. If they agree… “What do you think about this? Do you agree with what I’m saying here?” Because if you can get my head going like this the whole time, when it comes time to buy I just keep going, “Yes.” “What do you think?” “Yeah.” “Do you agree?” “Yeah, yeah.” Coming down through the funnel, and then they just buy.

“Is there anything that would keep us from doing business?” What’s that going to do? That’s going to ferret out the thing in your way. You’ve got to be like a scientist. A sale is a scientific process of exchange of information, where one person needs to get
something that the other person has, and the only way they’re going to actually get it is if it’s valuable to them.

So again, your top producers – they really function exactly like this. And you sales warhorses in the room, you know, this is nothing new to you, right, John? Are you familiar with this process, Jim?

**Jim:** That’s the exact close that I’ve used – is there anything that would keep ______.

**Chet:** Yeah, is there anything that would keep us from doing business? That’s a great close. That’s – when you’re ready to close: “Is there anything that would keep us from doing business?” “Well, no, I really can’t think…” “Yeah, that’s what I thought. Well, you know… (boom!) Give me your check.” OK.

So if you’ve done a good job on these four, you shouldn’t have too much problems with overcoming the objections. You will literally bring the sales to a logical conclusion. And most great salespeople don’t have to close.

That being said, you have to understand that the one thing they found that made (I’ve already said this) top executives, is that they’re extremely decisive. If you look at the Fortune 500 CEOs, the only trait they all have in common is that they are extremely decisive. Because when you’re running an $18 billion company and you turn to your staff and say, “You know, I think we need to cut the Toronto office. It’s not really paying off.” And that is 400 people losing their job, if you don’t have true grit you can’t make that decision. So they found the number one trait in them was decisiveness, and it is also the one trait missing in most people who are not successful, is they’re indecisive. And Napolean Hill said that Andrew Carnegie said that “Successful people make decisions quickly, and are slow to change them.” Meaning when they make the decision they forge forward, as compared to unsuccessful people who can’t make decisions and change them constantly. Understand?

So most people are that way. They can’t make decisions. And what that means, if you’re in the sales field, is that you have to help the prospect make the decision. I put here, “Close like a vise.” Because – I mean, when I sold furniture (and again, I was 19 years old) the most powerful thing I ever saw – and these are life-changing experiences – was when the sales manager walked over, and there was this elderly couple trying out the chair. And he said to me – he turns to me, he’s training me – and I didn’t even know I was a sales guy yet, right? This was like a totally new thing for me. He takes the clipboard off of the – there’s a place on the wall where he had all the clipboards. And on the clipboard is a sales order form. And he walks over to the couple, and the old man was trying out this chair, and he says, “So what do you think of that chair?” “It’s pretty comfortable.” “Well, let your wife try it.” And so she gets in, and she tries it. “What do you think of it?” He says, “Would you guys, where do you live?” And he starts writing down the address. Then he said, “Well, we could have it there on Tuesdays and Thursdays. Which would be best for you?” And the husband looks and the wife, and the
wife looked at the husband, and, “Tuesday. Tuesday would be good.” And he starts writing the order. And me, this 19-year-old geek, you know, never seen or even thought about salesmen. “Ooh, would you look at that! I can’t wait to try that! Give me a clipboard! I’m going to go out there right now! When would you like that bed delivered? Would you like it Tuesday or Thursday?” And I was just closing deals, like I couldn’t believe that! That was amazing to me!

So that’s called “assuming the sale,” But the fact is that most people don’t make decisions, and they’ll hem and haw. And this salesguy trained me, when I was 19-years-old, he said, “You know what? When you get somebody who comes into our store who’s been to five stores, you know what that is? That’s an example of five stores with weak salespeople who can’t help a prospect make a decision. Do those poor people a favor and sell them something so they can stop going and looking in more stores! Their time is more valuable than they should be looking in five stores.”

So, I mean, he really impressed it upon me, and I have continued to impress upon my people, the close. We had a program that I was explaining earlier, and we had a sales course for our salespeople that had nine closes in it – nine. Because they say the average prospect, you need seven to close. So it’s OK to let people feel pressure. Most people are not good at making decisions. It’s the salesman’s job to help the prospect make a decision.

So when you put a close on someone, what do you do? So, I’ll give you an example. And again, this is so basic for you guys, in this talent for 30 years. But when you put a close on somebody, and I go, “So would you like that Tuesday or Thursday?”

**Participant:** Thursday.

**Chet:** OK, this time don’t answer me, no matter how long I don’t say anything. So would you like that Tuesday or Thursday? Feel the pressure? Pressure – that’s what that is. That’s pressure for him to make a decision, and most people are weak at that, and it is a salesperson’s job to help them make the decision.

So, now watch me blow that one. (Don’t say anything.) Would you like that on Tuesday or Thursday…or, you know…or maybe the week after…? OK?

So they say that when you put a close on someone when you ask someone to buy, the first one who talks loses. Right? Have you ever heard that? How many people have heard that? Everybody, God! OK. That’s great.

Write up an order while you’re with them. Don’t let the prospect cool off. Closing the opportunity presents itself. Like I said, I hate that when you have the salesperson who goes, “Well, if you need to think about it it’s OK. I don’t want you to feel any pressure.” I’m like, “You do not belong in sales, babe.”
If you run into problems here, you simply didn’t do a good job, because really, if you qualify them, you’re not going to have as much of a problem closing the sale.

And then, here is that hidden objection: “Is there any reason why you wouldn’t go forward right now?” Just role-play with me, Eileen. Is there any reason why you wouldn’t do business with Jay and I?

**Eileen:** We have to meet the budget.

**Chet:** Is there any other reason?

**Eileen:** I need to get other people involved.

**Chet:** OK. Is there anything besides that?

**Eileen:** Well, I have to talk to the boss.

**Chet:** Three objections! I mean, you know, I did a terrible job here because I got three things! I should have found out all those things before I pitched, right? Everything she said. So, do you have budget authority? Way in the beginning, when we’re into quality – do you have the authority to make this decision? Is there anybody else you have to talk to before you go forward with it? Right? (He’s smiling, because how many times he’s in the house, and the wife wanted it, and the husband said no. And she said, “Oh, I can make the decisions.” And then you find out they really can’t.)

So this is called “isolating the objection.” The prospect states an objection, like Eileen did. “Oh, we have to get a budget approval.” You didn’t see me even flinch, did you? “Oh, OK, is there anything…?” Agree that the objection is valid. Then they relax. You can’t close someone who’s going like this to get away from you. That’s never going to happen. You have to just let them go. And if they go, they go, but you’re sure not going to get them by going like this. So if someone’s scrambling, you say, “No problem.” OK? You don’t have to do anything.

And again, a bad salesman will keep trying to close you when you’re scrambling to get away. If the customer’s – I was buying a car for my wife, and then at the last minute they stuck this – they stick this new thing in where you’re in getting your financing, and they go, “Oh, so we used to have problems with leases, and people weren’t getting them maintained. So now we have this fantastic lease program…” I don’t know if anybody’s seen it. It’s actually a very good idea, but it was the wrong time. When the salesman was making the sale he should have pitched this thing, because it was like an extra $2,000 or something, and they – it’s mandatory now. So it was a Chrysler. And – so they will do the oil change every three months, and it’s all included. It’s a great program. So I got up and walked right on out of there, and that sales guy – that sales manager – he was a pro. Because he did not try to climb all over me. He was like, “Hey, no problem. No problem. It’s no problem at all.” But he went back and fixed it, and I got it for nothing, so…
Agree that – so, prospects states an objection (I got it for $7) agree that it is valid, and then they will relax. When their guard’s down ask, “Is there any other reason we can’t do business together?” like I did with Eileen, and now the hidden objection will surface, OK? And if not, the prospect has only one door of escape. Overcome that final objection and close the sale.

So if she says, “Well, you know, it’s a budgetary thing” then now I’m going to, “Is there any other reason?” “No, it’s just really a budgetary thing.” Now what am I going to do? I’m going to climb all over that. “Well, what’s the process? Well, how does that work?” “Well, it’s a committee decision.” “Well, you know, do you think you’d want me to present for the committee?” I mean, I’m going to get all over that particular situation. But if I was really slick, I’d have had that information long before I got to this point, right? You know what I’m talking about.

So sales – logical conclusion…reaffirm that the need established in the qualifying process…use positive, assumptive statements – “Well, we know…” And of course, you want to do this…” “When we get started…well, when we get started…” You know? That’s assumptive close. “Well, when we get started on the fence here…” or “When we get started with your weight loss program…” or “When we get started with…” And sometimes people won’t stop you, and you’ve just rolled right into your deal. You’ve just closed your deal.

Use assumptive statements. “As this product gets used…” Again, “As you use this product more and more, Mrs. Jones, you’re going to find that…” “As you use our agency more and more…” It’s like you’re stepping into their world and putting them into your situation. “Do you want the faster model or the standard model?” That’s a choice close, like “Do you want it delivered on Tuesday or do you want it delivered on Wednesday?” That assumes somebody’s buying something, doesn’t it? And again, this is, you know, this is Sales 101, but you can’t improve this process unless you have it written down, and you can analyze it with your staff.

OK. Use minor point close. “Should the bill be sent to you, or to your accounting department?” That’s a close. And when you close, you shut up.

So – follow up – I’ve got a whole module on that one. So, I think we actually go to that. So we’ll review.

In summary, develop rapport. They like you, they trust you, they respect you. Establish need. You’ve got to find out their needs – what their buying criteria is before you ever get started, and this pyramid should be inverted because these are the killers, right in here. But it’s the whole process. This is where you build value, increase desire. That’s your orientation that you’re going to give. Overcome the objections. Hopefully you did such a great job here, it’s a logical conclusion. You don’t have any. And close the sale, logical conclusion, or – they close. You ask for the sale. You ask them when
they’re going to do. You ask them what the decision process is. You expect people to buy. OK?
Ten Follow-up Steps for Bonding With Clients
Chet Holmes
Tape 23

Chet: OK, so let’s go – next module, which naturally and logically follows, which is “The Ten Follow-up Steps to Bond With Clients.” And the areas covered: Why does follow-up make the difference between mediocre and greatness? A step-by-step guide. And again, you know, yours is going to be slightly different for each thing, but we just want to try and give you the idea – the ultimate objective of every top producer. So that’s what we’re going to talk about.

So studies show that when drivers see a police car at the side of the road they slow down for how long? Is it ten minutes, less than one mile, or the next five miles?

Participants: Less than one mile.

Chet: Everybody always gets that one right! OK, that’s called “the cool-off factor,” and what happens is people have very short memories. And that’s what you have to know. And the Seventh Step to Every Sale is follow-up. Most salespeople are weak at the follow-up. They think their job is finished once the sale is closed. Great salespeople know that they’ve only just begun. And again, it depends on what you’re selling, but I don’t think anybody in this room is selling a one-shot deal, or selling so tactically that they wouldn’t want to strategically have a relationship for referrals, for people in their neighborhood - whatever the case.

So after you leave, the busy schedule of the client rushes back into their top-of-mind. When you’re out of sight, you’re out of mind. So your mission is not to let the client cool off. Because I’ve just seen it happen so many times where you went in, you had a great sales call, and you wait five days to follow up? What happens over a five-day period? You know, they just forget you. (Did you say something, John? No? OK.)

So, the cool-off factor – enthusiasm is contagious, so if I’m in front of you and I’m presenting, and I’m all excited, and I’m…that enthusiasm wears off on you. And what happens is, you go from Day One, “Boy, that was great! I think we’re going to do that!” to Day Two, “Mmm, maybe we’ll do it.” To Day Three, “Ahh…I don’t think we’re going to do it.” OK?

So you go from red hot to stone cold in three days. So your job is to keep the prospect hot, and there’s two things, primarily, you need to do to keep the prospect hot after you had a sales call, or a telephone sales call, or whatever it is - especially if you didn’t make the sale. And those two things are:

You, and the sale. Meaning that, if you made a good impression and began the bonding process, you must keep those cards and letters coming. So follow-up is even
more important, by the way, if you didn’t make a good impression – if you had a bad sales call.

So – (I’ve got another story, but I’ll save it for another module.) remember that trust and respect are the largest part of every sale. Every minute that a prospect doesn’t hear from you, they begin to lose more respect for you. So I will tell you that if I make a sales call or a sales presentation, I usually will dictate the follow-up letter on my way back to my office, and it will be e-mailed or faxed off to the prospect before they know I even got home. Now, does that make them feel that I’m pushy, or does that impress the hell out of them?

**Participant:** Impresses the hell out of them.

**Chet:** You’re darn right it does. So you want to make sure that your follow-up is like a lightning rod. If you had a good meeting – Zoom! You are there, especially if you had a bad meeting.

So you also want to follow up on the sale - the points of the sale. So one of the aspects of my follow-up is going to be about what happened between me and that prospect. Since I worked so hard to have rapport, I need to reiterate the rapport. Why would I let that wane?

So I had a – one of those idiot bosses, and I got Xerox on the telephone (this is that 104-page spread that I….) I got the Senior Executive Vice President of Xerox on the telephone, and I’m with a small (in his world) a small, vertical market publication, for ___ market. And I engaged this guy, and I managed to keep him on the phone. And so I’m there in my office, and I’m laughing, and I got him talking about his - his secretary was out, so it was lunchtime, and he spent his whole lunch hour with me. I think we actually went, like 90 minutes on the phone with this guy, and we talked about everything. And this was – I was new on this job, right? And so my boss keeps coming to my door like this. Like I’m sitting there, and he’s like looking at his watch, and he was going by like this. And at one point he starts to point at his watch. And I’m waving him away, like “Get out. You’re distracting me. Get away from me,” like this. And I’m laughing, and being cool with it, and everything.

So I get off the phone, and he calls me into his office, and he said, “Who in the hell was that?!” I said, “That was the Senior Vice President of Xerox.” And I was, “Well what in the world…?! (he cuts me off) What in the world do you have to be on the phone with that man for an hour and a half?!” I said, “You are lucky I have the talent to keep that man on the phone for an hour and a half!” And 104-full color-paged spread later – he never said another word to me about how long I was on the phone with a client.

But that guy – we had a great conversation. And the conversation was about, you know, legal market, and how lawyers produce more data than any other business or profession – all facts I found out sneaking around, because my idiot boss didn’t think I
needed to know about the marketplace…only thought I needed to know about my product. But -

Participant: _________

Chet: I don’t care if he watches! I blew by that guy so long ago, it was…

OK. So a prospect will soon forget the core reasons why they were persuaded. Pushing their hot buttons in a follow-up letter will reduce this. Trust and respect equals influence - influence equals potential for control. Understand? And more market share at every opportunity. So you want deep trust and respect, because that gives you influence.

In the situation I mentioned before, where the bigger competitor came into my market, I had such trust and respect that I had enough influence to say to my clients, “Just and wait and see if they get successful.” So everybody went, “We’re just going to wait and see if they get successful.” Poor guys went right out of business!

Great salepeople know every aspect of their clients’ criteria for making a decision to purchase – we’ve covered that. The deeper your understanding, the greater your opportunity to get market share. You must become such a bright spot in your clients’ day they actually look forward to your call. How many people have that? Not enough of you. Such a bright spot, you are the burst of energy and interest in their life. You’re this phenomenal experience for them, and so they look forward to your call.


And the Seven Steps to Every Sale really apply to your ability to follow up, right? So what personal tidbits or professional goals did you pick up during the meeting? So you need all this for your follow-up. Do you understand their needs and objectives? (Why isn’t that working?) It says, what can you give them that they will consider valuable? And then, what can you do that will increase their desire?

So all of this stuff needs to go with your follow-up process, OK? The objections – make sure that you address whatever their concerns were. Don’t take it for granted that you’ve covered them. Again, make sure that you’ve covered them again. And then, the better you do on these steps, the better you’re going to do on this. Does that make sense? OK.

So your client sees you and four other competitors. This is a true story. We had a client that was another magazine that I helped. And I owned an advertising agency, so we called all their competitors and had them come by and pitch us so that we would have
all this competitive information that we could give to the client on their pitches. Well, the minute I saw what happened, I just didn’t feel like there was any threat whatsoever.

So, Competitor One, they came in and they pitched their product. Competitor Two came in and pitched their product. Competitor Three came in and pitched their product. Competitor Four came in and pitched their product. One person came in – or, it says “you” – asked a lot of questions. You learn the clients’ entire decision-making criteria, and you learn quite a few things about the client.

Now, of those five sales people, which one is in a better position for follow-up? Or let me ask a better-quality question – which one is in a better position for follow-up that will actually be read and be interesting to the client? Right? This guy, right here. So I had one of the five come in, and he asked a few questions, and I was going, “All right, thatta boy.” And just after three or four, went right into his pitch. Man, I’ll ask questions for 45 minutes before I…I’ll ask questions til they’re fidgeting in their chair for me to go into the pitch. So when I go into that buying criteria, I am selling from what they need, not from what I think they should need. And every one of these guys pitched from what they thought I should need. How the heck could they ever…? You know, it’s amazing to me, actually, that a salesperson would just come in and start pitching. I can’t even imagine that.

Who has the best opportunity for follow-up? I already said that. Which follow-up letter has the best potential to be the most interesting to the client?

So, let’s talk about a great follow-up letter. Here’s the structure. Because I’m going to show you a bad one, which is what most companies already write.

**Start off the letter with something personal.** So I write my letter after this killer hour-and-a-half meeting with the Xerox guy in which we talked about his daughter’s ballet dancing, and I say, “Wonderful story about your daughter. Blah, blah, blah, blah.” Well, my idiot boss gets ahold of this letter and goes, “That’s unprofessional.” And he crosses it off. “That’s personal. That does not belong in a business letter.” Like I said, he’s cleaning garbage cans somewhere. No, I’m kidding. That is so cruel! I don’t mean it.

So – something personal. “That was a great story you told me about your daughter. In our next meeting I have a similar story to tell you.” Something personal. This isn’t precisely what I said. “You certainly seem to have great grasp on how you make your company succeed.” So what is that? That is a compliment. Something personal – and you can’t have something personal if you didn’t get personal. Can you? OK? Then you have a compliment. “You certainly seem to have a great grasp. What a fantastic person you are. Great hair!” Whatever.

**OK, hot buttons.** “With the challenges you face, it seems clear that six of the machines are exactly what you need. You will reduce costs, speed up productivity, and most importantly, relieve a lot of the stress for quite a few of your people. I’m checking
on how fast we can move on this one.” (Assumptive – moving toward the close. All right?)

**Personal close:** “Once again, it was great meeting you. I have a few other productivity issues that I will discuss with you the next time we meet.” So, promise of something else that I’m going to give. Do you want to add?

**Jay:** Just a minute. These are so powerful, but you want to torque them, or turbo-charge them.

All these are actually infinitely more effective and powerful when put through the lens of this – again, I keep reiterating this – falling in love with your client. Because the level of genuinity behind it… the level of real, empathic and connectivity – empathy and connectivity – is so acute. So if you can not only savor and embrace and really instill the belief system in yourself, but basically pass it on and inculcate it in your entire organization. Everything Chet is teaching will only be magnified by an exponential factor.

**Chet:** Absolutely. Absolutely. So, it’s even better if you have a philosophy, like Jay says, rather – you know what I mean? Because then a lot of the stuff happens naturally. So you need to breed that philosophy, and you do that by training, and you do that by hiring right in the first place, etc., etc., etc.

So focus on them. This entire letter is focused on them. Even when I mention my machines, I mention why they’re important to them, not what’s great about my machines. Understand?

OK. Here is a bad follow-up letter: “Thank you for your time. I know how busy you are.” Right? We’ve already talked about that one. That belittles you.

Most sales letters are totally focused on the seller, not the buyer. And (not to single anybody out) somebody came up and said – showed me their brochure, and the whole brochure is focused on them. There’s not any of it that’s focused on the buyer. That’s very, very typical, by the way. Very typical. Don’t feel bad. Every company is like that.

So here it is: “Our machines are great. With our strength, we have become great. We’re great! I really want your business. You won’t regret buying from us. I will call you soon to sell you some more.”

So this is a salesperson being a salesperson. It’s just such a tacky, light-weight, non-bonding, uninteresting…but it’s very, very typical. And it’s so funny, because they used to have one here where they had “Letter of the Month From American Salesmen,” or something. And they had one of these kinds of letters in there as their example of a great letter and it was totally focused on the seller, not the buyer, which is - What do you want to say, Adrian?
Adrian: How did you get my letter?

Chet: How did I get your letter? I did have it up here as an example, but I like you too much to do that.

OK, so focus on the customer. You want to build rapport. What’s wrong with this follow-up letter? It’s kind of obvious. OK.

So never apologize for taking their time. I already mentioned that in another module. However, don’t put all the emphasis on yourself and your products. Focus on them. Blah, blah, blah. Endear yourself to them and get personal.

OK, so Step #2. So the first step to every sales situation is a follow-up letter is fired out the door. If it can go the same day – and today with e-mail it’s just great. I mean, Whoom! You can have that e-mail to them, the faster the better because you don’t want them to cool off. The person was red hot and every minute you’re not following up they’re cooling off a little bit more. So you never want to give them the chance to cool off. The follow-up call should offer something of value. And again, depending on who you are and what your situation is, and if you’re a company going after business-to-business this is really appropriate. If you’re a company going after consumers it depends. You might slam-dunk a deal and now you move on. But even so, you want that follow-up letter to go out because it serves all the strategic purposes we’ve been talking about for three days.

So the follow-up call comes to offer something that’s of value to them. So it says, if you had a good meeting you should now be working your way up to their staff, right? You become their adjunct addition to their optometry needs, or to their needs for the Internet…for their plastic surgery practice, or for their… you do it, actually, the corporate – the Nevada Corporation thing. You’re just right – you’re like part of their staff now. Charge them for it to. That makes a good business.

All right. So you’re working your way onto their staff. If you had a bad meeting, monster follow-up is your only hope. And I’ve had them where they were terrible, and I followed up so relentlessly that they just became really impressed and bought.

So – you: “Hello Jim. I’ve thought more about your challenges. I think I may have a great idea for you.” So you just start to work your way onto their staff. You’re just in their face. You’re there with another idea for them. You’re there with another comment for them, another thing you found that will be valuable to them, OK?

Now, Step #3. Now watch this. The last step was for them, and it was something that will be helpful for them. This step is an article or clipping of interest, or an amusing cartoon. Here’s one, and it says…there’s an amoeba showing like an Amway kind of structure, and he’s in front of other amoebas, and it says, “And as an amoeba you’ll have no problem recruiting. Simply divide and recruit, divide and recruit.” (It’s not that
funny.) But The Far Side is actually a great source. Their 365-day calendar? You know, you can page through. There’s about ten really funny ones. That’s one a month that you can send out to clients that will amuse them, and it’s a bond between you and the client. Believe me, it’s an amazing bond. **Send something of interest to them. Don’t sell schmooze.** So your third follow-up step is a schmooze. That’s just a schmooze. We’re just getting to be buddies. And again, if you have people who are automatically doing this, God bless you. But most of you don’t, so you build this into your process.

Jokes, hand-write 30 notes. (I already told you I did this.) “A pessimist is someone who complains about the noise when opportunity knocks.” (OK, not that funny.) But you take and you write a handwritten note. Except Jay, because we wouldn’t be able to…”What is he saying here? I don’t…” No, I’m kidding.

“All right, so a meal is a further bonding experience. Breakfast is good rapport. Lunch is good rapport. Dinner is great rapport. That’s a higher level of rapport. You need to send this to all of your business clients. Say, these are good rapport. That’s great rapport.

You must ease into their life. Don’t be too pushy. You must judge the appropriate invitation, offer or bonus. “Hey, you know, I did some research on your industry, and I learned some interesting things. If we can get together for breakfast or lunch I’ll take you through some of the information. You’ll like it.”

So you guys – Bob, you guys in the back there selling business to business – I mean, this is all like, you’re working your way into their lives. Anybody selling business to business, this is like how you get total control – total control – of your marketplace.

“Dear Joe, you make a great lunch guest.” So now, I just had a great meeting with him. We went out to dinner, or lunch, or whatever it is, and the **thank-you card** comes. “You make a great lunch guest. I wish all my clients had your sense of humor. (Meanwhile the guy was unbelievably boring! I’m just kidding…) I was intrigued by your thoughts on direct mail, so I’ve asked for the research. I’ll let you know when it comes in. Meanwhile, stay away from those anchovies.” It should have some personal thing, just a quick little thing. You’re just continuing the bonding process. That’s what you’re doing.

Something fun- and again, for me, most of my career has been big deals with big players, so it’s appropriate for me to have all these. The message to you is if it’s not appropriate for you because you have smaller sales, or smaller clients, you still need to
have a systematized follow-up process in order to continue the bonding. But for any of you guys who sell business-to-business and you sell locally – or even business-to-consumer and you sell locally – anything you can do like the charity event we mentioned…anything that accelerates the bonding process… Ideas: boating, a comedy club, tennis, a sporting event, a play, a club event, a picnic, hot air ballooning – I’ve done all those with my clients. Every single one of them.

Your goal is to become part of your clients’ lives. Look for something exciting you can do, and again, if you can get involved with their families, now you’re really going deep. And that gives you the influence and control, and it says in there, “All ideas subject to boss’ approval,” because sometimes I’m presenting this in a group of salespeople, and they turn to the boss like, “Yeah, we need to do that!”

**Something to help their business.** Pretend you’ll be the king of networking. Great salespeople are always finding ways to help their clients find other situations. Like I mentioned at one company I worked at, we started a free placement service placing the people who would end up buying our advertising from us. And you provide a suggestion or a concept to help them succeed. Perhaps you can sell more products and services in the process.

Step #8, **another card, another letter.** Here’s another one of these really bad, corny jokes. You know what these are from, actually? They’re from these joke books you buy – 7,000 Business Jokes – and they’re like – awww! You have to read 400 of them to find one this bad. And this is – I’m saying, one that’s – “I want to try on that suit in the window.” “I’m sorry Sir. You’ll have to use the changing room.” OK, that’s – I’m serious. I read 400 bad jokes to get that one, OK?

Your client needs to hear from you constantly until they’re permanently bonded. Keep sending follow-up notes, jokes. Even if you’re best friends. What happens is you start to be good friends. You stop sending those follow-up letters. You stop sending those jokes, and someone like Dave Dean comes along, and he’s hungry, and he’s working harder – and you lost the client while you were sleeping. So don’t ever take those client relationships for granted.

Step #9, **what else can you do to help them succeed?** Take them to a seminar. Give them a seminar. Sponsor a seminar. I had a client pay for me to teach a seminar at their biggest clients, and I weaved their material all through my stuff in such a subtle way it did not look like a plug for them. It just looked like a logical conclusion. And you can imagine that I would be fairly comfortable in that particular situation – a logical conclusion.

Give them a cassette course. Help them find new personnel. Watch for trends in their market. Becoming friends with clients. The valuable asset, trusted confidante, and again, you’ve got to look at what’s appropriate for you, for your budget, for your type of business. But the more friendship you have, the more remarkable loyalty you have. Nobody can take your clients away.
If Chris and I are buddies – if you and I are good friends – and you are buying your public relations from me, and some other public relations agent comes along and tries to get you to buy from them, it’s a violation of our friendship, you understand? He’s never going to buy from somebody else if we’re friends. If I just have a business relationship, then I have very little control in the relationship, understand? So – the same with you and your clients. The same with you guys and your clients. You’ve got to have such deep bonds that you have control, and you have influence, and you get every single dollar that could possibly be coming to you in every single situation.

So unequalled control over the market. Inside track on everything your customer’s thinking. Step 10 – the ultimate is **invited to their home, or you invite them to yours.** Here’s some quotes from top producers: Every important client I have has dined in my home. Half the people at my wedding were my clients. These are actual quotes from actual top producers who have worked for me. From their fantasies, to their hobbies, to their children’s hobbies, I know everything about my clients. This should be you.

So I call this, surround the accounts. Make friends with everyone from the janitor to the salespeople. Stop and take a few minutes to get to know everyone. Remember everyone’s favorite person to talk about is themselves. So John, you’re going into one of those dealerships, or you’re talking to one of those sales – take a few minutes and be charming. Take a few minutes and ask her, “How’s it going there? What’s the weather like?” And little by little, it gets to be where everybody enjoys dealing with you.

OK, so summary: Bonding is everything. (Don’t you like this one? It’s so short, but the message is very powerful.) Your ultimate goal is that all your biggest clients will become your best friends. And again, if you’re not natural at that then you need to build in procedures and processes. But even better – hire people who are. If it’s work for you, get somebody who does it because that’s their nature. That’s their psychological profile. It is just so comfortable for them to be in that particular role.

Become involved in their lives. Become involved in the success of their business. Make it your personal mission to help them succeed. And the final message – follow up or be mediocre. OK?
Chet: So this one’s called “Traits of Overachievers.” And remember I said that most overachievers have other areas of skill. This is a vice president who worked for me on four separate occasions now, I recruited him. And I just placed him as president for one of my clients because I know exactly what the guy’s got, so I put his horsepower to work on the client. And here he is – looks like he’s going off a nice little slope, and it’s actually about 40 feet before he hits snow again. So he’s like one of those champion skiers in Tahoe. He’s probably one of the best skiers up there. And he tells a great story with this jump. It’s like about 40 feet, and so when he hits the snow – and this is a really good-looking guy. He’s just like, he’s got it all. He’s a ten in every way. And, it’s about 40 feet and he hits the snow. So right after he made those tracks, he’s on a ski lift. He goes to get on the ski lift to do the run again, and one of the most beautiful girls on the ski – he said, like the perfect snow bunny, sits on the seat with him. And they’re going up on the seat together. And as they’re going up and they’re talking, she goes, “Wow, look at those tracks. Someday, I’d like those to be my tracks.” And so Kit goes, “Really? Those are my tracks.” And you can just hear the music – it’s like – I’ve never had a moment like that in my whole life! I’ve just never – I’ve never been that cool, you know? It’s just such a great moment.

So since I showed you a picture of an overachiever, I want to show you the anatomy of an overachiever. This is Kit’s leg when he got it stuck in a snowbank, and when you break your leg this way, you get a cast. But when you break your leg this way, they have to put screws in in order to hold it together. Do you want to hear more about this? OK, we can just move on here.

All right. Areas covered: match your personality traits with that of top overachievers. So this is a little test. Get yourself a nice fresh sheet of paper. You’re going to take an actual test to determine your areas improvement, and how you bear up against the top producers, and learn the behavior of top producers, OK?

So this is based on the very, very, very best that you will ever see in the sales environment. So these will seem unrealistic to some of you. Like, “Oh, that’s unrealistic.” But this is based on those guys who outsell average sales people 57 to 1.

So – ambition – (oh, I’m sorry. I skipped right through it.) So what we’re going to do is there’s ten questions, and you get a total of ten points. So the highest you can get is 100, all right? So each one of these traits is a total of ten points, and I’ll go over the traits, and then I’ll go over the point system so you’re going to write down the trait, and then you’re going to write down the points that you would give yourself based upon the criteria that I give you, and at the end you’re going to total it up and see how you do. I am not going to ask for these, so just be honest and see how you score, OK?
First one is self esteem. Ambition is tied directly to your level of belief in yourself. Self esteem comes from an encouraging parent. You guys heard that. (Blah, blah, blah. I’ll skip that.) Do you have a high level of self esteem? So you get five points if you’re proud of yourself. I mean, one of the things of an overachiever is that they have a sense of pride. They feel proud of where they are in life, what they’ve accomplished, who they are, who they have become. That is a definite sign of self esteem.

You get two more points if you believe you can do anything you put your mind to. Because that’s tied directly to self esteem. So if you have a high level of self esteem (wait for the total points, and then you can just write it down if you’re - whatever.) If you have a high level of self esteem, you’re just one of those people, like, “Well, if I want to be good at that, I will be.” Where does that come from? It comes from self esteem, OK?

You get three more points for a total of ten if you truly believe you could become a multimillionaire if you wanted to. I guess some people will score real easy on that because there’s already a bunch of you in the room. So a total of ten points on that one. Go ahead and write yourself down under “self esteem.”

Your ability to get in to see prospects and close sales is directly tied to your self esteem. People with high levels of self esteem become even more determined in the face of adversity. So the harder it becomes, the more determined you become to solve the problems, and make the progress. All right?

Accept 100% of responsibility to have this guy – will work for food. And you know none of them would ever actually do that. Do you ever stop and say, “Good, I need a ditch dug out by the house.” “I’ve got a bad back. Sorry.” But I used to have a big quote here from O.J. Simpson – had to change that. OK. These are great quotes though. Rudyard Kipling said, “We have 40 million reasons for failure, but not a single excuse.” Napoleon Hill said, “No alibi will save you from accepting responsibility.” And Albert Schweitzer said, “We must cease attributing his problems to his environment, and learn again to exercise his will, his personal responsibility.”

So, top producers accept 100% responsibility. It doesn’t matter what the boss does. Or like I said, they go into bad situations with poor tools and they still outperform, because they just take it upon themselves to be able to do so. They accept 100% responsibility.

So do you accept 100% responsibility? Six points total if you feel it is your job to motivate yourself. Two more points if your boss and/or situation cannot demotivate you. That’s a hard one. Most people, the boss can just blow out their day, or they can be having a bad day, and it just demotivates them. Top producers, they just become more determined in the face of adversity.
Two more points if you believe you can prosper even in poor economic times. So those of you who believe that even when the bad economy comes, they’re going to find a way to prosper above all their competitors. So you get a total of ten points. Write it down under “take responsibility.”

Next trait: **They work harder**. Top producers work harder. Two points for each one of these: You work more than eight hours a day consistently. Two more points if you take work home. Now, I’m not telling you to do this. I’m just telling you this is what these guys do. This is what the best do. Two more points if you don’t talk to friends at work except to make plans. These people who have hour-long, heart-to-heart, emotional conversations at the office on a regular basis are not stars, because stars won’t do that. My friends won’t even call me during the day. It’s like, they just wouldn’t even think of it. Work while commuting...educational tapes in your car...if you take public transportation, you’re bringing work there to capitalize on that time.

I just found out, in New York they outlawed it to have cell phones on the buses. I was like, “No way! That’s like Nazi Germany!” And this woman went, “Well, but you had to see what it was like with 55 people on a bus, all on a cell phone, all talking at the same time. It was, like, maddening, you know? Anyway –

Don’t take scheduled, non-productive coffee breaks. I hired this vice president. I was all excited about him, and so the first day I go by the kitchen and he’s sitting there doing nothing and drinking coffee. And I’m like, “What are you doing?” “I’m taking a coffee break. It’s 10:30.” I was like, wow! What a concept! Have you ever taken a coffee break, Jay? You know, he was taking a coffee break. Has any – well, I don’t want to ask. I don’t want to embarrass anybody!

So, two points for each one of these. Total of ten points. Now again, you know, union shops, if you run factories you may have scheduled coffee breaks, but top producers, they don’t want to take the coffee break. You tell them to, and they wouldn’t take it. OK.

**Above-average ambition.** Most people flow in the path of least resistance. Ambitious people push, and they make their own direction. They make things happen. The one with the most passion wins. If your desire to get an account is greater than the account’s resistance, that’s how you get accounts. The one with the most passion wins. OK, so next trait: Are you highly ambitious? Four points if you have ambition to retire with enough wealth to be completely independent of Social Security. Four more points if you have constant ambition to evolve emotionally, because that is a trait of overachievers. They are trying to involve in every sense – they’re overachievers. It’s not just in one area. It’s in all areas of their life. And two more points if you describe yourself as “wildly ambitious.” Because overachievers, they just – they want to conquer the world. They want to build an empire. They want to... And again, I’m giving you what the top people are.
High level of empathy, next trait. Peak performers can’t help but put the client’s need before their own. John Wannamaker said, “When I am dealing with the client, forget me. He is king.” And that goes with Jay’s whole philosophy. If you just fall in love with your clients. Peak performers live to bond with others. So, six points if your sales efforts are more for the benefit of the clients than for yourself. Now be honest, because if that is your psychological profile, you will always kick booty over your competition. OK? Four more points if you deliver services and assistance far beyond the mandatory performance that your company would outline for you, or that your competitors offer. Total of ten points.

The next trait: very goal-oriented. Napoleon Hill said, “The purpose of goals is to focus our attention. Goals can increase achievement by as much as a billion percent.” Now you guys are all going to score really good on this one, OK? Let’s see – I’ll let you take a – oh, so this is a great quote too. “The world makes room for a person who knows where they’re going.” And the quote goes on to say that “a person that knows where they’re going will always find other people who will join them.” Because most people don’t have a plan, or know where they’re going, or whatever. So if you have a real strong vision, it’s amazing how you can get people to just walk right behind you and help you fulfill your vision.

So, two points if you have written daily goals. So I just taught you that – was that today? It’s all a blur! OK, so I know you guys have this one. If you have weekly goals – so let me give you some weekly goals. You need to start off every single week with at least three goals for the week. Let me give you one. Get customers. That’s one. You need to get customers. You need to improve procedures, policies, and plans, systems. Improve your organization. Every week you start off with at least those two goals, and then the third one is what you think…is something that you want to accomplish in that week that needs to move forward in that business. And then those will break down onto the staff’s list, and onto your list. So you need to have weekly goals. You need to have monthly goals. I’m just showing you what overachievers do.

You know about that, was it Harvard, or Princeton study, where they took the graduates who had graduated, and they tracked them years later. And they found that only 3% of them had written goals. And those 3% had overachieved the entire 97% of the rest of that same class. So it was like, if it was 100 top Harvard graduates, the three guys who had all these goals written down on a regular, consistent basis overachieved the other 97 who didn’t. Yes?

Participant: They found out that study never happened.

Chet: Oh, really?

Participant: Yes.

Chet: Thank you for sharing! No problem. All right. Let’s go to the next goal here. Annual goals. I’ll never use that one again, I can tell you that! Lifetime goals.
Now I know you guys have annual goals, because I had you write them, so I’m going to let you take these little bonuses, all right? You can give yourself – it’s two points for each, a total of ten points. OK? And we’ll skip the goal-writing workshop because I’ve been having you guys do too much of that in the last three days.

Above average discipline, right? Great trait of an overachiever. Tremendous discipline. You can heat a thermometer in the room with your hand, but it doesn’t make the room warm. So, you know these people who, when the boss is looking, they’re working extra hard. But that’s not an overachiever. An overachiever isn’t trying to do it the boss. They don’t care about the boss, right?

Looking busy only fools yourself. Always do one more thing before you leave. How many people do that? Just one more – just one. My wife hates that. Right? Does your wife hate that, Jay? Just one more thing.

OK. Generally, top producers have had a hobby that requires (and we already talked about this) tremendous discipline, so… Oh, this is a cool one. This is a five-point Kata. This is me again in my teenage years at a Karate demonstration I was giving at a camp for kids. And in this particular move, these three guys drop in one move. Kick to the face, a throat strike here, and a throat strike there. It’s one move. Just whap! And you see three guys just go down. And I have to demonstrate it, because when I do it it’s so fast, you can’t even see it. It’s like five guys go down in like, two seconds. So I show them what I’m going to do first, and then they all jump me, and it’s like boom! Bam! It’s like, literally, like three moves in less than two seconds, and five guys are on the ground. I don’t know if it actually shows the next shot. Yeah, there they all are, crumbling. Look at how skinny I was! Can you see the long hair, you know? The hippie days. Oh, they put a bigger picture in here. So there we are demonstrating it again. I don’t know what they’re doing here. OK.

Do you have self discipline? Four points if you exercise regularly. Come on guys ooh, I hear some people – ooooh! You know why? Because top producers, they are motivated. They exercise regularly. Two points if nine out of ten times, you keep the promises that you make to yourself. And then, I have known so many people who say, “I’m going to – I guarantee I’m going to do this. I’m going to do that.” And they just don’t. Nine out of ten times, they don’t. Self-integrity is a great sign of an overachiever. When you say you’re going to do something, you say what you mean and you mean what you say. I have friends that they tell you, “Oh, yeah, I’ll send you that.” If I tell you I’m going to send you something, you can just take it to the bank.

If nine out of ten times you keep the promises you make to your clients. So if you say, “I’ll call you next week.” Or “I’ll call you Tuesday.” Or “We’ll get together.” You’d better keep those promises that you make, nine out of ten times. And two more points, if nine out of ten times, you don’t put off til tomorrow what can be done today. Overachievers pack the night before. They go the extra mile. They clean out their e-mail before they call it a night. Total of ten points.
Peak performers have total integrity. We need some “Battle Hymn of the Republic” music here. Wickedness is always easier than virtue, for it takes a short cut to everything. So do you have strong integrity – or, intedity? I’ve been up here for 14 hours, guys! You must believe in the company or service to genuinely recommend it. You get five points. Some people can sell anything. They don’t have to really believe in it. If you’re one of those guys…if you don’t believe in it, you can’t sell it. If you’re one of those guys, “I can sell it. I don’t care if I believe in it” you don’t get five points. You genuinely do what is best for your client, even if you can win big by selling them something else. So you get five points for each one of those. You must believe in the company in order to genuinely recommend it, and you could win big by signing something on the client, but if you really don’t believe in it, you really can’t sell it. I’m here to tell you, I can’t recommend something that I really don’t genuinely, completely believe.

They have an optimistic attitude. So you know this story too? This is another one of those great jokes, but I’ll tell them anyway. Two shoe salespeople go off to Africa, and this was in the days before they had international phone calls. And within two weeks the first guy comes back and he says, “There’s no way to sell shoes. Everybody has bare feet.” And the first guy, they don’t hear from him…they don’t hear from him. One day they get this thing, and it’s got thousands of words. “Unbelievable things here. Great prospects. Nobody has shoes.”

So, best top producers, the glass is always half full, never half empty. Totally full.

Participant: ________

Chet: Oh, really? Thank you for sharing!

OK, we already covered that. OK, so are you optimistic? Zero points if you would describe yourself as pessimistic. Five points total – now this doesn’t have a cumulative effect, because it’s a choice. You choose one of these, and you get the points that go with it. Five points total if you describe yourself as a realist. You get five points. That’s the most you’re going to get on this one. Seven points if you describe yourself as optimistic, and ten points if you are always looking for the silver lining. “Oh, good, I broke my arm – now I can catch up on my reading!” I mean, seriously. “Oh good, I’m stuck in traffic. There’s probably a reason why I should be late for this call.” I mean, how many people in here are like that? Total of ten points on that one if that’s you, if you describe yourself as wildly ambitious. There are a few lessons in victory; champions learn from defeat.” Who said that? Come on, fellas. Peak performers will find the lessons in the most devastating times of their life.

They make friends very easily. Will Rogers said, “I never met a man I didn’t like.” Can anybody here honestly say that? I can, honestly. There is just part of my nature that finds the best quality in every human being on the earth. So do you make friends easy? Again, this is a total of zero points if you don’t like most people. Again,
it’s a multiple choice. You pick one, and you get the total amount of points. You get three points if you can get along, but you really don’t want to be friends with most people. You can get along, but you’re not seeking out to be friends. And again, I’m just basing this on top achievers, so it’s no slam on you if you don’t want to be a top producer guy, but just give you a way to measure.

If you can make friends with almost anyone, a total of seven points, and ten points comes if you honestly can say you can’t think of anyone you truly hate. OK?

How many traits is that, Eileen? Is that ten? OK, total them up. Review: High level of self esteem; accepts 100% responsibility; work harder; they have above average ambition; they have a high level of empathy; they’re very goal-oriented; they have above-average discipline; they have great integrity; they are optimistic; and they make friends easily. This is your guide for how you want your people to behave. So you take this module, and you say, “This is what we want from you guys.” And you lay it down as the standards. And then you can even do workshops in each one of these things.

All right, total them up. Don’t tell me, but I’m going to show you how you scored. OK, total them up? Total it. All the way up to a hundred – I know it’s hard. OK.

How did you score? If you got 50 or below, you should not be working with other human beings. Get a job chopping firewood in the Australian outback. (Nothing personal against our Australian friends in the back!) 51-60, you should steer clear of new business situations. It’s not a natural area. 60-70, this is average people skills. You need lots of sales training and motivational training. Solid people skills, 70-80. Above average at winning and keeping business. 81-90, born to be a peak performer. Superior attitudes and people skills. 91-100, you are the very, very best. If your career isn’t on the fast track, consider one thing: You lied during this test. OK, Jay. The ball is in your court.

(chatter)

Jay: OK. First of all, I want you to take about two minutes, and I want you to put on a piece of paper, #1, the biggest single insight of this one day. #2, the biggest connection that insight made for you. #3, the specific and immediate action or application that insight is going to make, or you’re going to take when you get home. And then we’re going to go around the room and I want you to try to summarize that very quickly. But we’ll give you about a minute and a half, and I’m going run to the bathroom for a minute, and we’re going to come back, and we’re going to go around the room. Pardon? OK. The biggest insight you got today. Today, just today.

Participant: One?

Chet: I’d like to hear two or three, seriously.
Jay: It’ll take – well, if you’ve got time it’s fine with me.

Chet: OK, well let’s do one.

Jay: The 36 biggest insights of today; the 24 most specific ones in the last hour…

Chet: It’s like, it’s one times 30 is 30 insights, so, you’re right.

Jay: So, the biggest single insight. The most overwhelmingly important actionable insight of this single day. The implication that insight has to your business…to your strategy…to your model…to your organization…to your market…to your thinking. And then specifically, the action coefficient. What are you going to do Monday morning, based on those first two answers.

Chet: Great.

Jay: OK? And just give me a minute. You’ve got all three. So do it as fast as you can, please, just one. And if you had 14 I just want to hear the one. Actually, I’d love to hear all 14, but we’d be here until one in the morning. OK, Mike.

Mike: Biggest insight of the day was to make effective and persuasive sales presentations. I guess then the way I can use that is to put together a turnkey, flip-chart book.

Jay: Carl, why don’t you write this up on the board? We’ll make a list of all these things, because that’ll be a very good list too. To make effective and – say it again.

Mike: To make effective and persuasive sales presentations.

Jay: OK. You can just write it on a pad. Write it on a pad, Carl. That’s fine. Effective and persuasive sales presentations. We’ll type it up for you. OK.

Mike: And the biggest way I can use that is to put together a turnkey, flip-chart book for my distributors so it’s a no-brainer for them on how to sell my product.

Jay: OK.

Mike: And specific action I’m going to do is I’ll actually, probably, finish on the plane on the way home, is to basically write it out, and…

Jay: Actually put it together, the layout.

Mike: Yeah.

Jay: Great. OK, pass. So that’s great.
Participant 1: My biggest insight on today was the PR lead, and the power of reprints. The biggest

Jay: What’s the implication? What’s the implication of that?

Participant 1: For recognition – name recognition.

Jay: What are you going to do with it?

Participant 1: And what I’m going to do on return is to research local papers for staff writers, and also research further on the Burrell’s Mat Service.

Jay: Great. All of you listen, and if you hear something that you didn’t think of, write it down – or the interpretation of it. Because this is going to triple – this is going to geometrically improve what you got out of today. Thank you. Go ahead.

Participant 2: One of the biggest things I got out of today is when it was mentioned about the researchers. It has been mentioned before but today also, when the question was asked, “What are the variables we should be testing in?” That narrowed it down to cause me more, and to focus on one specific thing that would be applicable to wisdom like ours, and to populate our focus on those.

Jay: OK, thanks.

Participant 3: The biggest insights: How to recognize a top performer. The implication it has is how to hire more effectively, and the application I will take is run an ad for a top performer to free me up for other things.

Jay: And you will do that, when?

Participant 3: Right after my fishing trip.

Jay: You could postpone the trip by a day. (chatter)

Participant 4: The thing that really hit home for me today was how to attract superstar, and how to write the ad, and how to interview these kind of people. And I’m going to pick out the territory when I get back to the office to determine the potential earnings for that area, and put an ad in right away, test it.

Jay: OK, good. All right.

Participant 5: I decided on the greatest insight for me was this whole process, and the biggest connection is developing that process to present the offer to prospects and to clients, and the specific action that we’ll take is on Tuesday we’ll develop a process for presentation.
Jay: Great. OK. Good, will you pass it out? Or for them, just grab it and give it to the next table. Thanks. Write down your interpretation of what you hear because it’ll probably broaden your ability to really profit from today.

Participant 6: Yeah, the – again, it was the – on selling, it was just the power of the visual aids in selling, that it can be so effective for my presentations on selling the Gaucho concept, and we’ll probably start Monday to redesign our whole PR and selling package to take it on the road, so…

Jay: Are you going to go out and say, “All these restaurants in Europe that have mad cow disease, Gauchos…”

Participant 6: We’re going to sell-

Jay: …A great big chart…oversized graph? No?

Participant 6: Can’t do that.

Jay: OK.

Participant 7: My biggest insight was how to hire stars. The implication is, I can actually do this! Action is to begin planning for this, which actually means restructuring my entire offers, and how I do things. It’s a pretty big change for my business.

Jay: Got it. OK, thanks.

Participant 8: Biggest insight today, actually, was introduced yesterday, but it’s my need to take this newfound knowledge and to leverage it for our company by sharing and documenting it, and institutionalizing it. So the connection and implication is I need to involve everybody in the company who’s involved in some way in sales and implement these procedures. And the first step will be gather and share my notes in memo form, set up a conference call, and then develop systems and procedures for the various steps that we have in the sales process and lead tracking through asking for referrals, tracking proposals, making sales presentations and conducting debriefings.

Jay: Good. Thanks.

Participant 9: By limiting it to just today, the biggest thing that I got from today is the power of visual aids. I wanted to ask Chet the difference between 140 wpm vs. 500 wpm vs. the speed reader who can go up to 3,000-5,000. But he bugged out, so I can’t ask him. Specific action as a result of this is low-budget is to create the flip chart, and the second part of it is to go into a portable Power Point presentation and along with a visual projector. That’s something to think about. The most important thing I got out of the overall so far is time use, which of course goes back to yesterday.

Jay: OK.
Participant 10: As far as today’s presentation, I really identified with the poor job that we’re doing in the way of marketing to our customers. Because we’re not being proactive, we have a tendency to do it when we need to increase sales based on the need to keep the manufacturing companies busy. So what we need to do is to have more of this killer image that Chet’s talking about, where we’re offering so much – or so frequently – to our customers so that when they have their need, that they think of us first. And we need to establish that preeminent condition, and we need to start on it on Monday.

Jay: OK, All right. Paul.

Paul: The most important thing for me immediately about today’s presentation was of – is the presentation techniques. I had a person coach me incorrectly, and my hit ratio had been going down, and it’d been bugging me for a long time. Why, after presentations, my success ratio had been lowered, and now I understand why.

Jay: And so what are you going to do? Stop stuff? What are you going to do?

Paul: Well, it’s going to be changed. It’ll still be changed. It will change Monday.

Jay: OK, so…

Paul: And the person…we won’t have any more dealings with.

Jay: Oh, OK. Call that the hatchet strategy.

Participant 11: The thing that I learned I think again, is the ability in how to find, recruit and interview top performing sales people. The implication is that I thought the salespeople that I’d hired up to now were terrible, but truly, again, it’s my fault for not recognizing how to find them, how to filter them, and how to hire and train them. The action I’ll take is to go on Monday and get my ad in the LA Times and get some superstar talent.

Jay: Good, OK. Adrian.

Adrian: Aside, also, from hiring superstars, the biggest insight today was the power of body language and tonality and presentation, which we already do subconsciously, but not consciously. So I’m going to make sure all of our sales staff get trained on that instantly, and that’s happening on Tuesday when I get back.

Jay: OK.

Chris: It’s difficult to pick any one single item as the most important, but if I have to do it I would say that how to hire a superstar impressed me most as new
Jay: OK. Thanks Chris.

Participant 12: Um, I had the same thing – superstar, champion race horse. First thing Monday morning, I’m going to get some of those.

Jay: There’ll be an ad: “Santa Anita animals stolen.”

Participant 13: We have a theme on that subject, for me again, is to interview and hire the superstar of the whole process. Implication for us is to – it’s going to take us to the next level in growth to have that superstar in our business to – and then you get the ten other back-end products and services for them to go after. First thing I need to do Monday morning is to make a list of the things I need to do to reorganize our marketing materials, and the presentation so they’ll have that ready. Then once I get that done I’ll put the ad in.

Jay: Very good point. I hope you all picked up on the fact, and it can be really devastating – you’ve got to be…and we need some time to do that ourselves, and we know better. Make sure you have the presentation, the collateral, all the support documents ready so they can really – they’re chafing at the bit. You don’t want them to go out there half-armed, or armed with blanks, or rubber bullets. OK. Good point.

Participant 14: Other than the _____ superstar which was a brilliant insight, especially in the interview process, and how you closed it, the first test which clearly gave the guideline on superstar parameters, which to me, the implication is that all the directors and staff in our company can be trained towards that level. So when I get back I’ll be implementing a training program to use those as the benchmark we’re trying to achieve.

Jay: Which is Tuesday, or whenever you get back?

Participant 14: Yeah.

Jay: OK. OK.

Participant 15: For me, the biggest insight was related to hiring a top performer. Again, not so much the process, but also, how carefully we have to manage the new staff once they’re in place. We’ve just hired two superstars, more by accident than anything. We gave them a week’s worth of work to do, and he called us two, three days ago and said, “I’m done. I’m bored. What do I do next?” So we have to be very careful that we implement an environment that challenges them constantly and provides the right environment to grow and be happy or we’ll lose that talent very quickly.
Participant 16: I’d say there were two things that were really – that stuck in my mind, and one of them was interviewing, and the characteristics of a high achiever. And the biggest connection is going to be when we set up Wisdom Life to use all of those things that we learned today for the people that we hire or the people that we’ll be using in Wisdom Life. And also, condensing all this information to develop a process that we can implement in Wisdom Life.

Jay: OK, thanks. Tony.

Tony: I enjoy the workshops. I enjoy the opportunity to spend the ten minutes, or five minutes, or fifteen minutes to really reflect on the particular item. I don’t know how many times, how many hours I’ve probably invested in thinking about headlines, but your review of the material that I’ve read dozens of times today took my mind in a whole different direction on some of my headlines, which is key in my marketing pieces. So my biggest insight is that as much as I think I’ve put into it, there can always be some new nuance or change that should be used, and then tested. And my action item is to take the refined headlines that I’ve developed and put them into classified ad which is something you told me to do a few years ago, and really test them to see which one draws the very best response in the magazines we’re advertising in.

Jay: When are you going to do that?

Tony: Next week.

Jay: Yeah. Good.

Participant 17: OK, the greatest insight was just from a comment you made in passing, Jay, which is – perhaps not in passing, but – to fall in love with the client to truly achieve empathy, connectivity, and to be a lot more genuine. The implication there is we need to communicate in a manner consistent with this, and the action is to construct our follow-up communications in a way that is viewed, or ___, not just in syntax, or in the words that we choose, but really, built on a foundation of genuine compassion and concern for our clients’ success.

Jay: Good, thank you.

Participant 18: I learned the importance of follow-up in the sales process. Many think that our two top customers in graphics, the most loyal customers in graphics, we know personal information. People have been to their houses, and we need to go back and teach that, the importance of that, to the rest of our salespeople.

Participant 19: Oh, well, actually I had two. I had the interviewing and the superstar, like everyone else.

Jay: Pick one. Pick one.
Participant 19: But I think that the one that really struck me is I’m walking away realizing that my writing in both the letters and the brochure area has been too focused on my company, and not enough on the benefits to the customer. The action Tuesday will be stop the presses. We’re rewriting.

Jay: OK, and I think tomorrow we’ll do a little bit, but there’s something called the “you” attitude. And it’s realizing it’s all about them. They’re the “you,” not anything about us. But you’ve got to basically move yourself out of the picture when you’re communicating, when you’re writing, when you’re creating your letter, your brochure, your ad, all your collateral. Mickey?

Mickey: Mine is what most everybody else’s is – the hiring process of the superstar. And the connection is it just makes me realize how bad I’ve got to go back and build a process before I can get that person. So next week I’ve got to build the process.

Jay: OK, good. All right.

Participant 20: We’re so blessed to have several superstars, and what I liked was the structure to teach them, this rich information, because I can teach them the seven steps to every sale, and just arm them with that kind of information. That will even help them get better and better.

Jay: And imagine if they’re doing well now, how much better, how much exponentially improved it will be if they follow it.

Participant 20: Absolutely. We already subscribe to that concept – neverending change, so that – I’m really excited about the information we’ve gotten to teach them.

Participant 21: Mine is the 12 ways to implement change, and involving the team in establishing the process that you want to establish, and then going back and reiterating it once a week.

Jay: So what are you going to do Monday?

Participant 21: Start that Monday – involve the team.

Jay: OK.

Participant 22: My biggest insight was test marketing, and the implication was we should be – I should be doing more to determine before sending direct mail to prospects. Determine really what they need or want in a financial advisor, and the application is I’m going to design a push or a pull questionnaire to determine buying criteria, or the questionnaire will set the ultimate buying criteria for hiring a value-based financial advisor and for in return for filling out the questionnaire, I’m going to give a gift certificate to each Dream 100 prospect to the best restaurant in the area.
Jay: Or one in Seattle.

Participant 22: No, Sheboygan. That’ll…

Jay: OK, thanks.

Participant 23: Jay, there’s so many insights, but the one I picked is gathering information about your clients. I realize that some of our folks do it naturally, but we don’t really have a formal…there’s like a couple of things we do to cash in on our database that are personal-type items, and I was thinking that if we made it more of our procedure than the folks that don’t do it naturally, it will sort of bring them up to that level where they can get more on a personal level with the clients.

Jay: And there’s probably two other things to do, which is really delicate, but I would suspect in your industry, a lot of people move around, but they move to similar positions of influence, don’t they? And I think you also want to cultivate the relationships with ___. It’s a little delicate, because you don’t want to circumvent the context, but I suspect there’s a lot of (I’ll use the polite word instead of volatility) dynamism in your field. Am I wrong? A lot of people come and go and change? Are people always there the same, or do they move around?

Participant 23: In our industry, yeah.

Jay: No, no, no, in your industry. I would think the people that are buying, and the people that are your key clients contacts may be going to your – to other places, but then new people are moving up and you’ve got to keep – it’s great to move with the ones that change, but then you’ve got to build a whole new relationship with the ones moving up. OK, thanks. Marshall?

Marshall: Well, one of the most important things I learned was how to structure a sales call. And of course then the implication of that is that we should be getting more business. And we will go home and start this thing right away.

Jay: Good. OK. Thanks. Jim.

Jim: The best thing that I got is the recruiting process. I’ve been recruiting a long time, and he’s got some things that I see why I need this process. Also, the brochure, and the thing I’m going to do with it is build a sales force post haste, starting Monday morning.


Jerry: The sales interview and how to recognize your superstar right there. And because I’m so fortunate to have lost my salesperson, nothing’s standing in my way to really maximize on that, and when we did that hiring we had somebody actually sit in and help us through that process, because we’ve never had a process. And this was nothing
Jay: He’s going to be up til three.

Jerry: ...and interview, and plan on placing an ad Monday morning.

Jay: Great. That’s good.

Participant 24: I kind of just realized today that we are sucessful in our sales in spite of ourselves, in our sales process. We don’t have one – we rely on the talent and the ___ of our people, so we’re going to structure a sales process in a realm that you can use visual very well in weight loss. We use none in our sales process, just about. So implementing the necessary tools to make it easier for ourselves. And, Monday.

Jay: OK, great.

Participant 25: I’m going to be trying to develop a rapport with our 100 Dream-type patients, and try to get a better relationship with them on a more personal-type level. And I think that’ll have a geometric effect on our practice. One of the things I’m going to do is start trying to question them, and visit more about their personal lives, and things of that nature, which I’ve never done an awful lot of before, and then I want to send them continually, information every month that will just help their general health, so…

Jay: Good, OK, great.

Participant 26: Well, I’m going to have to go with the importance of going through all the phases of hiring a superstar, especially the part where you actually do the attacking. That’s actually kind of something a salesperson normally does do, and that’s the position you have to put yourself into. And that’s really important, because if you don’t do that, the people that we hired before – they were fine people. They were there all day, but they didn’t close anything. So the next thing I’m going to do is for my next interview I’m going to ask those questions.

Jay: That’s great.

Participant 27: I think the thing that stood out the most was the fact that superstars aren’t perfect. They’re going to be strong in some areas and weak in others, and during the interview process you can guage their empathy and ego to determine if they’re a good fit. And if they fail during the interview process, there’s no sense in even conducting even another minute of an interview, so… I think that would be the biggest takeaway. And on Monday I think there’s a series of questions that we can develop that are specifically guaged to find out where they’re at.

Bob: The biggest thing for me today was proceduralizing our follow-up system. There were some things I used to do as a matter of course that we never did systemize, and I’m not making sure that the other people who do that job now are doing it. So Monday we’ll have a meeting about putting those things back together.

Participant 28: I realized the need that we need to create a selling process and procedure that doesn’t depend on talent for it to be compelling. To document that, to have it so that when our talented sales staff does go, that they’re not in touch, but they have a complete package that has all of our story, and there’s compelling reasons why we’re the best place that they should do business. So on Monday we’re going to work together, and we do have a tool that – to modify it and to put these things in it – not so much the features and the technology, but the advantages to our customer.

Participant 29: All right, everybody stand up. No. The thing I got most out of it was the four things the most effective ads contain, and Monday morning I’m going to work on three ad layouts for this magazine, so I’ve got plenty to do.

Jay: OK, great. All right. This was good. I know you’re probably tired. This was a very rich and fulfilling day.
Jay: If I send you something and you don’t….and I’m not trying to target whoever said they owned the 93 Referrals and never got around to listening to it. But I’m the one person… I mean, I literally, and I’ve said this privately in a couple of meetings this weekend. My seminar business when I was doing it made me millions of dollars a year, and I got tired of being intellectual entertainment. And I see that a portion, if not a good portion, of the problem was that I didn’t provide the operating system to help people get more out of it. But I got so frustrated (to be polite and benign about it) with people just buying it, smiling, going back and not listening to it or doing it. That’s not what I’m all about and I pray that’s not what you’re all about. I mean, a prejudice towards action, a commitment to implement is really critical.

And I’ve got a bunch of little fragmented things I want to read and I’ve got to make some insights because I was up this morning thinking about you guys about three in the morning. I told this to Chet. I was watching an infomercial again for Bow Flex. And I love this thing because they talk about how resistance turns into strength, and they use a bow as an example. And I was thinking the resistance that you might have had to trying to figure out how to do this now can turn into great strength. The resistance of your audience as you convert that of every member of your team, and as you systematically and through process train them, it’s going to turn into this incredible strength.

I have about five joint ventures, strategic alliances, and other businesses that I’m either vested in or equity partner in or own the lion’s share of, and I was annoyed at myself yesterday and in the middle of the night because I didn’t have those people come here and learn because – and this is interesting. As much as I advocate the power and the leverage and the marketing and strategy, I was thinking, “Damn! All these deals I’m in, I’m in them because they want me to be the intellectual capital. They want me to come up with all the marketing. I was thinking if I had these guys here and they learned all these other things, I would get leverage on them.”

Remember – very important. Either you work hard for your business or your business works harder for you. The only way you’re going to get your business working harder for you is by having a strategy, a system, a plan to tie together all the performance enhancement assets. Those drivers we talk about and the other one, the ideology that I added to it and there’s probably more that we haven’t come up yet. But recognize that your goal is to get leverage on leverage on leverage. That’s the whole secret to geometric growth.

And, Chet, I always….and again when I was selling Chet’s materials I didn’t properly comprehend a key part because I live in a world of geometric progression. He talks about continuous incremental growth. But the reconciliation of the two is that if
you get continuous incremental growth in all of the components... in all of the categories and you tie it all together, it produces profound and unfathomably stratospheric geometric growth. So I wanted to make that point.

I was watching TV this morning because on Sundays in L.A., probably everywhere, it’s more public service. And I was watching some educational interview with a couple of really prominent educators. And they were talking about how the new research says that children have all their intelligence imbedded by the age of six. And I thought, “Wow!” And I had an out-of-body experience and I was thinking how powerful research really is and it really is one of the underlying themes that I don’t think anyone really picked up on that much in their insights. And I want to make a point that I found myself being motivated, impacted, believing, confirming. Specificity is not discounted by the public. Generalities and platitudes are discounted. So I just want to make those points to you.

Let me think if there’s one other point that I wanted to make. And then I’m going to read a couple things to you. Time allowing I’m going to read a bunch of tactics. We’ve got a bunch of tactics here which we’ll probably share. But I’ve got...Years ago we did a composite, a bunch of, really, my thoughts and some stuff that I use and I wanted to just summarize some of them for you because I think there’s some really good points.

We did a, couple years ago – some of you might have gone to it – the eX! Factor program. And as part of it I interviewed a bunch of high performers, and I sort of summarized some of their distinctions. And reiterating a couple of them today would be pretty interesting because at the time I don’t think people really grasped it. But in light of the education you’ve gotten this weekend I think they might be more profound. It would even be more profound if I could find them. I’m a well-heeled - hold on just one second, let me just find my… Please indulge me. Bear with me.

You know how in the middle of the night when you can’t sleep it’s right there. O.K. I just interviewed lots of different people. I’m going to skip through these because some of them are not applicable.

So...you must cultivate the ability to attract talented people. One of the real challenges of eclectic, dynamic entrepreneurs is some of them, sometimes, hire beneath them instead of above them. You want the greatest performers in every category, particularly if you own the damn business, don’t you? And if there’s something you’re worried about that’s proprietary or territorial risks, to the extent you can do it, put them on a restrictive covenant. Give them consideration if they leave so that it’s enforceable. Talk to your attorney. But you want to always attract talented people and get them to fully sign on to your vision.

One of things I always taught, and Chet’s made it probably easier, but most entrepreneurs that I attracted were extraordinarily visionary, and they were extraordinarily passionate, and they were extraordinarily committed to a much higher
level of achievement and contribution. They really wanted to make a difference. They
didn’t want to just make a lot of money and run. They wanted to make a better world, a
better experience, a better outcome, a greater prosperity or profit for the people they
served, including for their staff. But they didn’t share the heartfelt emotion that I could
draw out of them — they never shared with their team, they never shared with their
vendors, never even shared, sometimes, with their spouse.

And one of the things that I urge you to do is share your vision, because the more
people know the method to your madness, the more they believe in you, they’ll follow
and they’ll march, you know, up and down the mountain. And it’s not a lot different than
Chet saying, “Tell them what you’re going to tell them, tell them, and tell them what you
told them and summarize.” Tell them what’s in your heart. Tell them what your vision
is. Tell them why. Reason why — always has been, always will be, the secret to
motivating people to incredible action. You’ve got to, got to, got to attract or develop the
ability to delegate. You’ve got to become a delegator.

My neighbor — I have a beach house in San Juan Capistrano - Capistrano Beach.
Beautiful location. I go to in the summer. And my neighbor’s a very, very, very
prosperous restaurateur — Paul. And he’s got 20 or 30 really successful restaurants, and
their thematic and he’s a really neat guy. And we were sitting on the deck one time
talking and he said, “You know, I only became successful when I realized…” He said, “I
used to have one restaurant and I did it all. It was great. It was perfect. I coveted it.” He
said, “Then I realized that the only way I’ll ever grow is getting people who can do it at
least 80% as well as I, and free myself up to do the things that are more strategic.” He
said it more eloquently. That’s one thing.

Second - We had at one of our programs - some of you might have been there. I
don’t know which program it was now. I think it was the UL …..the Ultimate Live
Research Laboratory, but I can’t remember — a guy named John Dudek. And John Dudek
is a specialist in effectiveness. He’s an effectiveness coach. He deals with CEOs in
Silicon Valley. And he was a participant trying to learn how to deploy his expertise at a
higher level for more money and more impact. But he already had his methodology very
well refined.

And he came up — I drew him out of the audience one day and asked him in my
inimitable way of ten minutes to share the most impactful and high leverage single
insight for every entrepreneur there. And he said, “Figure out the three most important
things your company is paying you to do. List them. Even if you’re a one-person
business. Of all of the things you do, there’s three that are omni more important.” Then
he said, “In each one of those three categories break down the seven or eight processes
involved. And then value-rank your current performance level in each one on a scale of
…” And these are my words because it’s funnier but his were not this hilarious but it was
like from imbecilic to brilliant. If you’re not good, great or brilliant, don’t even do it any
more. Lay it off to somebody else, because the effort you’ll take…the emotion you’ll
expend…the time you’ll consume trying to go from imbecilic to mediocre is a waste and
you’ll not be effectual. Get it out of your brain. Get it off …pay someone to do it. Bring somebody in – new part time, subcontract it, joint venture it – free yourself up.

We had and those of you who’ve ever listened to my Encounter series, and it’s also included, I think, in the Shoulders of Giants series. (I’ve got some many tape series that I forget about.) We did an interview for two hours about four or five years ago with a guy in the United Kingdom named Julian Richer. Julian Richer set the Guinness World Record for selling more retail merchandise per square foot than anyone in all of Europe. Still holds it. And we interviewed him on a lot of his precepts and his belief systems.

And one person in the audience challenged him. Because he was a young man – at that time he was like 32. He’s renowned for having a whole garage full of chauffeured limos. He’s got Rolls. He’s got Bentleys. He’s got Jags. He’s got Mercedes - and they were telling him he was being arrogant and audacious. And he said to the audience (and I’m converting this to U.S. money because he did it in pounds) he said, “Is your time worth more than $12 a hour?” He said, “If it is, I don’t care if you drive --- if you have a Rolls, Bentley or Jag or you’ve got a Ford Fiesta. Why would you want, unless you love inhaling and concentrating on stop and go traffic…unless you love inhaling smog, wouldn’t you rather use that hour twice a day more constructively and pay somebody to drive you? I don’t care if you have a meeting in the back. I don’t care if you sit and close your eyes and meditate. I don’t care if you listen to a self-improvement tape with all your concentration. I don’t care if you get on the telephone. I don’t care if you read a report…” But he said, “All you have is a finite number of hours a day. I have found that I would rather use two extra hours, because I get the advantage on planning and sitting. I’m just talking about optimization.” So you’ve got to delegate.

You have to have the ability to give higher value at the lowest price possible, but at high enough margins. And these are just eX! Factors we extracted from some really powerful people we had.

You’ve got to develop the ability to invent on demand. Again, today – remember I told you we studied the great achievement companies. The ones that engineered the maximum number of breakthroughs, qualitative breakthroughs and consistent breakthroughs in marketing, in strategy, in innovation, in management.

You have to maintain the ability to stay excited about your business. And as I would say, this is somebody else’s insight, I would say about the people your business serves. If they’re not people, if they’re entities, think about the people in the entities. Think about the families. I’ve gotten people excited about the fact that because they sell their software to companies, those companies operate more productively…they make more profit…their stock is more valuable…people who invest in it are richer. And you’ve got to be able to really, what I call project forward and future-pace to the transactional impact of your product or service at work in somebody’s life making the transaction so much richer for them.
You’ve got to maintain and develop the ability to stay relevant to your market especially during times of accelerated change. You can’t…change is either your greatest friend or your worst enemy. You can hate it. You can resent it. You can deny it. You can fight it. But it’s going to keep being a constant, so you might as well figure how to ride the crest…how to ride the wave…how to always be the beneficiary, and harness and funnel it to your advantage.

You have to develop the ability to say “yes” when appropriate (Chet said this yesterday) and the ability to say “no” when appropriate, and then move on. You’ve got to have the ability to continually reinvent your company, even if it means abandoning current successes – when to hold, when to fold, when to walk away or run. It requires spending time, commitment, staying apprised, either having yourself or somebody else in or outside your organization keeping you constantly abreast of breakthroughs, of developments, of trends, of research and what the implication – current, past, future – means, and what the opportunity, not danger (although there is a danger) what the opportunity is because it’s a mindset.

You’ve got to know when you know enough to take action and when you need to get some more information. And you’ve got to do what’s appropriate.

Hold on.

We interviewed, one time, Tom Phillips who owns Phillips Publishing. And went from $1,000 to $450 million with a strategy which is – these are some of the elements and I’m only going to pick through some of these because they’re pretty neat. You’ve got to be what he calls – and this is trite, but you’ve got to think about this, because you hear the simplistic-sounding word phrases, but what do you do with them? You’ve got to be a real team player who encourages team spirit. You’ve got to really, you’ve got to be the personification of loyalty, fairness and integrity at all times. You’ve got to be able to focus on a conflicting sort of agenda. You’ve got to know what kind of activities are designed to get immediate results, and yet you’ve got to be nurturous enough and far enough sighted to invest for the future.

You must learn masterfully how to listen so you can communicate effectively. I don’t think you can possibly communicate effectively if you don’t listen intently. And listening is all about being interested. My wife used to study all kinds of alternative stuff, and one time she was on a real deep, committed journey to try to learn everything about Far East philosophy. And she introduced me to this real esoteric book one time by a guy names Chris Demurtry who you may or may not know. He’s a long-deceased guru from Tibet or something. And she circled an area that has always stayed, not indelible, because I can’t always remember it literally, but deeply-seated in my mind. He said, “Your job in life is to try to appreciate, empathize, understand, respect, observe and comprehend always how the other side sees life.” You don’t have to agree, but you have to acknowledge…you have to respect…you have to appreciate, because that’s a reality.
When I used to do certain series of the seminars I used to make everybody in the room – and some of you might have either heard this on tapes or experienced it. Whatever you loved, I made you read something you loathe. If you loathe cooking because you were a real macho man, I would have you read cooking, sewing, in-style cosmetic magazines and we’d bring books in and we’d make everybody read at least fifty pages one night and report on what they grew and learned from it, because I tried to get them to appreciate that that’s what life is all about, and the people that you needed to depend on for leverage were people who didn’t always share your interests. And until and unless you understood their hopes, their dreams, their fears, their insights, the way their minds were wired – you couldn’t really get the highest and best impact, use, performance connection with them.

One of the greatest, I mean, this is so trite but so true, he said, “You lead by example.” And when I first started revealing my methodology to people, they’d get so…it was profound to them. Today it’s not quite as profound. It’s still pretty powerful they way I connect it, and I don’t think anyone’s got the distinctions and the proprietary systems that I’ve managed to uncover. But people would say, “Wow! I’m going to go back and I’m going to...” In essence what they said – this is not the words, but - “I’m going to shove it down everybody’s throat.” And I said, “Don’t. Go out and live it and apply it, and they will get more confirmed by watching it manifest, by watching perform by example. Not by words. So don’t just try to shove it down. You’ve got to live what you’re teaching. Use your time wisely.” That’s so trite. That’s so axiomatic. That’s so evident. But you already learned from Chet that most of us, myself, I’m sure, included, waste 80% of our time.

Imagine the leverage…and we’re talking about leverage on leverage on leverage on leverage on leverage…and then we’re not talking about what I used to teach, which is “smorgasbord leverage” – figuring out which leverage you want, and choosing it and enjoying it and getting a windfall breakthrough and doing whatever you want. We’re talking about integrated, systematic, highly strategic, proactive, fully systematic leverage that takes advantage of every impact point and also uses all those eight or nine drivers to really turn your business competitively indomitable and financially enriched.

**Knows the business completely.** If you don’t know your business completely - you must. If you’re an ivory tower entrepreneur and you’ve never gone out with a sales person, you’ve got to do it. If you’ve never been on the customer service phone you ought to do it. If you’ve never gone on a delivery you ought to do it. If you’ve never seen what it’s like in the home when there’s a service problem you ought to do it. If you’ve never been on the phone with accounts receivable you ought to do it. If you’ve never… because it’ll give you dimensional connection, and it will prove to everybody that you’re willing to. And also, no one will ever pull the wool over your eyes and you’re talking as a peer. It’s got about seven different advantages.

**Keeps colleagues and customers informed.** Years and years ago, we had a little limited partnership. We raised, I don’t know, $500,000-$1,000,000 for a project. And I’d been an investor in limited partnerships and after they wined, they dined you they got
your money – you never heard from them again until they said it went broke. And I, every month, prepared a report, shared the dynamics of what was going on, the financials sent out. My accountant and my attorney – they were mortified. They thought I was going to get sued. They thought I was going to get …well actually, the venture did nicely. It did very well, really. But I said, “I need to deal with these people the way I would want to be dealt and never was dealt with.” And everyone that was involved appreciated it.

When we had a setback, which we did one time we shared it. We didn’t light over it. When we had something exciting we shared it, and when we were working on something and we had challenges we shared it, and they really felt connected. You’ve got to share the process with people, including your vendors – and the joys too – and make them feel like they’ve contributed because they have. Without them you wouldn’t have them.

Creativity and innovation is not limited to you, as Chet has shown you. I don’t even think we’ve gotten as deep as we can. I was talking about this book that I would have you read called I-Power. And if it’s out of print I would call Boardroom because they have seminars and you get the tapes of them and it’s inexpensive and it’s a non-profit foundation that the very successful president set up. But they’ve developed a simple, no-brainer process almost as easy as Chet’s time management for getting all your staff every week or month to come up with so many great new breakthrough ideas for all kinds of areas of the business. And they’ve found that if you get 5,000 ideas a year and only 3% are valuable, you get 150 breakthrough ideas. And if you get 150 breakthrough ideas a year that you weren’t getting before, and each one is worth 1 ½% more to you in productivity and 2% more to you in profitability, and 10% more to you in competitive advantage, and 6% more to you in cash flow management – the cumulative effect over “forever” is incomprehensible.

The concept of continually learning and reading. I am probably one of the most devout and avowed students of everything imaginable, and I found myself in the last few years being waylaid and not committing the way I used to. And what I do now is I allocate on my schedule time every month to read either during the day or the weekend, in an evening, and I have people collect stuff for me. And I’ve got people I’m interviewing to actually summarize books for me because I don’t like the summaries you can buy. I don’t think they focus on the kind of thing that I’m looking for. And unless you are omnipotent…the unless you are really the reincarnation of some higher spirit and I’m not making this to make fun, or Dr. Jean, but unless you are that gifted and you’ve got a connection with the universe, I would urge you to figure a way to get yourself the…

The advantage you’ve got is being ahead of everybody you’re competing against. The advantage you’ve got is being plugged into everything else that’s coming out out there. And you can’t do 100% of everything, but you sure can do a lot more than you’re doing. And leaving it to your own devices to be undisciplined in your own continuing education isn’t worth it. And if your time is too valuable, pay for tapes. Let somebody else listen to them and give you the high points if you don’t have time. Pay
for books. Let somebody else read them and give you the high points, but set the template and the criteria of what you want, because their insight may or may not be yours. And I’m actually interviewing college people to.....I want to get like 10 different people to read books and give me their take with the template that I give them, because I know it will be different. But you need leverage. This is all about leverage, leverage, leverage.

Anybody has a comment wait until…

Participant: ________?

Jay: Yeah, but I don’t have it here. I can try to get you a copy of it because it’s like, it’s a work….I’ve got lots of works in progress.

If you don’t work well under pressure you probably should retire. Because business really is all about changes, dynamisms, reversals, challenges, unexpected catastrophes, cataclysmic events. And it’s an attitude. I mean, I used to loathe Monday mornings. Now I look forward to seeing what insane new adventures the world has besieged me with. And you’ve got to have the right attitude and have fun with it because – and a lot of people don’t. And Chet just talked about optimists and pessimists. I think you’ve got to take it and transcend that, and you’ve got to be the most proactive optimist…You’ve got to be the most proactive transformer of events into opportunities.

Now this is trite, but: Strives for excellence. If you don’t know what excellence looks like you can never get it. And the concept of constant, never-ending improvement is very admirable but I think the concept of excellence is even better. But if you don’t know what excellence looks like to you in every category, how are you going to get to it? I mean, you’ve got to know what excellence means. And you’ve got to also realize that it is a process. And if today you’re at “good” or “decent” in a given category, don’t get frustrated if tomorrow you’re at “good4+” because I think Chet’s philosophy of this incremental gain is where you’re going to get to “greatness.” You, your team, everybody – your delivery people, your part-time people, the interns that work in the summer for you, your clients, your vendors – they should all represent your company well to the outside market. If they don’t whose fault is it? That’s a lever. That’s a lever. It’s all about leverage and links together and the chain that’s so strong that it really compels you.

A couple more and then I’m going to stop, and then you can make some comments, Chet.

Change. Transformation in the world can mean the greatest opportunity to rise to new heights. You’ve heard the adage, “Grow or die?” Well, you have to grow intellectually too. Your business has to grow. The organism has to grow or it basically does die. But your mind has to grow. And one of the greatest growths is transforming your paradigm about change, and looking at the greatest challenge to your creativity, the greatest challenge to your ability to find great new profit niches, opportunities, preemptive places. It’s, again,....
Chet said this but it’s true. When you plan, form a clear, defined mental image of what your company will look like. Always know what it’s supposed to look like at the end. And I don’t mean when you die. I don’t mean when you retire. I mean when you get there. Because if you don’t, it’s like...did you ever go on a trip somewhere, I mean, for a vacation? Do you have a vision of where you’re looking? Like what Hawaii’s supposed to look like? What the beach is supposed to look like? What a great room is supposed to look like? What happiness is? I mean, in financial security, do you have a feeling what that looks like? When you get up and you don’t have to worry about it? You’re doing it just for love because the money’s already in the bank and the income is flowing and the house if paid for and you wake up in the morning without pressure. I mean, if you don’t know what the view is supposed to be you will really never get it.

Know very clearly what your company will **not** be. That’s as important as knowing what it will. There’s this wonderful...I didn’t bring it, but...where’s Howard? Howard, are you here? In your brochure you’ve got...do you have your brochure with you? The big one? Read what...about fads. You’ve got this wonderful, wonderful, wonder...it’s a wonderful piece. You should pass it around and let people see it. I like it. In fact, if you would, pass it around and (not right now because I want to keep them focused but when we get into some free time let people look at it) but read it. He’s got all these different things on different topics. And, in fact, I like it so much I might appropriate your format for something if you’ll give me permission. Not your words but I like your format.

**Howard:** Sure. We’ll.....for part of your backend profits.

**Jay:** Sure. Of course, of course. Read the one section on fads.

**Howard:** It’s memorized. I don’t have to read it. It’s called, the whole book is called, *On Creativity and The Bottom Line*, and the page Jay’s referring to is called, “On Being Trendy.” And it says, “We’re not.”

**Jay:** He’s got all this dialogue on being trendy. We’re not. That’s all it is.

**Howard:** That’s the whole page.

**Jay:** Know what you are and what you’re not, and be very clear that everyone else in your employ...everyone else in your service...everyone in your system...everyone else in your success spectrum knows exactly what you are and what you’re never going to be and what you’re not. And that takes into account defining your ethos. It takes into account establishing your value system, your definition of quality, of performance, of satisfaction on the part of the client, of values defined.

We picked all kinds of people’s brilliant minds, brighter than mine.
Businesses cannot grow without strategic miscalculations. That is part of the process. Don’t get frustrated and say, “Ahhhhhh! I’m knocked out of the box.” It’s like that analogy I told you about, the robot. Remember? Doing the quarter-turn?

Don’t be blindsided by conventional wisdom. I see myself being very pragmatic, being very conservative, actually, in fiscal prudence, but being very non-linear and being very willing to see the whole CAT scan scope of the situation, and then over-viewing it by looking at it from other industry’s perspectives, other experienced people’s perspectives. Don’t just limit yourself to what people in your industry, or people in your generic type of a field do. Look at what people in totally different fields do. Look at the trends.

Process is a complete end-to-end set of activities that together, integrated, create value for the client. What, if anything, I can make you realize is that there’s so many processes that interconnect and any one of which under performing or not performing, or not included – screws up, compromises, sub optimizes the whole success of your system. Until you know what those processes are and you can measure, monitor, improve, fortify – you’re not getting this leverage. We’re talking about leverage on leverage on leverage from so many vantage points.

Never shy away from change that will help your clients. It’s all about them. Your success is about giving greater value. Value is totally determined in the experience of the client. I was reading in the newspaper about these older movie theaters and the independents that are retrofitting their theaters at a cost of as much as $600,000 a theater with stadium seating, because that’s what people really want. And even though their theaters may be paid for, the trend, the desire, the demand, the expectation, the experience for the client is that they have to invest in them. And I interviewed a guy and he said, “Do I want to spend $600,000? No. Am I spending it? Yes, because if we want to stay in business, if we want to provide an incredible experience (I’m paraphrasing), we’ve got to do it.”

Always find out what clients like and don’t like about what you’re doing. And one of the things that I encourage now, I mean, I think the Internet...at first I was intimidated and frustrated and forlorn and almost depressed by the Internet. Now I think it’s great, because you can know all about your competitors. You can figure out what their...who their clients are, what they like... And what I always believe is somebody who’s not your client – you call on them. And one of the most ethically-stealth way to win over your non-clients? It’s to call people that you know aren’t doing business with you and say, “Look, obviously whatever ABC company is doing, you love it because we’re not getting your business. I’m not calling you to sell you. I’m calling you to pick your mind. I want to know what they do better than we --- what they, how they have connected better than we have so....I may never get your business, but I want my people to be the best they can. If we’re weak in that area, if we don’t understand a key element of the business relationship...” And if you do that with people they’re going to be so impressed with your humility, with your self-effacing-ness, with your candor, with your
humanness, they’re going to beat a path to you. But they’re also going to tell you the answer to your question and you’re going to win two ways. Pretty powerful.

**Chet:** Has anybody ever done that? That’s a great idea. I’ve never heard that one.

**Jay:** It works. I do it all the time. And I get my clients to do it.

**Client’s problems are often key starting points for innovation and change.** Realize this: People only pay you to solve their problems, and many of those problems they’ve never put words in. The first person that puts words into it and defines what they’re trying to get to and the result – can own the market but you’re paid for solving problems. That’s all you’re paid for doing. Think about it. Who isn’t? I mean wanting more security – that’s a problem. Wanting greater productivity – that’s a problem. Wanting a greater sex life – that’s a problem. It’s all problems. You’re paid for solving problems. Look for problems because problems are opportunities.

**Encourage people to follow hunches, but set up environments to control the risk.** Hunches for a lot of people that are close to markets can be actually very insightful. But you don’t want to go off on a tangent, because you know that 75% of the decisions are going to be ineffectual or dangerous. But you want to set up a conservative, low-risk way to test them and nurture them.

**Always remind yourself sometimes you have to let go and move on.** Non-success – what most people consider failure I consider a non-success. And Chet’ll tell you we’ve had within ourselves since we tried to… I mean, any time you’re putting a new relationship together it doesn’t always work majestically instantly. We’ve had some efforts out-of-the-box that didn’t hit the mark, haven’t we? And instead of saying, “Oh, God, the world is over. The sky has fallen. Out damn spot,” we said, “O.K., well let’s see what we’ve got. Let’s either do this or that. Let’s turn this into that.” We saved and turned…

**Chet:** That’s mostly Jay, by the way, just twisting it this way and that way. Me just trying to…

**Jay:** But the point is, but, we never give up. Although we may learn and say, “Well, it’s not worth pursuing that.” Because it taught us two things: Don’t pursue that mode but that approach really works. Like we had one thing we did that got like 300 people respond but only 20 of them to convert. And we realized that the mechanism of response was a great winner. The proposition we were offering was a loser. So it was great. We learned from it. We turned it around and we used it for this.

**Successful companies follow up bold ideas with well-focused, well-systemized action.** Ideas really are a dime a dozen, and Chet and I give them more ideas than…but without the system of implementing, without a system of sustaining, without a system of institutionalizing, at most it’s a windfall. At worst, it’s a diversion from what’s important.
because you never act on it. How many people have great ideas they don’t do anything with? I mean, good ideas you do something with are better than great ideas you don’t, aren’t they? I mean…

**Participant:** Could you repeat what you just said?

**Jay:** I don’t know what I just said. What did I just say?

**Chet:** That always happens.

**Jay:** I don’t remember what I say.

**Chet:** If you’re not recording him you lose it.

**Jay:** Are you recording this? O.K.

*An overall communications plan is at the bottom of any enduring success.* And communication means not just communication to the outside market like media communication, management and PR. But it also means, literally, communicating everything to the people in your organization and your system. And Deming described the system as all the key integral components, from the vendors, to the advisors, to the people you pay, to the people who pay you.

*Always ask the question: What if?* And I think we do that a lot. I mean, we turn it, and we look at it… Because that’s where your breakthroughs are going to come from is challenging, questioning, examining, observing, twisting, turning. And it’s not going to happen intermittently. It’s got to be scheduled just like everything else or you won’t do it. Or you won’t do it with discipline. And it’s like anything else. If you don’t do it really regularly it won’t become habitual.

**Greatness is great.** I wish I could say these were mine, originally. These are just people that are brighter than I that I picked.

**Great companies can hold paradoxical or contradictory ideas.** For example: They can be conservative at the core, yet progressive in their actions. I think I’m that way. I’m think I’m very……it’s like my house…..one house is paid for --- one’s got a $200,000 mortgage on it, cars are paid for except one that’s leased. I’ve got T-bills everywhere, but I’ll take incredible calculated risk because I know the downside is I’ll lose $30,000 or $40,000 on it and the upside is it’ll make $500,000 or $1,000,000 and open up a whole vista. Well, you can be that way. You can be a paradox. You make the rules.

**Plan seriously, but be able to move fast when opportunities arrive.** You know, have a part of your plan that if an opportunity arises you’re not going to go, “Well, let’s think about it and get back to it seven years from today.”
Visionary companies use values that are clearly established to guide their actions. If you don’t really know what the values that drive your company are, how can you take action on them?

Underlying drives of the most successful entrepreneurial companies largely derive from a desire to do something of value for the other side. And, again, the biggest problem I ever had – I went through a massive divorce. And in the beginning I made some really horrible mistakes. I was money-motivated, and everything I tried failed. Then when realized two things – I wasn’t enjoying it. I didn’t like myself. I was trying to do it for the filthy lucre and it was mediocre. I started saying, “Screw that stuff. I’m just going to worry about giving the other side an incredible outcome and worrying about their needs” and everything transformed. I’m not saying this isn’t true of you, but sometimes in a competitive arena where you’re getting beat up by the competitors and by trying to be marginalized and all the other things, you lose track of what you’re all about. It’s almost like regaining… And there’s two groups of people. (Rich, I’m so glad you’re here. You missed something so value to us yesterday and I hope you’ll listen to the tapes.)

Did you ever see the movie, “Cat Ballou”? Remember Lee Marvin – and the younger ones, you ought to rent it because it’s great. It’s about this…it’s a complicated story but part of it...one of the underlying themes is this once-great gunfighter turns into an alcoholic lush, and he’s got a pot belly and he’s always either drunk or in a brothel with hookers. And it’s sort of sad. And this person needs to be protected. And in the 11th hour this guy regains his glory. And he sobers up, and he sucks in his gut, and he puts on his beautiful black silk gunfighter outfit and his beautiful silver holsters. And he adorns his beautiful white steed. He gets it all cleaned up, because it was like a lush steed too. And he goes out….it’s a wonderful… Did you ever see it?

Well, think of yourself as that, because a lot of times in the freneticism of the business… Well, I’m trying to give you metaphors because that really is how your mind motivates itself to action. But you’ve got to use them too. Think of your business like the Cat Ballou Lee Marvin character. You’ve got to regain your greatness and remember how much greatness you’ve got and what your values are, because sometimes in the competitive day-to-day we lose track of it, and if you… Whenever (and I can say it from personal experience) whenever I vacillate or deviate from my greatness...I don’t mean that I’m this arrogant...I’m talking about what’s great, because my greatness is my focus on other people, my values. When you forget that or you lose track of it, you don’t remind yourself on a constant basis it becomes hazy. And then your focus becomes negative and you become defeat-istic or defensive instead of offensive and reactive, instead of proactive.

Visionary companies make some of their best moves by experimentation, trial and error, opportunism and sometimes by accident. But they know how to capitalize on those accidental discoveries.
Market leaders don’t try to be everything to everyone. They know what they are and they know what they’re not.

If you rest on your laurels you will be toppled...you will be toppled

I’m working on a new mailing piece for a general update of the $5,000 training programs. And one our analogies there is how lions, when they get weak, get toppled. A lion in its majesty, when it’s constantly growing and it’s vital and nourished, no one would dare deal with it. But when it starts getting sick or complacent or there’s plenty of food, then everyone starts taking a bite out of it because it doesn’t fight back. And it can be toppled by a bunch of weaker people when it loses its advantage, when it loses its focus. It’s better written than I just told you, but it’s a metaphor for you.

Nothing in business remains proprietary. Successful products, processes, technologies, strategies can and will be copies. The only way to stay above the pack is to improve your performance continuously, and to be an innovator. Emulation is O.K. Plagiarism is bad. Innovation is great. A lot of times I like to let other people validate something and spend the millions and millions of dollars, but not know how to really innovatively translate it to a great advantage to the market. And marketing and strategy give you a lot of that. And the great lesson that was demonstrated by the implosion of all the dot-coms. They had terrible strategy and none of them could market worth a darn. And nobody could explain the benefit to the public other than “It’s a great enterprise solution.” And that’s why they failed.

I’ve got just a couple more things and then I’m going to ask one person here to come up to the mike for a minute.

We had a bunch of books summarized years ago and I’ve got little distillations of them and I’m going to bring a couple of points to...

From one of Ken Blanchard’s books, this is one point. There’s a distinctive difference, and you’ve got to understand the difference between interest in a desired outcome and unflinching commitment to it, where you’re focused on getting the result as opposed to just interested in an outcome. Don’t be interested - be committed.

Hold on. A couple more things and then we’ll move on. I’m going to give you the essence of Napoleon Hill in case you don’t know it. Basically, thoughts held in the mind tend to translate themselves into the physical equivalent. That’s what Chet said. “Whatever you believe is what you become.” If you believe you’re not going to do it. If you believe it’s hard. If you believe you can’t market it. If you believe and/or you say it, that’s what you are. If you held this vision, your mind, your subconscious – and keep what he said – it’s funny, but a lot of people do say “unconscious.” You think of yourself as being in a marketing coma. You don’t have to be. You can be let your subconscious work for you. Every night, process, distill, solve, break through, evolve. So first thing is, Thoughts held in the mind tend to translate themselves into the physical equivalent. Second: The science of personal achievement consists of 17 principles. Number one:
Definiteness of purpose. Number two: Using the Mastermind principle – which I tried desperately to show you how powerful it is and, time allowing, you’ll create your own.

Three: Going the extra mile. And there’s a great section.

Years ago one of my clients – we reprinted 1,000,000 copies of Going the Extra Mile, which is a section in Think and Grow Rich. And we distributed it to every one of our vendors, their people, their clients, every one of our clients. And we were recognized for doing that, because it taught people how distinctive...how much better you feel...how much better you perform...how much better...you are successful when you go that extra mile. And it defines some examples of it and talked about some... Again, remember - Think and Grow Rich was written in, what, 1930? So it’s a little .... You have to upgrade it for the tonality and some of the stories, but it’s great.

Applied faith. You really got to believe in it. And somebody’s got to believe more ardently when it doesn’t exist and it’s just a vision in your mind – a seed in your subconscious.

A pleasing personality. Now that sounds axiomatic, but how many of us are anti-social? How many of us really don’t fall in love with our clients? How many of us really don’t go out of our way when people are on the phone to say hello to them and say, “Let me talk to them before you hang up.” Or how many of us, when they’re driving to and from work and we have extra time don’t use it to pick up the phone and reconnect with somebody that we do business with?

Self-discipline. Well, time management is the first – but managing your time is one thing. Being a pragmastist, a business pragmatist is critical. You’ve got to know what’s important and what isn’t. You’ve got to know what has to be done and what doesn’t. You’ve got to know who needs to be nurtured and who doesn’t.

Enthusiasm...which sounds silly, but passion...I think passion, purpose and the sense of possibility is the foundation of driving almost every great success.

Learning from adversity or defeat. I always say when anything happens I believe this...other than acts of God or cataclysmic things that you had no control over, I think 99.9% of everything good and everything bad, everything successful, everything unsuccessful can be reduced down to a driving principle at work. And if you can figure out what those principles are, good and bad, and you can isolate them, you can be a scientist of the highest magnitude in what you’re doing and you can produce incredible results. But you’ve got to be looking. Every time something goes right or wrong, you almost have to have an out-of-body experience and say, “O.K. What’s the principle that was at work here to cause this? If you’re not in control proactively, if you’ve experienced the outcome.

Same thing when you’re being the experience-or. When you’re having something happen to you in the business or the personal world – when something is great – when you’re out at somebody else’s restaurant...when you’re on vacation...when somebody
sells you effectively...when you get excited about an ad or a promotion or something you see in a store on the street and it really impacts you – you’ve almost got to almost travel with a tape recorder and/or pad and stop – figuratively and literally – and say, “What just occurred here? What’s the principle at work that impacted me so much? How can I translate that to an action co-efficient in my own life?”

**Imagination.**

**Controlled Attention.** You’ve got to be disciplined enough to focus on what’s important and not deviate from it. And there was an ad one time that said, “Are you somebody with a grasshopper mind?” And I’d be a.....really, I say this with humor but with truth….I’d be a poster boy for adult attention deficit. It is very difficult for me and you’ve seen it here in a conversation, to stay on point. And that’s a real challenge because the more focused you are, the easier you will achieve greatness.

**Maintenance of Sound Health.** Most people don’t understand it. With good nutrition, with good exercise, with good blood flow, with good oxygenation, with good relaxation, with good sleep – your mind functions better. People make fun because I go to the bathroom 35 times when I do this because I hydrate. Because I think if your mind is hydrated it’s like a storage...but I’m not minimizing the God qualities and all our spirituality, but the mind is like an electro-magnet. It’s like a storage battery. It’s water. It’s like 75% water. Without enough nourishment it won’t function. Your synapses won’t fire. Your body won’t process. Your food won’t go through – and the healthier you are as an individual, the healthier your mind will function. The more stamina, the more passion, the more focus, the less pain, the less diversion. It’s all leverage and self-serving. It’s leverage.

You should read the book *Influence* by Robert Cialdini. He’s a master of understanding the psychological workings of the brain. And a lot of Tony Robbins’ work.......did you read *Influence*?

**Chet:** Tony’s book?

**Jay:** No. Robert Cialdini’s book.

**Chet:** No.

**Jay:** It’s a great book. But he talks about things like the laws of reciprocity. It’s a universal law that even hardened people tend to give back and he uses as an example the Hare Krishnas that would give out books, and people don’t want it but they’d give them money to keep the book. And he studied all kinds of dealings. Anyone who’s read it knows it’s a great book, isn’t it? Cialdini spelled C-i-a-l-d-i-n-i. So one of the key components is “Understand the Law of Reciprocity.” You get back from other what you give them. Simple. Golden Rule but it’s true. And if you give them more, they’ve got an obligation to give back.
And in business one of the real simple distinctions that I try to analogize. I mean I try to get very sweeping strategic and very, very innovative in my marketing prowess. But let me bring it down to a simple understanding. There are all these processes in the revenue and selling and motivating and managing cycle. If everybody else you compete against – this is the balance in life – does it about the same balance, and everything you do weights the balance in each process to your advantage, guess what? You win and they lose. It’s that simple. It’s just that simple. So you’ve got to understand this.

And reciprocity is an inherent aspect of humanity. Take advantage of it ethically. Using contrast, ethically involved – for example, selling something more expensive to someone who’s already interested in buying that item. There was a study he did of how Girl Scouts and different people got donations. And one of them basically knocked on doors and asked people if they’d be willing to spend three days dedicating their time to working in an institution for the insane as a contribution. Then when the people said, “No. No.” then they said, “Well, would you mind at least giving us $25 to help us?” And the contrast was so profound… And he gets into wonderful stuff. You’ve got to read this book, Influence by Robert Cialdini. I’m just giving you the high points. Cialdini.

**Participant:** Could you spell that name again?

**Jay:** C-i-a-l-d-i-n-i. And there was a big… they did a big feature on him like a month ago on 20/20. Brilliant researcher. He talks about commitment and consistency. You start out with a minimum demand, and you keep increasing the commitment to the demand and required incrementally and it’s very, very positive and powerful.

He said, “You’ve got to become a detective of influence.” I would say a scientist of influence and understanding. Because influence persuasion – there’s a science already that exists. Why deny it? Learn it. And he basically lays it all out masterfully in this 300-page book. He talks about social proof, the most powerful of the principles of influence. People tend to follow what other people are doing, what they prefer, find useful, effective. And Chet talks about the Dream 1000. It’s especially powerful when the subject’s not sure what to do. That’s why cults limit social interaction. They basically have the total social proof for them. He talks about scarcity. Learning and scarcity, when believed, is a great motivator.

Just a couple more things but these are like my little catch-alls. I haven’t dug these out for two or three years, so they’re pretty good stuff.

Now, there’s a guy named Leo Buscgalia who was very popular and I had a bunch of different books at the time and they were like all these books on love – not sexual love, but just love of life and love of your partner. And one of them was this book by Leo Buscgalia. And the big central idea of the whole book was there’s nothing greater in life than loving another and being loved in return, for loving is the ultimate experience. And I want to bring that out when you talk about falling in love with your client. It’s great. You won’t believe…
I am so fortunate. I haven’t maintained a connection over the last three or four years with my seminar attendees and book buyers that I should, because I was trying to find myself and going through an odyssey. But the connection I’ve had and a lot of you come to the programs – it’s not about making and taking your money. It’s about really transforming. And my connection with you and your reciprocal back – it’s something so wonderful that words don’t even express it. You feel something. I feel something. It’s like….Tony Robbins calls it “the juice” that really powers and flows through your veins and the wiring in your body. And you want that, not only for yourself, but not selfishly but benevolently. You want to give that gift to everybody that you can impact - people that work for you… You want their life to be transformed by having that connection, that incredible high that the juice that, you know, falling in love with everybody and serving their needs and seeing their world richer, at a higher level than they even do and making it a reality. It’s powerful stuff.

This is a quote from somebody who retired gracefully after achieving one of the most amazing records of sports performance ever – John Wooden. And the essential idea of his book – he wrote a book all about his belief system, but the essential idea is: Success is peace of mind, which is a direct result of self-satisfaction in knowing you did your absolute best to become the best that you are capable of becoming.

I mean, I think there’s nothing sadder in life than accepting a fraction of the impact, the achievement, the result, the influence. The money is only a bonus you get for all these things. But if you accept… if you steal from the world, if you steal from other people whose lives can be enriched – your employees, your clients, your vendors – because you could be better…because you could do more…because you could impact at a higher level – that’s just shameful.

This is real trite, but it’s true too. Wayne Dyer had a really powerful book about, “You’ll See It When You Believe It.” But he said, “It’s not what is in the world that determines your success and your quality of life. It’s how you choose to process your world and your thoughts.” It’s all here. It’s all here, my friends. It’s all how you see it, how you manage it, your response to it, your proactive response to it.

I haven’t used this. I used this one time for something.

I don’t know if it’s the “hot book” on visionary, but I think you should all commit to being visionaries. And Faith Popcorn, in one of her books, said, “You have to see the future to deal with the present.” You want to be the one to introduce your consumers to the new developments. You don’t want your competitors to do it, do you really? You don’t want your competitors to be on the forefront and you be kicking and screaming. That doesn’t mean that you should change your model. It means you should constantly evolve. You should constantly evolve.

Stephen Covey’s great book and it’s a great book. You should read, The Seven Habits many times. “Private victories precede public victories. That is we should engage
in a continuing process of self-renewal based on the natural laws that govern human
growth and progress. And those laws are:

Being proactive
Begin with the end in mind
Put first things first
Be governed each day by self-discipline, integrity and commitment

And then the public victories are I think – he calls it win-win. I just think it’s
equity. And it’s got to be equitable. It’s got to be honorable and equitable to the other
side or they’re not going to keep…it won’t be valued.

Seek first to understand and then be understood. And that’s so powerful. And I
told you, if you want to be interesting – be interested. You want to be beloved – then
love. You want to be respected – then respect. It’s real simple. It’s real simple.

Synergize. Build teamwork, unity and creativity with others. Simple. Sharpen
the saw. Take time daily for all the four dimensions of self-renewal: Physical – meaning
exercise or at least relaxation – spiritual, mental, and social/emotional.

Tom Hopkins, in one of his books – I think it was Thriving on Chaos – said, “The
excellent firms, the winners of tomorrow, will cherish impermanence. They will deal
proactively on chaos, regarding it as the source of all market advantage, not as a problem
to be gotten around. In order to do that you need an obsession with responsiveness to
your clients…constant innovation in all areas (and I told you the four that I’ve studied)…
partnership, the wholesale participation of and gain-sharing with all people connected
with your organization or could be…leadership that loves change instead of fighting it,
instills and shares an inspiring vision of that in everybody…and control by means of
simple support systems aimed at measuring the right stuff.”

I’ve got one more.

Well, somebody like Peter Drucker, (I’ll give two more) in his book, Innovation
and Entrepreneurship which is still a classic. “The successful entrepreneur always
searches for change, responds to it, exploits it as an opportunity. Entrepreneurship needs
to be systematic. It needs to be managed. Above all, it needs to be based on purposeful
innovation.”

And then Tony Robbins in his first book, (this is good and then I’ll stop)...
“Power is the ability to act. What we do in life, the action we take, is determined solely
by how we communicate with ourselves. The first person we’ve got to have a great
communication with is “we.” Ourselves.

Now I’ve got one more thing. Dan. Dan O’Day, come up for one minute to the
mike. Dan O’Day, I’ve got occasionally... other friends. Dan O’Day is a master at
teaching radio stations...he’s a trainer of radio station personalities to be better, to get
better ratings, to be more effective. He also is a master at writing radio ads. And yesterday we talked about, not the equivalent of getting the “hook,” but it was a different version of U.S.P. But you’ve got some ideas that you’ve shared with me about really trying to tell your story and get a “hook.” Would you do an impromptu three or four minutes on that, because you’re here? I was looking for you yesterday. Just as an adjunct, and then I’ll turn it back over to you.

**Dan:** Oh, sure.

**Jay:** But be as tight and as specific, not… I mean, we appreciate it in advance, but try to help them with something universal that doesn’t just apply to radio, but applies to just making their point and their case and their position known in a powerful way.

**Dan:** OK. Sure. Three or four minutes real quickly. I look for the human story. That’s absolutely the most important thing. And in broadcast advertising, sales people are told to do a client’s needs analysis - a CNA, where you go out and you ask a lot of meaningless questions like: Do you have ample free parking? What kinds of credit cards do you take? When are you open? How long have you been in business? Give me a list of the lines that you carry. None of which is important to the potential customer.

And certainly you’ll hear both Jay and Chet talk a lot, at times, about U.S.P., the Unique Selling Proposition, which is the crux of everything. To me the Unique Selling Proposition is simply the answer to the question: Why should I, as a consumer, give my money to you instead of to one of your many competitors? Or to no one? Absolutely. Why shouldn’t I keep it in my pocket?

And most advertising that I encounter talks about the advertiser. And so whether you’re doing commercial radio or television or whether you’re doing print with your indirect mail, one of the first questions I would ask if I were to look at your creative, is simply, From the very first sentence who are you talking about? You know, I get, three times a year I get a direct mail piece from a company that does some kind of audio/visual something. And they’ve sent me the same letter for about ten years, and to this day I can’t tell you exactly what they do because it begins with, “Dear (Whoever,) I would like to take a couple of moments to tell you about our company.” And they send me the exact same letter several times a year and I throw it away, because I didn’t wake up that morning wanting to know about their company.

This morning I woke up with pain in the middle of my back and if that letter had addressed that I might have kept reading it. In my specific bias I think, coming from radio, is core message and this, if you ever do radio advertising, this generalizes to other media, but especially radio. Before you do anything else what is the one core message… the one single, simple message you want the audience to hear, to understand and to remember?

And this, in some ways, is more crucial to broadcast advertising than to print. In some ways, it’s identical. But if you do broadcast advertising, resist the natural client
impulse to try and get the most for your money by saying as many different things. Because the way you get the most for your advertising dollar on broadcast, at least, is to maximize impact. The one message - and you said three or four minutes? Maybe I’ll just give one example. I don’t want to run over here.

Jay:  Sure. That’d be good. Be good.

Dan:  Owensborough, Kentucky. Several years ago I was in there to address an ad club and I’m listening to the local radio station. I hear a commercial for a B.B.Q. restaurant. And I like B.B.Q, so it caught my attention. And throughout the entire commercial they’re talking about their hot sauce – their U.S.P. I’m sorry, their B.B.Q. sauce in general. Their U.S.P. is they have the world’s best homemade B.B.Q. sauce, and people come from all over the country to Owensborough to this little shack to try the B.B.Q. sauce. And there are three kinds. There’s the mild kind, which will burn your mouth out. There’s the hot kind, in which you really better be very, very macho to try. And then there’s the kind --- don’t even ask. O.K.? We’re not going to give you the hot kind unless you give us a note from your doctor.

And that’s pretty much the entire pitch until the very end. They had a few seconds left at the end of the commercial and the advertiser apparently thought, “Well, let’s try the shotgun approach. If that didn’t work let’s try something else.” So after spending all that time talking about their B.B.Q. sauce the very last line says, “By the way, it’s a great place for weddings, too.” And I’m picturing a white bridal gown with B.B.Q. sauce on it. So I guess the three-minute lesson here is: You can advertise a great B.B.Q. restaurant that’s meaty, beefy B.B.Q., or you can advertise a place for a wedding reception. Don’t try to do both.

Jay:  Now, let me switch for a minute. Could you also counsel… That’s advertising. But you also counsel personalities, right?

Dan:  Yes.

Jay:  So let’s talk about people getting a “hook” that gets them because it has to do, not just radio, but has to do with any form of PR, really, doesn’t it?

Dan:  Oh, yeah. And this…..

Jay:  Do a little twist. I don’t want to take too much time because you’re good at that. You get paid thousands and thousands of dollars. You might as well share in a distillation, give back and give them a quick…..

Dan:  That’s exactly the kinds of mailings that you’ve seen from Jay over the years. What I tell personalities – and this sounds overly simple and I apologize – be yourself. Maybe I’ll explain it a tiny bit.
Someone once said – and I wish it had been me – somebody said, “Being a radio personality is simple. It’s a matter of being yourself…on purpose.” And to be yourself on purpose…..if you’re a marketer, because a personality markets himself or herself - but if you’re a marketer, your whole job is to go out into the world and be yourself in front of and with your potential customers… but to be yourself on purpose, which means first you have to know who you are and what you have to offer, and then you decide what part of you to offer. I mean, that’s…

I just got back from New York – worked with a very large jazz radio station – a non-commercial station, in fact. And they probably expected someone who looks like a consultant, someone with an expensive suit and reports. And I just came looking pretty much like I look now. And I didn’t give them a bunch of rules. My whole time there was working with personalities saying, “Who are you? Just open the mike and bring yourself.”

And maybe this translates…in radio, here’s a little secret. Here’s what happens - 90% of radio personnel – or disc jockeys, at least, the music’s playing. And off the air, the disc jockey is there, and a buddy’s in the studio, and they’re saying, “Man, did you see the Yankee game last night? They were behind at the bottom of the 7th and then the…..you know, the Angels hit a home run. I’m thinking, ‘Oh, man, it’s all over.’ Then in the 9th, I couldn’t believe it, he comes up to the……..oh, wait, I’ve got to talk.” Open the mike. “Well, that was …….and now more Barry Manilow” You know? And I see this happen again and again, and I ask the question, “Which is more interesting?” It’s the reality. It’s the humanity that’s more interesting.

So in marketing, you know, sometimes, and using Jay’s work as a model, I think the first long-form sales letter I ever did was modeled on a very specific letter than Jay had written. My own client base within the broadcast and advertising communities…I’m sure, like a lot of you, it’s kind of like a nice kick every now and then. I’ll send out a mailing, and I’ll actually get e-mails back saying, “Gee, I really love reading your sales pitches, your sales letters.” Now some people throw them away, obviously, but every now and then somebody will say that and I’m sure you’ve had that same feeling.

And that…..I never used to get that. I always thought I was pretty good as a writer and I had success as a writer in terms of print. But I never had people telling me how much they looked forward to my sales pitches until I was more myself than ever before.

And maybe as a physical representation, I certainly know that I don’t look, I don’t physically fit the criteria of someone who is supposed to have some standing in some kind of business community. And I’ve made a conscious decision a long, long time ago (that’s probably why I got into radio a long time ago as a disc jockey) I don’t – I won’t wear a tie. If you see me wearing a tie someone’s being buried or married. O.K. Or sometimes, two on one day. That’s about it. I want to be physically comfortable and once I stopped being concerned, “Well, if I go out on stage like this, what are the people in $10,000 suits going to think?” I just stopped caring about it and focused on trying to
deliver my message personally and directly. And it’s O.K. with me… I’d rather everyone in this room fall in love with me. It’s O.K. if a couple of people just don’t react well to me if I get to the masses. And, again, as marketers rather than try to be something for everybody, just really decide what you’re offering, how you can help people’s lives, and then pitch that again and again.


Chet: Hey Bob. I don’t want to put you on the spot, but do you remember that thing we were talking about last night, where I said, “I have to share that with everybody”? Or do you ____. You don’t remember? We thought it was very entertaining, whatever it was. Something about the management style.

Bob: ______

Chet: Well that was one thing, but it was another. I can’t remember what it was. What – Bob was saying that he had formalized…

Bob: ______

Chet: Come up to the mike. Come on, tell it. It was really funny.

Bob: We were using what we called “Mentor Training,” which you’d renamed as “Tribal Management Techniques.”

Chet: He had formalized the tribal training.

Bob: We’ve actually made a process on it. And one of the things we did is like, we were growing really fast, and we said, “We need some high powered talent.” So we went out hitting on some of our competitors who weren’t doing things as well as we were and hired their top guys, big dollars, brought them in and said, “OK. I want you guys to write a kick-ass with lots of measurements job description of what it’s going to take to dominate our marketplace.” And they were like, “Let me get this right. You’re going to give me all this money to write my own job description?” They were like, “OK, 19 months of planning required.” It just didn’t work at all. So when you’re talking about hiring – going out and getting sales superstars, which I think is a great idea, get the process first. Don’t ask them to write it, or you won’t get anything. “My job is to drink coffee.”

Chet: And just to say that Jay so instinctively practices what he preaches… so we did this thing on (you probably have all heard about it) but we created this thing – the hardest part of doing the host-beneficiary deal is talking someone else into it. You go to them and you say, “I have this idea. I’m going to use your distribution channel to grow my business.” And they’re kind of like, “I…..” And it can take you a year to wear someone down.
Now we came up with a solution here that Jay and I loved. And I just want to reiterate so you guys capture it. You now will have your host/beneficiary conversion kit, and that’s where you let other people make the sale for you, like Forbes Magazine’s *Partner or Perish*…like Jay’s 30 or 40 examples in his book on how these things make you money, etc. But based upon that struggle that most people have, Jay and I said, “Well let’s get 500 people in a room who are all totally Jay-trained, and then each one of you would literally get to come up in the room and say, ‘This is the kind of business I have. These are the kind of deals I’m looking for.’ We were going this The Ultimate Deal-Making Seminar. How many people saw the piece on that, or know about it? Well, you guys all were supposed to get that as a bonus, but unfortunately there was like…We could see that if we killed ourselves on that we’d get maybe half the room instead of probably…

**Jay:** We needed – what’s the point you’re making so I can transfer it?

**Chet:** I just want to show that – so now we’ve turned it into something that’s actually going to be better for all of you, where I was like, “We’re out of here.”

**Jay:** Yeah, what we did was this: We love the concept. It’s one of my most favorite concepts, because #1, it’s intellectually stimulating. #2, our belief is we could make a fortune on the residuals we’ll make on all the deals with modest participation. But we extrapolated, and we would have gotten about 200 people to it. But by the way it was set up, we would have needed at least the five ranges to make everybody get the deals we wanted. It would have been a nightmare to be… I never want to have something where people don’t get what’s promised.

So we didn’t cancel it. We changed. We went to everybody and told them the truth. We told them that we would have only had half, and it would have been a bad outcome, and they might not have gotten a deal and we didn’t want that. So we turned it into a different vehicle where we’re going to use just – we’re going to just do two days intensely with about 50 people. We had 50 right away, and then we realized it would have extrapolated to about 200, but we just stopped at the 50. And we’re going to have those people come to an event where we’re just going to deeply spend time strictly for two solid days, teaching them the nuances and the science – and art – of engineering strategic alliances. And hopefully it’ll have enough people that there’ll be enough dynamic that we’ll do lots of examples. But you’ll get copies of it. But what was the point we wanted to make?

**Chet:**

**Jay:** No, no, no – there’s different… One point you could say is, you could have written it off, but instead…

**Chet:** That was one point.
Jay: ...we turned it from a disappointing concept to a new concept that will create a product that Carl will probably sell $2 million of, but it will also, the people that responded up front are probably the most enlightened and we’ll probably do more deals with those people, because they’re probably serious players. We haven’t looked at the whole profile yet. It’ll force me for the first time in about ten years to get deeper on the concept of strategic alliances, host/beneficiaries…not just the process, but the psychology and the system. So we turned – I don’t know, is that the point you wanted to make, or is there another one?

Chet: Well, yeah, that a lot of people think that something failed, and to work with Jay is to think again.

Jay: I was trained by masters at two things: #1, reclamation, and #2…

Chet: Reclamation – that’s a great word for it.

Jay: And #2, people who had little or no capital but were willing to spend…they understood inherently, allowable cost, marginal net worth. When I did Icy Hot, for example, the guy didn’t have much money to invest, but he was willing to spend 100% of the first transaction because he inherently knew when we started analyzing it. And the quantified results were much more substantial than even he realized. But he knew for every 100, or 200, or 500 people who bought a $3 jar of this analgesic balm that some percentage – it turned out to be pushing, I think, 40 or 50, I don’t remember now - but an enormous amount, bought again and again and again, and there was no alternative they had available until they died or if somebody came up with a cure for arthritis, bursitis. But he also realized that some segment of those people would buy, if they were offered, a distributorship to sell it to all their friends, and they could buy a bigger volume at lower prices. And he found that 10% did that.

And I learned from great masters, but if I have anything I have the gift to know how to extrapolate, adapt, adopt, import, reconstruct a principle or an experience, and translate it to a new application. That’s what I’ve strived, hopefully, to teach to you. And if I’ve failed the mark I apologize, but I hope that to some degree we’ve penetrated your logic and your mindset, and we’ve really got you at least thinking in terms of that. Thank you so much.

Doesn’t he look distinguished? I said he looks like he should be a playboy on the French Riviera, doesn’t he? No, I’m serious.

Chet: So the other thing that I learned from Jay, that I thought I already knew but had nothing even close to a learning curve, and I just want to share that so that you get it…is how many things he’ll throw at something to make sure it succeeds. So when he decides that he’s going to do something, then he throws so much at it, where I would have been like, “Well, no, that’s going to cost this.” And he kept saying, “Yeah, but we’ll get this.” And I go, “Yeah, OK.” And it was like five or six times in our
Jay: But the point – for example, we decided to send out Chet’s video to…

Chet: For this.

Jay: Yeah, we had 500 people on the conference call. We knew that most of them were too small to be able to financially afford this, but we knew…

Chet: Or to capitalize on it like you guys…

Jay: Yeah, they didn’t have the infrastructure, and many of them were – but there were the ___ amongst them. And again, our philosophy is always, somebody’s got to take the first step. Let us invest in you because we know with certainty if we get a good education and a good taste of the experience into enough hands, it’s not going to be without result. But at first some of our faction were a little worried because of the cost, and I said…

Chet: Yeah, me. I was one of them. It’s an $800 video that I’ve been selling for ten years. I didn’t want to give it away.

Jay: It cost like $10,000 to send it out to 500 people.

Chet: Exactly, and like five people just called right in and signed up.

Jay: And I said to Chet, “OK, we get one – we’re even… or we’re ahead of the game. If we get two it was a great profit center. If we get three it was fine. When we’re done they’ll already have been exposed to it, and you can offer them the home study version. If that’s not viable we can have a lesser-priced…sort of a step-up product or service. And I’ve learned to think in terms of…

Chet: Now, see, you hear all that and it’s obvious to you. But when you’re in it, you in your businesses, you’re not thinking that way. You’re just not going, “Oh, we could do this, we could do that, we could do this, we could do that…” And Jay gives you this intellectual overview, but I’m telling you, to work with him, he lives it. And it’s not like he went to these books and looks it up. This is just an instinctual part of his personality. And I want to share that with you so you’ll all do the same. We could do this, we could do that, we could do this, we could do that…, and just keep finding ways to add the incremental revenue and to add the incremental success on top of success you already have. And everything we make, he parleys into something else (which is a little frustrating, because I’d like to keep some of it!) But…

Jay: It’s not about money, Chet.

Chet: Right.
Jay: It’s about – but really, you could have so much more… Just realize this: You have so much more performance from everything you do… from every event you’re involved in… from every… I was thinking about it, and I don’t think I said this. One of the notes I didn’t share with you - one of the things you said about doing seminars, and I started thinking, “Anytime you do a seminar… anytime you’re at a seminar that’s important, that has any impact on your prospect or client, go to the promoter of it, if you’re not in it, and record it.” See if you can pay to record it, and give him a little nominal amount, and then you can have a transcript of it, or the tapes of it. You can gift it to everybody and you’ve got value perception. You’ve got preemption… But just think – I teach people, and I taught myself 20 years ago - to just think in terms of, “How can I reclaim? How can I re-deploy?”

One of the things that I learned – and I don’t even know if he’s alive, but I read a book in 1970 on Jimmy Ling. Who’s from Dallas? Ling Temco Vaught. You probably know him, right? Well, I don’t know where he is now, and he blew it. But he took – he was a master at financial re-deployment. He was one of the first people that realized you could have a company with three or four operating units. It could be public, and the stock could be worth X as a whole. But you could break out – and I guess today they call them “tracking stocks.” You could break it into four tracking stocks and increase the market value by 500%. And he did that over and over again. And he was a master at re-deploying an asset…figuring out how to get much more out of it when no one else saw it. How to take a dog and make it a jewel. And that was an inherent stimulator to my thought process. Anyhow…

Chet: The next thing is that – and again, I think I made this clear, but it’s always good to really put an explanation point on this, and that is that you guys need an integrated marketing plan. I think I’ve made that clear just over your core story, blah, blah… But as a great example – Bob, if you don’t mind me using you. They have a lot of the little pieces. They’re going to the trade shows, but they’re not really capitalizing on them. They have a newsletter but we tweaked it up substantially yesterday for him. So he’s got all these little things, but there’s not this integrated plan to penetrate the market on purpose. It’s all just a good guy doing good work, trying to be there for his customers.

But now you can see the quantum leap that you can take if you do that. So I say this to you: Dare to be noticed. Dare to be noticed. I’ll never forget – I’m a 22-year-old ad sales rep for a magazine, and I go into one of my first major trade shows not knowing anything about any of this stuff, just a completely new experience. And one of the people at one of the booths had put all of their – this is when the, what’s that jet that flies to England in three hours?

Jay: The Concorde.

Chet: The Concorde was just first coming out, and these guys had bought two tickets on it to London and back. And they were raffling it off at the trade show, so they
put an airplane, a giant styrofoam airplane over their booth, and all their people were dressed as flight attendants. And there were about 15 of them or something. And you just saw them everywhere you went, and it just brought so much attention to them, because they were daring to be bold, and to stand out, and to have some kind of an image that was consistent with the contest they were doing. And the stupid tickets were $6,000 or something, but it probably got them more notice and recognition. And this was a brand new company entering that particular market. And they just went to top-of-mind-share in the marketplace.

So following that same lead, when I had a client – in fact, it was one of Scott’s companies, so those of you guys working with Scott – it was a fellow I worked with who took a company from zero to $100 million right out of college, sold it, and retired at 29 years old and then did it again recently and built it to another $100 million. And he practices everything that I preach really well. But at the company he sold, five years later they were in trouble. They had gotten rid of all of his infrastructure and support plans, and he had all these things that made it work like a fine-run machine. And they little by little dismantled it, so they got in trouble. So they asked him to come back and fix it. And so he wanted to launch himself in a big way. And I made the joke yesterday about him being in the Captain Kirk uniform. Well, we went to the convention, and he put all of his people in Star Trek uniforms. Not the real cheapy – you know, Halloween things. We went and got profession costume Star Trek uniforms, and I was one of his consultants. And...

Jay: ________

Chet: Yeah, I still have it and I wear it every Halloween. I look great in a Captain Kirk admiral’s – you know, turtle neck, and the thing, and the epaulettes, and the cut, and the Star Trek little thing…we had an actual thing that, “Prrrt! Kirk to Bridge…” thing, the black pants and everything. And we just really stood out. And Scott’s a handsome, tall, good-looking fellow, and so he’s like this in his Captain Kirk uniform. And we paid to have him introduce the Surgeon General, even though it terrified him – you know what I’m saying. But it got him this huge visibility, again.

So dare to be noticed. That’s my message to you. Dare to be noticed.

Another trade show that I attended for several years, this one group always came in Hawaiian shirts and white pants. And they just looked like a fun company to work with, and this was in the legal market where everybody else was in suits and ties, and looking very formal in a blue pin-striped suit. And here’s this one group with like, they had the booth set up with a Hawaiian hut with straw roof, and the bar, and they served pina coladas, and all their cool people that worked there were in Hawaiian shirts and Hawaiian pants.

So dare to be noticed. Go out there and just dare to be noticed, and have an integrated plan for all that stuff. You’re going to deploy your PR, you’re going to deploy
OK, so I wanted to show you the culmination of one of these projects that I worked on that worked so well… This was an orientation that we put together for the 630 chiropractors that Jay and I did an LRL for 18 months. And this is their story. This is their corporate story. You can take anybody through this who does not believe in chiropractic, and it will completely reset their buying criteria. So I wanted to show you an example of how we take you through a funnel of information, and help you draw a logical conclusion. I’ll just do the fast version of this.

But it starts off, and it goes over the – and let’s pretend that I’m a chiropractor and you’re just a general audience. Anybody here – who has gone to a chiropractor? Just so I know my audience. Who has not? Is anybody against it? OK, we’ve got one. The only one I have to convert in the room – let’s see if I can do it. I don’t want to put that on myself, because then I’ll go over there and work them over until I do it. That’s that psychological profile, you know what I’m saying?

So, if you’re working with an audience you start with…you say, “Well, let me tell you about the beginning of health care.” And it talks about tribal medicines, and how they had – they blended everything. It was mind-body medicine, is what it was called. And they had spiritual remedies for things, and they had herbs, and all this kind of stuff. And then it talks about the first physician and how he came up with stuff. Quick overview of health care – the major breakthroughs. First medical school was 1100. 1543 was the first scientific study of human anatomy. First vaccination…pathology was invented in 1800. 1895, the X-ray was discovered. And then here’s a little section that says, “Practitioners and researchers who were initially scorned and shunned…” And then it has the first practical anesthetic - everybody was resistant to that. It was guys like, “Look, you can give him this drug and it will knock him out, and we can do it.” And their method then was a stiff drink.

So then Louis Pasteur, the Father of Microbiology – no doctor at the time believed – “Oh sure, there’s thousands of little bacteria.” And I remember reading a book about some of these doctors who came back after they had discovered. And he showed them in a microscope that bacteria was everywhere. These guys couldn’t keep their hands clean enough. And they used to go into surgery after just milking the cow in the barn, and shoveling the crap, and they go right into surgery with their hands…with this stuff still under your fingernails. So surgery was like a potentially deadly event. And then he showed them, so he changed that.

Sigmund Freud, the Father of Psychology, identified and treated psychosomatic illness. And again, at the beginning they were like, “Oh sure. Sure our mind can cause problems.”

Jay: Chet, give me one second.
Chet: Yes.

Jay: Notice how he’s tying authority and (You want to make those points, what you’re doing, as you go through this?)

Chet: What point were you going to make?

Jay: Well, Sigmund Freud…Louis Pasteur…

Chet: Right.

Jay: You’re trying…

Chet: I’m setting up a buying criteria here for guys who were initially shunned and scorned, and people didn’t accept their ideas. Because at some point I’m going to talk about another guy and introduce another science that people initially shunned and scorned, and which has now become…

You see what I’m doing? It’s a total, righteous setup. It’s a righteous setup.

Now, the biggest problem chiropractors have is that the medical profession has been calling them quacks. The AMA went out to put them out of business. The American Medical Association went to put them out of business, and then in 1976 or something, they brought it to the Supreme Court. And the Supreme Court investigated chiropractic and said, “You guys can’t call these guys quacks anymore.” But that didn’t stop doctors from going, “Quack!” under their breath. “Oh, you’re going to that quack?” Making fun of these guys, and they still do today. Most medical doctors just don’t—well, they can’t—it’s unavoidable now, actually.

So homeopathy – very interesting. In the 1700’s, a German physician named Scott blah, blah – he invented homeopathy. By 1900, after widespread use in Europe, homeopathy had gained such popularity that there were 22 homeopathic medical schools in the United States, and 100 homeopathic hospitals. What happened to them? We don’t have that now. Do you know what happened to them? The American Medical Association was formed with the sole intent to put homeopathy out of business because it was threatening the science of medical doctors. Now today, the best physicians like our doctor over here are blending all these disciplines and taking advantage of every single discipline that can help make him a better practitioner. That’s what the best guys are doing – the guys on the cutting edge.

So you see how this is a righteous setup. Now I haven’t said, “Doctors have tried to put chiropractic out of business.” I said that to you to let you know that that’s one of their challenges, but if I’m speaking in front of an audience, I’m not doing that. Now why? This is the top part of the funnel. I’m just setting you up for your logical conclusion. I’m not even going to actually ever tell you that. “Doctors tried to put
chiropractors out of business.” But when I – you can see where I’m going already. You see what I’m saying? That’s what I want you guys to build. It’s a righteous setup.

So then we talk about health care…knowledge is power. It shows growth at different professions, and then it shows that the amount of material a general practitioner must know today is 20 times the amount it was in 1950. So a graduating physician now has to know 20 times more information than they did. So it’s impossible for these guys to become experts at everything. Is that another setup? Let’s see who here is quick enough to pick up where I’m going here. It’s just a total setup to say they can’t be experts on everything. They sure as hell can’t be experts on the spine, because that’s a very complicated thing all by itself. Now I wouldn’t say that at that point. It’s just more setup in the funnel. Everybody get what I’m saying here?

OK, so let’s look at the six ways to treat, promote, and improve human health. We have exercise, diet and nutrition, medical and chemical, surgical, emotional and mental, biomechanical and structural. That’s setting the bone, skeletal-muscle work. That doesn’t say chiropractic, because if we know that a large portion of the society has a resistance to the word, let’s not even use the word until we’ve gotten them completely shifted in their buying criteria. So you see how strategic this is? It took into account every little problem these guys had. When a chiropractor saw this, they were like, (inhales) – they couldn’t believe it, how brilliantly it set them up. Now, I didn’t do this by myself. I formed subcommittees, and chiropractors helped me, and that’s –

Neil, where are you? If you’d wear the same colored shirt every day, I’d have no problem finding you. But every day it’s a different color and I lose him. Just when I get used to him being in a red shirt he wears a black one, this one ____ then a white one… But Neil was talking about doing one for the opticians. Opticians? How am I saying that? Thank you. And he deals with 6,000 of them, so we’d probably get 10% of them to do one of these things. And we’ll build one of these for them that will set the buying criteria in a way that no one would want to go to a Pearle Vision. Because all he deals with are the independents who are struggling to survive against the Pearle Visions. Am I right?

Neil: Not necessarily Pearle Vision.

Chet: OK, but Wal-Marts and K-Marts of the world are definitely a major threat to these guys. So whatever their problems are though, we’ll find a way to set up a buying criteria where they become a more logical choice. I don’t know what that is yet, but the research will prove out.

So then we go over exercise, and nobody can _____. There’s a big section on exercise and it kind of motivates you to want to exercise… and all the things it’s been proven to help. And then we talk about nutrition, and ooooh, this is kind of a scary thing. This is the amount of iron in spinach in 1940. 150 mg in a single serving of spinach. By 1965 it was down to 27 mg. Do you know what it is today? 2.2 mg of iron in spinach. You can eat all the spinach in the world, and you’re not getting any nutrition out of it,
because the pollution in the air, the depletion of the minerals in the soil, insecticides and pesticides in our soil - it’s contaminated. So we’re not getting the nutrition we need. That’s a whole ‘nother flip chart I did on it for a vitamin company. But it was interesting, so I threw it in there. You see what I’m saying? So it all starts to culminate – medical and chemical.

And then we talk about how great medicine is and the wonderful things it does – but let’s be careful because it kills 119,000 people a year by accident. 45,000 deaths are caused by auto accidents vs. 180,000 caused by adverse reaction resulting from medical treatment.

So it just kind of says – and that’s why I told you, if there were that many it would be as if six planes a day were crashing. None of us would be getting on a plane. We’d be driving home, or taking boats, or whatever. You’re not going to fly if six commercial airlines a day were crashing. And then we have one or two crashes a year, and even that’s scary.

So the point is that then it disempowers the very guys who were disempowering the chiropractors, you understand? So again, the strategic setup – I won’t say that to the audience, but it’s implied. And so it just goes through, then it starts surgical and talks about how we have 15 million more surgeries in this country a year that even ABC Nightline said are unnecessary. 15 million unnecessary surgeries. We have ten times more back surgery than any other country in the world despite the fact that it has been proven to be almost ineffective, or worsen the condition. Proven. I mean, that’s like a fact. Now your doctor’s not going to tell you that if he’s a back surgeon, is he? But that’s a fact that you’re unaware of.

Emotion/mental, we talked about that. And that starts to get us to the brain-mind connection...the miracle of the mind...how brilliant it is...how well it works...the cells of the body. There are three billion cells replaced every minute. Three billion cells are replaced in your body every single minute. And so the brain is the general manager. How does the body get its information? It gets it through the spine.

So here’s an interesting exercise. Stand up, everybody. Stand up, and let’s look at our watches and see how long you can stand on one foot without losing your balance. Don’t touch anything. Don’t use anything to brace you. OK, come on. Long time, right? OK, put your foot down. Now do it again, and this time close your eyes and I’ll count. One, two, three, four – about four or five seconds. Well, if your spine is perfectly aligned and there’s no miscommunications from the brain to the spine, you can actually do that for about 22 seconds without losing your balance. So if you were losing your balance at four or five seconds, it shows you that your spine is not perfectly aligned.

And so there are all these exercises. By the time you got done, there was not one person in the room didn’t want to at least know, or have an examination, especially when the doctor was offering it for free.
So you see that that’s a full-blown funnel. Boom! Logical conclusion. Everybody who sees it wants to buy. So my gift and hope for you is that you build one of those – even if you sell by telephone. Because like Scott and I were talking, and I told him, “You need to build one of those.” Because he wants to hire a bunch of top producers, and you need to be able to sit that top producer down and have him have such a logical conclusion that his brain goes, “Give me the phone!”

So even if you’re selling by telephone, or even if you’re selling by the Internet…because you can certainly build a funnel on the Internet. It’s going to be the same exact thing, the same exact funnel. I have BetterHealthUSA.com is the Immuno Labs company that does this, does the blood testing. A lot of you have asked about that.

**Participant:** Say it again?

**Chet:** BetterHealthUSA.com. And you want Lisa Giroux – that’s the rep that helped me. She’s dynamite. The other one’s like, you know, a little on the sleepy side.

**Jay:** Two things. First of all, Todd now wants a reference of a good chiropractor. Right? Number two is you’re talking about selling online. There’s something that, I don’t know if you do it, but with the advent of the Internet…and most people, being able to be online while they’re on the phone, you could also have your telemarketer get them on a special site that they can go through a Power Point presentation, couldn’t they? While they were talking?

**Chet:** Absolutely. That’s something that’s very much available, and that’d make it really easy. Except the only problem is the Internet is like, it’s not *quite* all the way there yet. Meaning, if you download to my old system, which I just converted to a G-4 after four years of resisting it like crazy, and then just couldn’t anymore. I had a four-year-old MacIntosh. A 3 MB file took an hour to download on my old one. So when somebody would send me something ever so casually thinking, “No big deal. Here’s a photo, or here’s a funny little movie…” You know, your friends send you all these e-mails…

**Jay:** Yeah, but if you have the basic slides and you got somebody on the phone and said, “While we’re talking, go to panel one. Go drop down. Go to…”

**Chet:** Or if it’s on your website, and they can be online.

**Jay:** Yes. It’d be pretty interesting.

**Chet:** Which – Scott, you could definitely have that. You could have a little segment on your thing, and say, “Are you online now? Go to our website right now. All right, now click on this next page.” And you’re walking them through…

**Jay:** That’s what I’m saying.
Chet: Your funnel.

Jay: That would be a really…

Chet: I mean, it’s like, ___ rocks the world. Bob?

Bob: ______

Jay: And it works, doesn’t it?

Chet: You do it on your website.

Bob: ______

Jay: Say that again. Say what you just said. He said he does that on his website, and then he said, almost matter-of-fact, “We close them every time.”

Bob: If it’s called in from our website, or they say – we get a lot of reactive stuff on Monday. They say, “Tell us about your alarm monitoring products.” We get them right there on the phone. We say, “Go to www.DPtele.com.” And then we click onto it, and we sit there and walk through it while we’re talking… “On this page you see that…”

Jay: So it works great.

Bob: Exactly, and we’re seeing the same screen they are, so it’s totally in synch.

Jay: That’s fabulous.

Chet: It’s very engaging, very powerful. Do you do that too? God bless you!

So that’s very advanced stuff, because you’re involving more senses. And you’ve already seen the power of that, right? The visual aids, …

Jay: Now you could make that presentation-based, research-based, Power Point-based presentation anywhere in the world.

Chet: Where’s David?

David: I know.

Chet: You’re hearing it, right? OK.
Chet: All right, so this one is called “Mastering The Telephone,” and what it is designed to do is to help you create or improve your outbound marketing. Now does anybody recognize this woman? How about now? You know, the gatekeepers are some of the biggest problems that we have.

So what this is, is it’s a whole comprehensive program (chatter) for selling to businesses by phone, to consumers by phone, using the telephone to get appointments, and use the phone to drive buyers into your retail store or in your case restaurant, or whatever. So the phone is a powerful weapon for today’s society, and this is a module all about using it.

So what we’re going to cover is your voice and how it works; the tone, and the power of that; the attitude which you have – which is even more important than almost anything else; and the technique that you use.

So first thing about the voice is in actuality, studies show that the deeper your voice, the better the impact on the telephone. Now it’s funny, because I teach this so frequently, and then I’ve had so many people that work for me. And I use this one example of this girl that worked for me. Her name was Deborah, and she talked like this, and she was very screechy, she was really one of these happy people, and she’d get on the phone – “Deborah McVee, can I help you?”

And so having a deeper voice actually has a – so you should drop your voice an entire octave when you answer the phone. When you answer the phone you should literally be, “Chet Holmes.” It has a powerful impact. I affected Scott Holman with that, because he’s one of these “Scott Holman!” You know, “No, no, no Scott. You want to sound important when you say it. The way it’s – ‘Scott Holman.’” Hear the difference? OK.

So deeper is better – even for a woman. The deeper voice has a relaxing tone quality and subconsciously actually establishes greater rapport faster. Studies show the people with a deep voice, when they get on the phone… (chatter)

All right, so I said this yesterday, but now it’s going to have more impact. (chatter) The words that we use are 7% of communication, as we said yesterday. But now, on the telephone it becomes really critical that you understand the massive impact of your tonality. And it’s not like, again, someone is consciously going, “Oh, look – he dropped his voice!” or “Oh look at the intonation he made.” It’s not like that. It’s the subconscious is screaming, “This guy is confident. This guy is scared. This guy is nervous. This guy is really not sure of what he’s saying. He’s saying all the right words
but he doesn’t even believe them.” And your prospect is getting that from you, you understand?

So the perfect actual tonality for someone on the telephone that actually wants to have a dramatic impact instantly is to almost sound like an investigative police officer. So it says, “Authorities end on the down note.” So if you say your name, and you say, “Hi, this is Paul Mackay!” (high-pitched) vs. “Hi, this is Paul Mackay.” (low pitched) Which guy sounds like somebody important? And it’s a subtle little thing. You would have never thought of it, but it is so powerful, that how you give your name has a huge impact on their perception.

All right, so you’re home one night, and the phone rings, and you answer it, and somebody says, “Good evening. Is this Jerry Bowers?” (high-pitched) And what do you know already? It’s a salesperson – and, you’re not buying! He’s already decided.

Now the same exact words, different tonality. He answers the phone, the voice goes, “Good evening. Is this Jerry Bowers?” (low-pitched) It sounds like he’s in trouble. His attention and his interest in these next five words just went up ten times over what it was when it was, “Good evening, is this Jerry Bowers? Bowers?” (high-pitched) “Good evening. Is this Jerry Bowers?” (low-pitched)

So you want to end on the down note. You want to bring the authority of your voice down because it does give an impression of authority, and if their subconscious says, “Oh – this is important!” Remember, that’s five times more impactful than the actual “Good evening, is this Jerry Bowers.”

So ending on the up note tells everyone you’re a salesperson. So you will all go home and fix your voice mails right away, won’t you? “Hi, you’ve reached…” Ruddy, what’s your last name?

Ruddy: Polhill.

Chet: Polhill? OK. “Hi, you’ve reached Ruddy Polhill. I’m not in right now…” (high-pitched) You know, to be, “Hi, you’ve reached Ruddy Polhill. I’m not in right now…” (low-pitched) And you feel like you got somebody important.

So practice sounding like a newscaster. “Mr. Jones? Hugh Downs.” That sounds like somebody important. I want you to try it right now. I want you to say, “Chet Holmes?” And then I want you to say your name, and I want you to sound important. I just want you to say, “Chet Holmes,” and then give me your name. Everybody, go.

Participants: Chet Holmes? ________-

Chet: Good. There’s a few of you in there still sounds like a salesperson. You can’t help it. I won’t put you through the exercise of pointing out which ones, but seriously. I go around the room and some people just can’t get it still. “Chet Holmes?
Joe Smith.” (high-pitched) “No, no, no, it’s ‘Joe Smith.’” (low pitched) “Joe Smith.”
(high-pitched) “No, it’s ‘Joe Smith.’” (low-pitched) “Joe Smith.” (high-pitched) “No, it’s
Joe Smith!” (low-pitched) They can’t get it. I’m serious, some people are such
salespeople, it’s like, “Thank you for your time.” They just can’t stop saying that, no
matter what you try to do. Don’t say that!

Participant: _______

Chet: There you go.

Practice having the authority of an investigative detective. “Shirley, this is Detective Smith. Is Bill Jones in?” You want to get around the gatekeeper? You want to
go right by Michael Eisner’s secretary? “Yes, this is Detective Jones calling for Mr.
Eisner.” “Hold on one moment please.” It’s amazing the cooperation you get. Of course,
you would get in big trouble from Michael Eisner if you were to do that, and I do not
recommend that you do it! But a lot of times, I blow by the biggest secretaries in the
world because I sound so important that the secretary is afraid to ask me too many
questions. You understand? People think, “Oh, I’m going to just get blown out of the
water when I call Michael Eisner.” I have gotten Michael Eisner on the telephone. And
then he passed me to Joe Roth, and then he passed me to David Vogel, and I ended up
pitching my movie to the Senior Executive Vice President of Production up here, where
every other little jerk who has a screenplay is down here trying to pitch some
development girl who might, five layers later get to David Vogel.

So – but it’s because Michael Eisner’s secretary – who calls him? Warren Buffet.
Bill Gates. So she knows he gets called by the most important people in the world and
never gets that call. “Hi, this is Chet Holmes. Could I speak to Michael Eisner?” (high-
pitched) That’s a doofus who is not going to ever speak to Michael Eisner, and she can
tell by the tonality that he’s not going to ever get to speak to Michael Eisner. But when
you call and say, “Yeah, hi, this is Chet Holmes for Michael.” (low pitched) “Hold on
one moment please.” Boom! The guy picked up the telephone. “Oh shit! Ahhh, what do
I say now!”

Now watch the subtlety here. OK, you answer the phone, and I go, “Yeah, this is
Chet Holmes.” What does that sound like? Listen to that. “Yeah, it’s Chet Holmes.
Yeah, it’s Chet Holmes.” It sounds like she should know who I am. You see that? It’s
so powerful, yet you didn’t even pick it out, right? I didn’t say, “Yeah, hi, this is Chet
Holmes, and…” That sounds like I’ve got to tell her who I am, doesn’t it? You
understand how powerful that is? “Yeah, this is Chet Holmes. Is Michael in?” “Hold on
one moment please.” And I have blown by about one out of every 40 top CEO in the
world with the secretary, just by doing that. About one out of every 40. I’m saying that
to my person in the back room who we’ve got trying to set up meetings with CEOs of the
Fortune 500. That works so well by having the tone of recognition in your voice, like
they should know who you are.
The first ten seconds make the difference between success and failure. Confidence is key. Michael Eisner comes to the telephone, and your voice is shaking and wavering, and you feel like, “Oh my God, I’m speaking to the Lord” — you’re dead. When I finally did get this guy on the telephone, you felt like you were (talking to) the competent professional, right. Or I wouldn’t be here today. But you know, it’s like, “Hi Jay, this is Chet Holmes, and…” I didn’t say, “I’ve been trying to get you for two years, you idiot! I can make you millions!”

Jay: In fact you did say that.

Chet: I did say that, didn’t I?

So that’s what I call the “tone of recognition.” That you sound like you know them. And it’s not like their subconscious goes, “It sounds like he knows me.” So Michael Eisner comes to the phone, I go, “Yeah, hi Michael.” So subtle, right? But doesn’t that sound like I’ve talked to him every day of his life?

Very powerful stuff for getting around the gatekeeper. “Mr. Smith.” “Steve — Hi, this is Rob Brady.” Sounds like I know him.

So it should sound like you know them (just in case I haven’t made that point three or four times already.) This tonality will have a positive impact on your subconscious because they get this feeling like there’s a sense of familiarity. So — or some people are charming. You can do it the same way. “Carl!” Sounds like he knows me. Sounds like I’ve been expecting his call. So when he comes to the phone, and I go, “Wally!” and I’m trying to sell Wally something for his distributors, and I go to his secretary, “Yeah, this is Chet Holmes for Wally.” “Hold on.” She goes to him. She say, “Yeah, hi, it’s Chet Holmes…?” And he says, “Chet Holmes…Chet Holmes…” She says, “He sounds like he knows you.” And half the guys will pick up the phone just to find out who he is. It’s not like you were afraid to take the call, right? It’s just that you don’t want to take a call that could be a waste of your time.

So he comes to the phone, and I go, “Wally!” He goes, “Yeah?” And he’s, you know, trying to figure… “This is Chet Holmes.” “Yeah?” And now I’ve got his interest about ten times higher than if I went, “Yes, hi, Mr. Jones? This is Chet Holmes, and I’m calling because…” You see the subtlety of it? Did you have a comment Jim?

Jim: No, a question. Do you have some investigation previously to know whether this guy is known as William, or Bill?

Chet: The secretary will often tell you that. And it’s funny, a lot of databases have that in. It’s amazing. They have what the guy is referred to.

Jim: Because I…
Chet: I’m going to get into that. Go ahead – what did I just do? I’m not going to upstage myself, because I’m actually going to get into that.

All right, so other kinds of tonality. Some people feel very comfortable being very charming, and that’s their tonality. And charm actually challenges the other person. So they come to the phone, they go, “So you’re the famous Bill Smith?” So if you answer the phone, Scott, and I say, “So you’re the famous Scott LeTourneau?” And it’s – that challenges you. “Well, I don’t know if I’m famous. So now I’m at a higher level at the opening salvo of the conversation than if I say, “Yes, hi, Scott LeTourneau? This is Chet Holmes, and I’m calling you because…” You understand? So if I say to him, “So this is the famous Scott LeTourneau?” Now if I do it like this: “So this is the famous Scott LeTourneau?” (high-pitched) Now, I’ve just disempowered the whole conversation. But when you do it like that, you actually challenge this person to be a little charming back. And if they have any eloquence or wit or sense of style, the will come right back at you with something witty like, “Well – hope to be famous,” or “Soon to be famous,” or “I think you mean infamous.” You know, or something. And I’ve had it happen.

“Bill, this is Betty Jones. You and I are about to become best friends.” “Oh really?” Great way to open a conversation. Again, you have to go with what fits your personality. Some people, the charm is way more comfortable than other people. I try the authority approach, but I’ve had people work for me who were very good with the charm approach. It was much more comfortable for them than trying to sound like they were on par with Warren Buffet.

So more on tonality – challenge their intelligence. Begin your conversation in the middle as if you are old friends. Challenge them to be witty with you. I just kind of said this, but let’s give an example.

First words out of your mouth: “What I want to know is how come we’re both in the office on a day like today?” “I guess we’re both crazy,” comes back, and so you start with this witty thing going on. I’ve done it a hundred times where I’m on with the top executive, and I start in the middle of the conversation. (This is probably not the best example.) But you need to think this stuff through so that when those opportunities come, you’re starting your conversation at a higher level.

Pace their rhythm.

Don’t let them rush you. You ever deal with this guy? So what happens is, a lot of us have dealt with this guy right here. You call up and you go, “Yeah, hi, this is Chet Holmes.” And you get this guy on the phone and he starts going, “Yeah.” “And I’m calling - ” “Uh huh.” “The thing I wanted to mention was - ” “Uh huh.” “Well, we have this product.” “Yeah.” “And really, it’s great…and…” You start – your voice just goes right up into the falsetto because you’re losing your cool. So with people like this, don’t let them rush you. Don’t turn into a salesperson. So I’ve had – you just stop them right in their tracks. You just say, “Listen. What I have to say is important. It’s going to take a minute, but if you don’t have a minute right now, then perhaps we can find out when a
good time to call you back is.” And I don’t care who it is, they go, “I’ve got a minute. Go ahead.” In other words, “Don’t be an asshole, because it’s going to take a minute and I’m not going to have you going, ‘Uh huh, uh huh’ every 30 seconds in my face here. It’s going to take a minute.” So just stop them cold. Again, if what you have is important to them, then you can say that with confidence. If what you have is not important to them, then just go ahead and let them rush you and hurry through the conversation into your falsetto thing, and be brushed off within ten more seconds of them rushing you.

OK, so **attitude is critical because the subconscious reflects your true attitude.** And the reason that I’ve been successful getting top executives on the phone is because I truly, honestly, in my heart believe that I can help them. And I’m so sure, I make them doubt themselves. And again, that’s my psychological profile. So you can technically learn this, but it would be way better if you hired somebody who’s got that in their soul and can pull it off every single time. But you should understand it, because when you have that salesperson coming to you saying, “I can’t – I just can’t seem to get through.” It’s because they’re not putting enough heart into it. Because that will override everything.

So **you’re going to get what you want to get.** That’s the main attitude. When I pick up the telephone, I decide I’m going to get Michael Eisner on the telephone. I don’t know how long it will take. I don’t know what tricks I might have to do. I don’t know how many turns, twists, and jumps over hurdles I may have to engender, but I make the decision that I will get him. And that’s why it’s sometimes a shock when you do it on the very first try. Because you’ve made this decision. You’re on this path.

Like I said, when I went after Jay, if I didn’t decide that I was going to get to this fellow, I wouldn’t be here in front of you today. Because there’s no way an average Joe would have gone two years to try to…and on a consistent basis. And I affected him because for about the last year of that two years, he kept saying to his secretary, “Well, ask him to give me something in writing. Well, ask him to give me that paper. Ask him to give me that…” And another thing would go out, and he wouldn’t read it. But the point is that I made a decision. I decided. And so that is the attitude – the main attitude you need to have when you pick up that telephone to try and get that top executive, or any executive that you want on the phone, is that you make the decision. Because that attitude in your subconscious is going to come screaming across, and it will help you blow by barriers, go around secretaries.

**You can help whether they like it or not.** That’s your secondary attitude. “I’m going to help you whether you like it or not.”

**Self esteem is crucial.** That’s why I say, it’s better to have a person who has the right psychological profile, because they’re going to be able – or you know, Dr. Jean and her staff, on a mission from God you can do amazing things. Look at what the Blues Brother did. But no, I’m serious. If you’re on a mission, that fills you with confidence that people don’t normally have. That’s why you want to be an evangelist for your product because you’ll do things that most people can’t do.
Attitude is more important than what you say, because the prospect’s subconscious hears your confidence or your doubt. So I want to reiterate, guys. Also this is a righteous example of how to use graphics. You see what I’m saying? This is smaller, it’s not as wide. This is not as wide here. This is red. By the way, the number one most noticed color is red. So if you glance across this room and watch where your eyes stop, it stops on Jerry, and it stops on Jean. They’re both wearing red. It’ll just slow right down by those colors. And the red plaid in Doctor…

OK, so how you say it is five times more…and I just want to reiterate it and reiterate it, because it’s just so much more critical.

The One-Minute Sales Manager. Now I want to spell this out. Yesterday I glossed over it. The One-Minute Sales Manager, you close your eyes and you count backwards from ten. This is actually in that book. You close your eyes and you count backwards from ten, relaxing more with each exhale. Now, just a little test to see if you guys were paying attention. The brain has the beta mode and the alpha mode, and one of them is a more relaxed mode. Can anybody guess why they would want you to count backwards before you do this exercise and relax? Because you’re more receptive to whatever it is you want playing in the brain.

Step two is to visualize the prospect being happy to take your call, receptive to whatever you want to say. And as a champion, get-top-executives-on-the-phone kind of guy, I can tell you I still do this exercise because it fills you with confidence before you pick up the telephone.

Then visualize the prospect being happy after your call, feeling like he or she has benefited and gotten something they wanted. So this is the process: Count backwards – ten, nine, eight, seven, six – feel yourself relaxing. Then picture the prospect coming right to the phone, taking your call. Then picture them being happy that they actually got the call. Picture them hanging up and feeling like, “Wow, that’s pretty interesting.”

And then next and finally, visualize yourself feeling great because you got what you wanted. But notice who’s last. You are last, so you’re serving the client. And it gives you this little charge right before you pick up the phone. This exercise dramatically boosts your confidence right before you make that call.

Selling by phone…If you’re selling to businesses by telephone you need to master this “How To Get Around The Gatekeeper.” You need to create a vehicle that enables you to build rapport – a survey, a strong promise, a piggyback relationship, an article you’re writing for your newsletter, a free offer for a health education… See how it’s all starting to work together? So it’s not just like if I presented this one for you, it’s here’s how to get around the gatekeeper. But now you got around him, and you’re trying to get this top executive to meet with you. A lot of you here are now going to sell at a higher level. How many people, because of what they learned, are going to go to a higher level
for selling – raise your hands. OK, great. So a lot of you are just – you know that if you
go to a higher level, you’re going to have greater success. But you’ve got to have
reasons, and strategies, and vehicles that enable you to do that.

Create tools to help you sell – mini-orientations, drawings or diagrams, get them
to draw, paint visual images in their mind. If you can make them picture things, you’re
going to be – that’s why the chiropractors, that pyramid thing worked great. Because
only 11% (we actually had the data) only 11% of the population goes to a chiropractor
even though 40 million Americans have chronic back pain.

Have endorsement from someone they respect.

Selling to consumers by phone – who does that here? One person. All right.
Well, this is for you, babe.

Must master tonality with authority and sincerity.

Must have strong promise or other rapport vehicle.

Give exact amount of time that you want to take. “This will take one minute and
43 seconds.” Or “This will take 43 seconds.” Anybody will listen if you say, “This will
take one minute and 11 seconds.” “OK. Go ahead. I’ll give you a minute and 43
seconds.” Now again, I could design for you, Jerry, if you wanted to have a machine for
marketing, a telemarketing program to solicit people in their homes at night to get fences,
but there are more effective ways, probably, for you to do that. Like better promises on
the radio, or more encouraging things in your newspapers, or let me give you another
great idea. I’m surprised I didn’t mention it.

Jerry: ______

Chet: Yeah, exactly. But I want to say this for anybody who might buy this who
has an outbound effort. Like if you own a jewelry store or a boat shop, or a high-end, any
kind of a retail organization, that you can use this as a method. You can target today by
area code, by ZIP code, by neighborhood. You can buy lists for anything. So if you want
to target – Oh, where’s Adrian? Yeah, you sell to consumers. You should have stuck up
your hand, man. You want me to skim over this part and not help you?

But seriously, you can target neighborhoods if you come up with that promise, or
that cool thing, or that party, or that event, or that charity, or that superior access vehicle
that you create, you can target best neighborhoods with that promise and you’ll have a
much higher degree than you trying to blitz the radio to get $15,000 customers. That, for
you, is not cost effective. Or him trying to – well, I don’t know what the advertising is
like in your community, but it has helped you. But in your case, it’s better to target (in
Adrian’s case) to go after the best neighborhoods. And you could do that by telephone.

Give them the exact amount of time.
Can you get them involved?

Have an endorsement from someone they respect. OK, for those of you who do the outbound marketing, is to ask for those referrals so that you can call someone, and then you have your rap down. You don’t just blunder through it.

Give something free.

So, you want to create a vehicle that gives you the ability to establish rapport. And a brilliant, dazzling vehicle for that, those of you – any of you, really – is a survey, an industry survey that you’re conducting. The newsletter concept that I gave away yesterday, but I want to reiterate at the time we’re trying to create the vehicles for you. You know, Bob and his team have a newsletter and they already were smart enough to go out and have people in their industry writing articles, and then feature them in the newsletter. So then I told them, just upgrade it to a magazine, even if you only publish it twice a year, it feels so much cooler. And then if I’m one of the tech guys that they deal with and I get a magazine with my picture on the front cover of that, I’m going to take that home and show my wife and kids. And that bonds us immediately.

So what can you create that your customers will want to participate in because they get their picture on the front cover of your magazine that you only printed up 100 of them, and the only people you sent it to was the 100 you’ve been trying to get, the Dream 100? So it didn’t cost you a lot of money, but it has a huge impact. Because this guy gets something in the mail that he thinks the whole industry got, and his pictures on the front cover.

The first one we did it at, we took 16 of our Dream 100, and we put their faces right on the front cover, and it said, “CEO of such-and-such speaks out.” It had his name and his picture there. So then we had that whole interaction there, and then we had the salespeople call and interview them. We didn’t ask them to give us an article. That’s static. I want interaction. I want opportunity to get a relationship. That’s the whole purpose of doing it. Did you guys get them to write articles, or did you interview them?

Bob: Interviews

Chet: Good for you. They’re doing a lot of things right, over there.

So interview them. Have a community newspaper, or newsletter, or maybe you want to write a column for something that already exists. As Jay pointed out, there’s hundreds of these little freebie things that are given away, and they’re in the lobbies of the buildings in your neighborhood, or they’re in the supermarkets. And call those guys up and say, “I want to do an article on such-and-such, and it won’t cost you anything, and I’ll buy an ad just for the hell of it!” They’ll do anything to sell you an ad.
Another great thing for those of you who sell consumer – business to consumer. One of the cheapest things you can do – and the most effective – is an insert. It’s actually less expensive than actually buying an ad in the newspaper or the magazine. It gets like ten times the response because it keeps falling out of the newspaper onto your table. And yes, a lot of people throw them away, but if you have an ad, you don’t necessarily have to touch it. So if you’ve got a compelling graphic, or a compelling visual, or something that’s interesting on that insert… And the cool thing is, now today, newspapers can do them by ZIP code, so you don’t have to drop it – in your case you dropped it to the whole community. In your case, you want to just drop it in the communities you want. So just the very upscale homes in your neighborhood will get this thing that falls out – “The Ultimate Audio Experience,” and a picture of, you know, your theater in your home. I don’t know what it is, but “Isn’t it time you enjoyed the very best?” Or whatever that motivation is.

So for any of you who will ever sell business to consumer, one of the cheapest ways to go is inserts. And if it’s a great promo piece, as Jay pointed out, a lot of these newspapers, they started out – they did their own printing. Most of them still do. So they’ve got these huge printing presses, and you can get – and I taught this to my chiropractor – she runs an insert in a magazine just to get the overrun of 10,000 more fliers for like a dollar. It’s so cheap, you know what I’m saying? They’re so inexpensive, you can’t – you go to a printer and try to have him print you up 10,000 fliers, and it’s going to cost you five times what it would cost you to have an insert in a magazine. “Say, can you run me off a couple extra thousand of those?” “Oh, sure.” “How much is that?” They go to the thing, they figure out – it’s $43. You’re like, “OK, yeah, just a minute.” And they have no idea they’re giving it away at this unbelievable deal for you, if you went to Speedo Press or Kinkos it would cost you five times that amount. Because for them, they’re running off thousands of newspapers, or hundreds of thousands of newspapers. So, and I know the Globe and ___ has an insert program. And that is your ideal candidate. (I told you I worked on that newspaper.)

Establish rapport and trust…so you want a vehicle that gives you an opportunity for that. When you – back to business to business – get that executive on the phone, you want a vehicle that gives you an opportunity to establish some – because you guys are marketing to consumers too. Just stick up your hand so I’ll help you – you guys. OK.

Participant: ________?

Chet: Just go to any local printer, and just put together a little Mickey Mouse thing. Just make sure it has a nice, glossy cover, thick paper so it feels like it has some substance to it. Good question, glad you asked that. And you can put articles in there, put your pictures in there - especially you and Ruddy, you’re both such good-looking people. Just put your pictures right in there. And then you have the CEO’s corner, a little section where they may or may not read it. It doesn’t matter. But again, it should be full of information that should be valuable for them, that does what for you? Sets up the buying criteria. God, you guys are fantastic!
So that is a really powerful vehicle though. I would strongly urge that to anybody. Again, a newsletter I’m not interested in. So you call up and you say, “Yeah, we have a magazine called (have some name for your industry, or whatever) and we’re running an article this week on “The Greatest Challenges Facing Distributors Today” - “The Greatest Challenges Facing Opticians Today” - “The Greatest Challenges Facing Distributors Today” - “The Greatest Challenges Facing Machine Equipment Companies Today” - “The Greatest Challenges Facing …” You see what I’m saying? And that’s something people – “Yeah, I’ll comment on that. Sure.”

And then you get in rapport – deep, deep rapport, while you’re interviewing them. You go really deep, and during the interview you’re getting their challenges on the board. Now you don’t want to then say, “And we can solve that problem! We can fix that for you!” Because then you come right off like a salesman. You just blew the whole reason that you wanted to do it. You could, however, very delicately say (as we used to do when we were selling the magazine) … and again, you look at your strategic objectives. So when I was publishing magazines, I had always, in every magazine I ever published, a column that was called, “New Products and Services of Interest To Our Readers.” So my salespeople could call – this was a superior access vehicle – they could call up any advertiser, and their real goal was to get them to advertise. But they would say, “Yeah, hi, I’m Joe Smith, and I work with such-and-such Magazine, and we have a column called , “New Products and Services of Interest To Our Readers. And we’re trying to determine if your company has any interest to our readers.” And so you have this chance now. I’ve got Paul Mackay on the phone, and every other guy selling advertising has been trying to get to you and can’t, right? And I’m writing an article for a column in Seattle Daily, and I’ve got him right to the telephone – Bingo!

Now if I jump all over him as an ad sales guy, I am dead in the water, am I not? You’ll brush me off in ten seconds. But if I spend half an hour on the phone intelligently interviewing you, bonding with you, getting deep with you, finding out the challenges of restaurants and letting you plug the hell out of your restaurant – go have at it. The whole conversation is one-sided, with him taking advantage of this enormous PR opportunity. Then I’ll print the little press release. We used to do about eight a month, so every sales guy would get at least one that they could do. But you could dangle five or six carrots in front of other people. “I just want to see if I want to do a story on you.” So now he’s pitching me. That really changes the relationship, vs. me trying in ten seconds to try and talk him into spending some time on the phone with me. You guys understand? So now, after he’s done pitching me, I say, “You know what? We have another division. I’m one of the guys that writes the articles for this thing. But we have another division. And I’ve been thinking it might be something of value to you.” Now if I try to sell you advertising again, I’m outta here. But if I say to you, “You know, we’ve put together an orientation on the five things that makes businesses succeed, and shown it to just about everybody. Has anybody ever offered that to you Paul?”

Paul: I’ve had that pitch like that.

Chet: Have you?
Paul: Yeah.

Chet: No, I’m saying – I’m role-playing with you. You don’t need to – I’m just saying that, you know…Yeah, but have you been pitched after you’ve had a half an hour conversation and were in a deep rapport, and I’ve now learned about your wife, children, and how you function and run your business and think and operate. You know, because from that perspective if you then say to the guy, “Listen, you know we have a division that has this, and it’s full of data about how only one in every 25 restaurants survives. And it’s full of some information that shows you the difference between the ones that succeed and the ones that fail. And I mean, you’re obviously very successful. You probably know a lot of the stuff in there, but there’s a few things in there that might really surprise and be of value to you. Has any of our staff offered that to you, Mr. Mackay?”

Paul: No one.

Chet: Yeah, well that seems like something you might want to be interested in. Should I have someone set you up for that?

Paul: You know, what’s convenient for you?

Chet: OK, so you see what I’m saying? It’s like now I’m going in in the best possible relationship. And if I get in there, and then my presentation starts to pitch him right out of the box, he’s going to look at me like, “You son of a bitch.” So it has to deliver what it promised. It has to teach him five things that made Seattle businesses successful. And then he will sit – and it has to have wows where he’s learning something, or he’s going to be pissed off. So it literally has to have things where he’s going, “Wow, I didn’t know that. Wow, I didn’t know that.” It doesn’t have to be, “WOW, I DIDN’T KNOW THAT!!” It can just be, “Wow, I didn’t…” As long as there’s this interest for every panel that starts up with broad information, and what else is going to be in there? You already know. What’s going to be the first ten panels, at least?

Paul: Pain

Chet: Thank you. You are my greatest students. And so you’re starting to see how all those pieces we’ve been talking about for four days. If you’re a strategic Moonie, and your drilling down like a champion down to the tactical level, and your tactics are executing as good as your strategy – man, you’re just…nobody can compete with you. Nobody. Nobody can compete with you.

So you can have an orientation that’s like “How To Incentivise Employees.” Or “How To Entertain Clients In A Way You’ll Never Lose Them.” Or “How To Capture Clients in the New Millenium.” And you’d have five or six concepts that you learned here that you know are a wow – and you do have my permission to use them in that regard…where you sit down with the CEOs of the biggest companies in your area, and the first 20 panels are interesting to them about capturing customers. “And one of the
things they taught us was how to put on a charity event, and how to blah, blah, blah…”
And you teach them how to do an event at your restaurant, and you’ll be booked solid for years. No one will be able to get a reservation in there.

OK, so tactical execution of all this strategy is learning how to just take advantage of every little opportunity and maximize it so that you’re smooth, and it’s smooth, and the whole time you’re serving the buyer. So I’ll drill this down for you, Dr. Jean. I would have a free seminar that promises five tremendous values, and I would have the fortune cookies going out to people in mass quantity. I’d definitely have the charity events. All that other stuff is right up your alley, but in this particular context, I would have a free seminar that people can come to. And I would have motivation for them to bring their friends. I’d give them a gift – whatever. How do they do the – you know, the Latter Day Saints, or whatever. How they advertise, and they sell the heck out of that book and you get the book for free. It always amazed me. I was like, “Wow, cool.” I’ve ordered a couple of those books. I’ve never read any of them, but I’ve ordered them. That sounds interesting. They sell that book really well.

So you need a vehicle that creates an opportunity for you to build rapport so that you can just slip right in there for those clients. We need to create that for Diana. Something that gives her this superior access to these top executives.

Qualify the need. It’s like this is all starting to sound really familiar. In the process of establishing rapport, you want to have some of your questions or some of your approaches finding out what their needs are.

Free education.

The one who gives the most wins. And it’s free for you to even get it. I mean, you can pay a researcher, but you can do it yourself, as Jay said. You can just go online and find just about anything you want. There’s people who are way better at it, but…I have been at the top of the game in every company I’ve ever run. The number one, not even anybody close. And our competitors would go make fun of us. And when that ABA Journal came up with the – they were going to come to my market and try to put me out of business and we slaughtered them… At their annual meeting I met the sales manager years later when he wasn’t working there anymore. In fact he was coming to me for a placement service that we offered – sweet revenge! And here he is trying to get me to help him find a job. And he told me that at their annual meeting, they had one of their people dress up as me. “Hi, I’m Chet Holmes.” And come out and do like a funky – they even had a copy of our whole flip chart. They had gotten it, which I would have at the time been like, “NO!” I guarded it fiercely. We wouldn’t let any of our clients have it, but somehow they got it from somebody, and they made fun of me at their annual meeting.

And he said when they were all done making fun of me – actually he was the Associate Publisher – he stood up and said, “That’s exactly what I want every one of you to do.” And they agreed with him after he got done telling them why it would work, and
do you think they actually did it? And do you know why? Because they didn’t have all the stuff you guys have now. They didn’t have a process. They didn’t have a procedure. They didn’t understand training. They didn’t drill those sales people and pound it into their heads every single day of their lives like I did. They didn’t set their appointments for them to make sure they were going to be there, etc., etc., etc.

So this is just a killer…the one who gives the most wins – free education.

The piece that probably initially attracted all of you to Jay was incredibly educational – that 16-page thing? It was full of all Jay’s best ideas. I was surprised you gave away so much, but he’s following the exact strategies. Superior access vehicles. What can you design and create which will make you irresistible to your prospects?

Free information to succeed – I probably did all this.

Tremendous opportunity.

Distinguished or honorable situation – an awards ceremony, event, an article. Think about that awards ceremony for some of you – yes?

Jay: We’ve had very good luck – I have, over the years – getting my clients to create surveys that became quarterly, semi-annual, or annual events, almost like a J.D.Powers survey. And we would open the market by doing that.

Chet: Yeah. Very strong.

This awards ceremony thing – you can get all kinds of people behind that, especially if the proceeds go to charity.

Jay: Give them an example – it’s conceptualized.

Chet: I’ll use Adrian as an example. Adrian decides that he’s going to chair the annual…there’s ten categories. You can give away lots of awards – of humanitarians and/or business successes – inspirational stories. The ten greatest inspirations in Toronto for the New Millenium. So you go to your current clients and you call them up, and you say, “John, (your billionaire buddy) you know, I’m chairing…” And at this moment there is no such thing. It doesn’t exist. No one else has ever heard of it. This is nothing. “I’m chairing the National Awards Ceremony (it wouldn’t be called the National, but) the Toronto Awards Ceremony For Inspirational Individuals. And I hope you wouldn’t mind, but I would like to actually nominate you for that.” “Oh, no, that’s OK.” “No, I really insist. In fact, I’m going to. You can’t say no. I just wanted you to be aware that I’m doing it. But I also wanted you to be aware that it is a charity event, and so if you actually go from being nominated to winning the event, I just didn’t want to put you on the spot, because I want to let you know that the proceeds go to charity but it’s going to be $200 a head to attend the thing.” Or whatever the amount is – you know, $100 a head, or whatever. And so then you go to the next person.
And for any of you, again, who sell business to business, you can have the National Awards Ceremony for Pool Liner…Pool Sales Guys. And then you have Best Presenters, or Best… You know, you can have it around the categories that you have that make them successful. But boy, they’ll fly there. They’ll wear their tuxedos. Their wives will wear their greatest evening gowns. They’ll pay the ticket to come. They’ll pay to be at the awards ceremony. You will take the proceeds from that and pay off the bill that you spent putting it on, and take the rest and give it to charity. So you’re doing a good deed, and the whole event costs you nothing.

Now, please understand, this is a big undertaking, and if you start it, you’d better be committed to making it successful. But if you’re sharp, and you’re a star, and you’ve got some horse power, you can put these things together and boy, does it work! Remember that slide, most popular? We put on the awards ceremony for our whole industry. And like I said, guys came in the tuxedos. We had these wonderful – in fact, I would like to recommend for any one of you that want to do it, what might make a very good awards plaque…John, am I going to get a commission on any of this stuff? The brass would be better though, because it’s most classy-looking, more expensive-looking.

But yeah, we had these really cool awards. And it’s been 15 years, and some of these guys are still my friends. And I go into their office and they’ve got those awards up on the wall when you come in the door. I’m like, “Yeah, that’s kind of cool.”

Participant: How do you sell them when you do that?

Chet: What do you mean?

Participant: Go to a sale?

Chet: There has to be a point where you transition to the educational process. Where you offer them that, “We have something else that, blah, blah, blah, blah.” In your case, you’d be doing it as a way to try and get free publicity. You know, it’d be a PR event for you. But you’ve got enough critical mass among your current clients to probably sell 3,000 tickets – or at least 1,000 tickets. It would make you like – you’d rise from obscurity to height of society. You invite the mayor, you invite the richest people in the community. You’d be this humanitarian, because you’re really doing it for some charity.

Pick something that’s really great. You know, the Homeless Children Charity, or the Make-A-Wish Foundation. Although when you get involved in somebody else’s charity they have some rules about it, so I’ll warn you. Make-A-Wish Foundation, they have specific rules about what you can and cannot do, and so they were kind of a pain in the butt. And even though I had brought 200 doctors to the table to raise money for them, they were so much trouble. I said, “You know what? Let the doctors each just pick their own charity.” So they lost out on all that money, because they were just too much a pain in the butt to deal with.
So you can just pick some charity that no one else has recognized yet, and they’ll just do anything. “Oh my God, you’re going to do that for us?” They can’t even believe it. And many of the more successful companies that I work with always have some annual charity or event that they do that’s very powerful. In your case, with the distributors, I would do that magazine. That’s a really great way to penetrate your Dream 100. And then now you’re interviewing me, and I’m the owner of six convenience stores, or something like this. Or 12 independent ones, or 25, or whatever it is. And you’re interviewing me for the quarterly magazine called “The Convenience Store Advisor,” or whatever it’s called. And your picture’s going to be on the front cover, and you want to ask me the five greatest challenges facing the independent convenience store. And when you do that you mention the names of the other five biggest convenience store independent owners that you’re also interviewing, because that gives you what? Social acceptance, right? Best buyers buy what other best buyers are buying. So you say, “We’re interviewing all the largest owners of the independent chains of convenience stores this quarter for our quarterly magazine, ‘The Convenience Store Advisor,’ and …” And you just casually throw out five or six names that they know. You see what I’m saying?

So you see how it all starts to really, really work. And then when you throw out those names, then when you’re interviewing them, and you’ve got this great article and this all worked really well, you say, “Hey, have you seen our orientation on what makes blah, blah, blah, blah?” And you can do it on the Web if you’re set up like, who was saying that? Bob. You can say, “Have you seen our orientation on that? Oh, well that’s a whole ‘nother thing we do. We teach convenience stores the five ways it makes them successful.” And my researcher can go out and give you all that. You’ll have killer, dynamite, and really ____ news too. It’s real easy in your marketplace, how the big chains are killing independents. “And how you can have that same kind of loyalty, or name recognition, or brand…” You see how it starts to all roll out. And now the guy says, “Oh, yeah, that might be interesting. And I’d like to get my Vice Presidents involved.” And you say, “You know who else would be good? Your key buyers, your…” And you get all the people you want in that room when you do it.

And again, if you have them coming to your area anyway, - you can do that there in your office, but if you can do it by phone you can do it by phone. Say, “Look, we have an Internet orientation that we give. You get on the phone with one of my people. In fact, you know what? I’ll do it for you. I’m the president, and I love to do this quarterly thing. It’s one of the things I do, because I enjoy writing and interviewing people, and I enjoy the bonding experience. But I’ll personally take you through that.” Because you don’t have any salespeople, right? You do? Are they clever enough to do all this?

Bob: Not yet.

Chet: Yeah, there you go. So let’s not put a person who couldn’t possibly handle the subtleties here into the middle of that kind of a paradigm, or you’re going to embarrass yourself. Because the minute they hear, “Oh, you’ve got that challenge? Well,
we’ve got this product...” and right away, you’ve blown it. Because your goal is to first serve, serve, serve, serve, serve, and build rapport, rapport, rapport – remember that’s 40% of the sale – and qualify, qualify – you’re 60% of the way and you haven’t even sold a word or said a thing that pitches you. And that’s where you want to be before you start pitching. Understand?

OK. So that’s a killer. I mean seriously, an awards ceremony where the proceeds go to charity because people have to pay to go to it.

Can you create a newsletter – we already said that.

When you don’t know them...outbound retail...restaurant...when you don’t know them.

Write a script with a super-sincere and friendly opening. “Miss Jones, you probably never have gotten a call like this before from a restaurant...a department store...a weight loss clinic...or a medical thing...or whatever. You know, if the conversion rate is very high, it can be cost effective for you guys to sell business to consumer.

“We’re building a database of potentially ideal customers, and we’ll give you a free dinner if you are in our target market.” Now you pitch your store. “As you probably are aware, our fence company...our ______...our health care clinic has been around for _____ and does this and that, but we want to ask three to five questions and we’ll give you a free gift.” (OK, it doesn’t go on, so I’ll have to make it up from here.) “And we’ll give you a free gift if you’ll just answer the questions. We want to see if you might be an ideal candidate.” And then you name what the gift is, because otherwise in your case it’s obvious. It’s a free dinner at the very posh restaurant. In your case you get somebody who wants to reach consumers who couldn’t possibly afford to do that. Maybe it’s some little crafts person in your area that they know if someone sees their little egg sculpture they always want to buy more for their friends. Or maybe it’s these plaques that he gives you at cost, or you know what I’m saying. You find some gift that you give people just for participating in the survey, and you just have – “We have four questions. It’ll take 43 seconds.” It should be some exact. It should be some exact. You can take four minutes, but you promise it will only take 43 seconds. Because everybody’s got 43 seconds, or 28 seconds, or whatever it is. Every now and then you’ll get some guy who looks at his watch and goes, “You’re ten seconds over.” You can’t sell them all. Be prepared for some failure. But if you’re like Jay, when the failure comes, you just go this way and find some other way to deal with it.

But it enables you to build a database, and to get into dialogue and give away a free something that gets you at a much higher level in their reticular activating system than you would have been had you not done it. And again, it can really pay off for some people. You can have a whole bank of people doing that for you and driving more traffic into your health clinic, or your pool service, or your restaurant than you could ever
Imagine possible. Target by neighborhood. You can even go in person to the best neighborhoods.

I had this guy come to the door and said he was with Brooklyn Pizza, and having been from New York and knowing there’s nothing like New York Pizza, he said, “I’m with Brooklyn Pizza.” And I’m like, “I didn’t even know you guys were here.” (And this is California proper.) And he said, “We have this deal.” And the only thing was I was a little nervous, because it seemed too good to be true. I paid him $20, and I get $300 worth of coupons, and every time I order pizza I get one for free, and blah, blah, blah. Well, it was an Abraham concept designed to acquire lifetime value of customers, and it worked. Until I found out I was allergic to every single thing in pizza! I was like, once a week we would order pizza from Brooklyn Pizza long after the coupons ran out.

But they came right to the door. He said, “For $20 I’ll give you $300 worth of coupons at Brooklyn Pizza.” And we ordered for a year on that. And the only thing I did is I went, “Wait here.” And I went to the phone and I called Brooklyn Pizza to confirm that this guy coming to my door was the real deal so I wouldn’t get ripped off. (And that’s a New Yorker talking, you can tell.)

When you don’t know them, blah, blah, blah. When they’re already a customer and you want to bring them back to you again or find out if they have other opportunities, or sell them the new blood test that you guys are going to offer… Keep a database of everything they’ve bought, or at least how much they’ve spent.

Create special programs or opportunities to get them to come back more frequently – a gourmet evening for a restaurant. Start a gourmet evening. “We have it once a month, only, and it’s just for our best customers, but we have a gourmet evening and it’s a nine-course meal, all set up, finely prepared.” You have that already? Good for you. These guys are good! You guys are good.

Um…We’re a restaurant, an outstanding bottle of wine for a ridiculous price…For retail, a new item just came in, or a show, or a party, or anything that gets you back engaged with your customers, and that’s applicable, again, for business to business as well. Totally applicable, if they’re already your customer. How can you create some special thing to get back into the buying?

Bob was saying to me last night – again, great example – that he built this very successful company (compliments to them) because he did everything that I’ve covered in the last four days. He went over to their house…they came to his house…and bonded with them…and partied with them at the trade shows. Then he got successful, and he then hired salespeople and said, “Write your own job description.” Didn’t insist on any of them doing anything like what he was doing…and of course, little by little, the foundations started to shake. He’s not getting the money. He’s not as popular as he used to be.
So this was perfect for him, to say, “You know what? I used to do all that stuff. So now I have the systems and the policies and the procedures…” to make sure that anybody he hires - that’s part of the system. It’s not left up to the individual talent or attitude or mood.

Call up and be super-friendly.

Write a cold-call script to invite best buyers to try your establishment – write that down as a workshop. We won’t do that now, but write that down. Write a cold call script as a way to invite best buyers to do something with you. That’s a workshop. Explain this concept to your staff and have them work through it.

For current customers, write three reasons to invite them back. Write that down. So that’s new buyers, best buyers - new, though…and this is current customers.
Chet: OK, so this one is called “The 12 Steps To Get An Appointment With Anyone.” The last one, I guess, could have been called “The 40 Steps To Get Around The Gatekeeper.” This is like – that has failed.

So the last one was all about getting around the gatekeeper, and with George Zimmer as an example, I got past her where she was now letting me have his voice mail, and people say, “Oh, I hate voice mail.” I love voice mail. You know, it’s perfect. You can leave the most mysterious message on voice mail, and sound so important… You know, they just out of curiosity call you back. So voice mail’s fine.

So the object of the game is to get appointments, all right? Your company needs to create an arsenal of standard tools, all with the objective of getting an appointment. An arsenal of things. That’s why I had you building six promos the other day. Because now I’m going to show you how we’re going to use them. Each one takes a different approach. Some things appeal to some people for different reasons, and some things don’t. So you want to try and have every single approach that you can possibly think of.

So this module offers twelve excellent techniques and/or concepts for getting appointments with the most difficult prospects. Followed regularly and systematically, you know, there’s almost no one in the world that you can’t get an appointment with. I don’t care who it is. I always say there’s no one I can’t get to, given enough time. The hardest, longest I ever had to go was with Jay, and look at the results of that. So it’s that – what’d you call that? The Bowflex thing?

Jay: Yeah, it’s just ________

Chet: So that was the hard one, and look at the rewards. Here we are six years later.

So, areas covered: What makes the world’s greatest salesperson?

Getting the impossible appointment with others makes this – getting the impossible appointment will make others seem easy. So I’m going to show you, like, the impossible – I already showed you the impossible gatekeeper. Now I’m going to show you, like, we’ve already gone to where the gatekeeper’s screening me now. I’m dead in the water. Yes?

Jay: (Let me turn my thing on.) I have one challenge to you, if time allows. And it’s the inverse of getting through the gatekeeper. It’s teaching your gatekeeper to be more of a lever for you.
Chet: You should try to get around his gatekeeper.

Jay: Because most people give away the – I mean, yeah. No, I’m not always that good about it, but you ought to give them the reverse, if you can think on the fly, and do that?

Chet: I think they can do that themselves.

Jay: OK

Chet: Because you can figure it out. You just show them this module.

Jay: But I’m not talking about – it might be worthwhile to people, about having them really garner stuff for you in a template way that they can really cut. Because you’re in time management. That’s probably one of the biggest wastes of most people’s time.

Chet: Yeah. Well that’s what they normally try to do. That’s why they’re effective, because they come to you and say, “Jay, this guy wants to talk to you about you selling his videos.” “Tell him to send me something.” And I tried the old, Blah, blah, blah, rap, and show him back to you with it, and you said, “I’ve got to see something.” Which you never read for two years.

Jay: Yeah, but you know what? I mean, truthfully, parenthetically, if you ask that of – not with sales people. People coming to you with real business propositions that they’ve gotten out of a glint in their eye, and 90% will never send you anything. Because they have to take action. Go ahead.

Chet: OK. Tools and techniques. So I’m going to give you twelve actual steps that you’re going to go through to get an appointment with anyone.

So as you work through this module, build your twelve steps. And again, if you’re in a consumer thing, then the moral to the story here is it’s the Chinese water torture, as Jay says. The drip thing. You can’t build top-of-mind name recognition unless you’re in front of your buyer on a constant and regular basis. But if you’re business to business, this is righteous.

Make it easy for yourself and/or salespeople by laying out all the materials in an easy access format. Give them a bunch of tools right there at their disposal.

80% of the sales people driving only 20% of the sales – you know why? Because most people do not like to be rejected, and so the minute they get rejected, they try and find other things that they should do instead of just trying harder to get the accounts that you want them to get.

When a client says, “No, I’m not interested” most salespeople hear, “No, I’m not interested.” Go ahead.
48% of salespeople will give up after only one rejection. 20% will try two times – and watch how this number’s getting smaller. 7% will try three. Only 5% will try four or more times. And I’ve already told you, it takes 8.4 attempts. So we’re down to 5% with only four rejections. “I told you, I’m not interested.” Four times, and we’re down to almost nobody even trying. That’s why I was top producer, because I just never even heard that.

So, the average salesperson hears “No.” Top producer hears “You haven’t convinced me yet. Keep trying.” Because they just – if they’re so sure that this is what the prospect needs to do, they just wear them down.

So these will face – the best will face five or more rejections.

The very best never give up. It’s just, they make the determination of what they’re going to do. This small, elite group makes 20 – this 20% makes 80% of the sales. They’re just getting started where most people would have stopped. That’s the type you want to hire.

Rocky won – (I used to have a picture of Sylvester Stallone, and somewhere along the line we replaced it with this. I do not know why.) But Rocky won because he had more heart. Right? I mean, he wasn’t more skilled than - who did he fight in the first movie?

Participant: Apollo Creed.

Chet: Apollo - Ooh, we’ve got some Rocky fans here. Actually, he didn’t win, but he just – he held his own because he’s like, “Go for it.” He decided that he wasn’t going to lose - and that’s what made all those movies great, is that the guy decided he was not going to lose. So it’s that passion, and you need to bring that to your sales situation.

The best keep going and going. The best have more heart. Persistence without being obnoxious.

George Zimmer called me because I was very entertaining. He called me because – he called me to compliment me. I think he even said, something like, “About once every two years somebody gets to me.” And he said, “You were very entertaining, and I called to tell you I’m not going to, blah, blah, blah.”

Top producers are persistent in an entertaining way. From the first attempt to eternity, you can become part of their lives. Meaning that if you pick your Dream 100 and you decide, now you’re going, a lot of you, to a higher level and you start going after them, that’s where you just start pounding away at them. So when I enter your world – I call it “entering their world.” When I enter your world, and I’ve decided I’m going to get to you – no, now, if I would have sent that Success Magazine article right to Jay, I don’t know that that would have worked. But it was a culmination of him hearing from me for two years, and then seeing that and saying, “Well, maybe I ought to pay attention to this guy.” So it was like I entered his world. I knew his secretaries’ names, I knew his
assistants’ names, I talked to Carl several times back in those days – I tried everything, OK?

Once you start working on a prospect, have it in your mind that you will eventually become friends, because that changes the dynamics of how you’re approaching them, doesn’t it? And remember, how important is your attitude? Is it five times more important than the words that you use?

So at the very least, you’re going to face twelve rejections, and here they are. OK, this is going to be you. You will be 600% more courageous than half of all salespeople, because you’re the guy who is never going to give up, and 48% of them give up after only one rejection. Go ahead.

So what’s the shortest distance between two points? It’s a straight line. It’s a telephone line. The fastest, easiest way to get an appointment is to call. When you call, you should try the techniques you’ve already learned in this one first, because that will be the easiest thing. When that fails, you need to create superior access vehicles and when they fail, now –

Oh, let me say this too. If you get the appointment, after all that work we just went over in the last module, and now you’ve got the appointment, and it’s for a week from now, or three weeks from now, like it was with that one…Or I’ve had a couple that Diana had set up with me, and the day shows up - although this hasn’t happened. We haven’t had anybody cancel because I’ve been consistently saying, “Let’s make sure they don’t forget who we are.” So the day before I’m going to meet them, or the morning of, we send them another article or another thing about me, or another thing to refresh their memory of why we were going to point – so the first thing is to remember the cool-off factor…the possible cool-off after your phone call.

So Step One was you try all those things in the module on getting an appointment, and you actually got the appointment. Step Two is you make sure they don’t forget who you are by faxing them something that reiterates why you’re meeting, and the strong points of what finally sold them. That’s a confirmation of the appointment along with a one-page description of what they can expect.

Step Three, if you don’t get the appointment, fax a brief note as to why you were calling. The note should promise some excellent benefit to the client. It should be very brief so they’ll read it, right? And it should be somewhat mysterious. It doesn’t tell them anything. It just promises a lot of benefits. So this says, “A new success program. 32% of companies that Tom Peters cited as exemplary were in financial trouble within 2 years. (That’s a fact, by the way.) Our company has free information on how to avoid the same mistakes they made. I will call you to tell you about it.”

Step Four – what would you do after the fax? You already told him you’re going to call him, OK. You - “I sent Mr. Smith an important fax and I’m calling in follow-up. Is he there?” Secretary - “Mr. Smith says he’s not interested.” Step Four. “Shirley, this is very important for Mr. Smith and your company. I don’t think Mr. Smith realizes the
profound impact of our product or service that we can have. Please tell him that I’m sending you a more detailed description of what I want to talk about.”

And so it’s just like, this woman knows you have now entered their world. So fax another page – or FedEx. I use FedEx as a strategic weapon. In fact, I think that should be their new campaign. “When it absolutely, positively should get noticed.” Because for $12, depending upon who you’re chasing, it’s worth it to FedEx it to some people. Because it gets treated with this special care. For $12, to get superior access, I’ll do it every day.

So, six ways to improve productivity in your company. Other executives who have learned these six things these secrets have – benefit, benefit, benefit, benefit, benefit, benefit. No features. Pure benefit. “As part of our ongoing effort to serve the market, our company now offers a free 22-minute orientation right in your own offices.”

Heading promises a major benefit. So what’s the single greatest benefit realized from the product or service may not be the product or service – you may be pitching the orientation. So what’s the single greatest benefit from the orientation, because remember, we’re trying to make the sale in stages that make it as strategic as possible. Go ahead.

Body copy should be all sizzle, no steak. Make it mysteriously irresistible.

Who should attend? Oh, so – “As part of our ongoing effort to serve the market, blah, blah, blah – mysterious benefit, mysterious benefit, mysterious benefit. Who should attend? CEOs.” Put the highest level of buyer you would like, and this will make it easier to get lower management. Understand? So if you put who should attend, you put, “CEOs” and you could put “and…”- you know, whatever. You guys are going after vice presidents of whatever, so you can say, “Director goes to their boss” and put them in there as well, and when the CEO kicks you down, you’re with the exact person you want to be with.

Because it can cost them enough money - is it important enough for a CEO? If they have a real problem, it all of a sudden becomes important enough for the CEO to pay attention to, doesn’t it? And if you guys can say that…

So, how long? Put the information there. How long? – “22 minutes, plus time for Q&A.” That let’s them know it’s not going to be just 22 minutes, but this is a really good period of time. 22 minutes – almost anybody will give you 22 minutes. With George, I knew I needed an hour so I wouldn’t settle for less. But I’ve got a lot of guys on 22 minutes. Carl Reichert was 22 minutes, and I was there for an hour. I was there for an hour and a half. And then with the person he referred me to, I was there for four hours, and then I got the account.

When – schedule it at a mutually convenient time. You know, when? Schedule a mutually convenient time. Where? “At your offices.” Cost? “We supply the orientation – you supply the coffee.” We put that on there, and sometimes we get a little joke when
we got there. But it’s a – where it says cost, say “The orientation is sponsored by - ” – and you go list your company name.

So now, what would you do after you sent that? Another call!

Go ahead. “Hi Shirley, this is Bart. Is Mr. Smith in?” Gatekeeper: “Hi Bart. We got your fax, but I know he hasn’t looked at it yet.” “Oh Shirley, I can tell him about it faster than he can read it. Ask him if he wants me to do that.” And it’s just like, you’re so annoying, but you just won’t go away.

Send a cassette tape describing the orientation.

Go ahead. Great title. Give it a great title, your company logo. So like, “The Five Most Dangerous Trends In Running A Communication Company,” or whatever the case. “The Five Most Dangerous” – as we’ve already talked about - these tapes are great. It’s a great superior access vehicle. So it’s your Step Seven. Go.

It’s a very powerful marketing tool. It’s inexpensive to produce. Can be reproduced for a dollar. “Would it be worth this small investment to gain customers?” Sometimes I’ve got to talk people into this – I don’t think we have to do that in this group. Go ahead.

A tape content contains an exploration of the product or service orientation the way the prospect would want to see it – meaning that, don’t use the tape to now start pitching your product or service if what you really want is a one-on-one orientation.

And what would you do after you sent the tape? Another phone call. “Hi Shirley. I know he hasn’t listened to it. I actually called to talk to you.” So now I’m trying to win her over, because she is my only hope at this point, right? Charm the gatekeeper. “If Mr. Smith will talk to me, I can save him five of the seven minutes on the tape he’ll spend listening to it. Ask him if he wants to do that.” “No, he’s not interested.” Oh, wow, there’s no way we’re going to see – Oh, it’s a letter of recommendation.

I can’t read the fine print, but – you put a handwritten note on a letter of recommendation. But what should that letter of recommendation say? (I probably am upstaging the next panel, but…) You don’t want to have a letter of recommendation recommending your company when all you’re trying to sell is an orientation. Does that make sense? So what should the letter promote or endorse? Very good – the orientation.

“Killer orientation affected me dramatically. Makes me see blah - …” Because you take it to one of your current clients, and you show it to them, and let them go “Wow, that’s great.” You say, “Joe can you give me a letter on that?” If you have a good client, they’ll say, “What do you want the letter to say?” And then you write it.

Send a letter from another executive who’s seen it. Hand-write your own message. That’s very important. You want somebody to read something? Take and hand-write a note, and put a sloppy line, and circle the thing you want them to see. Put a
star by it. Write his name: “Bill!” Arrow – they’ll read that one thing. Your goal is to get attention, whatever that takes.

So I already said that.

So – “Hi Shirley. I missed you.”

“Hi Bart. He said he’s thinking about it.” Whooh – making progress! Here’s another great one: use this note. Put it in your thing. In fact, it’s in the slides, if you get the slides. This one is - all of these are in the slides – all of the… The only ones that are kind of mixed up are the strategic ones, because I change them around depending upon who I see. But they’re all in there, it’s just that the order of them might not be precisely like you learned it here.

So here’s this guy. He’s facing the Huns. He’s outnumbered. It’s just him and his lieutenant. And he’s got these Huns coming out of him. And here’s Bill Jones standing here with here with a ____ - he’s trying to sell them. And here’s this guy going, “I can’t talk to Bill Jones right now. Can’t you see I have a war to fight?” And the guy’s going, “Yeah, but, but, but sir…”

So I …take this one, put your name here, right? And put your name – let’s see, some of you have to get around gatekeepers, you guys at APS back there, DPS. You put, you know – I’m sorry, I forgot – the sales guy – Eric. So Eric puts his name here, and then he – “No, no, I can’t talk to him.” And right here he puts his name again. And you can – and then here’s the person you’re trying to get. You put their name down here.

See? Go ahead.

Guess what the next step is? OK, go ahead.

“You finally got him Bart. He says he’s going to call you next week.” That’s what happened with George. I used all ten of these things on him. Finally, the last one was very humorous, and he called me.

A reminder note goes out. Do we want, after all this, for him to forget who you are and cancel the appointment? He goes to his calendar – “Oh, it’s that guy? Just tell him I can’t make it.” And then you’re trying for another six months to get the appointment? So you send a reminder note. “Shirley mentioned that we’re going to – “Oh, this is just to get him to call you. “Shirley mentioned that we’re going to speak next week. Here’s another copy of what I wanted to discuss with you.”

OK, include your orientation description. So what’s the single most important thing we learned here from this? If you were to give me one word, guys, what is it? Persistence. Very good. You guys are looking at my notes in advance!

Remember, most salespeople would have given up long ago. The top 20% never give up. Remember, the one with the most passion wins. If your desire to have the
appointment is just – me and George, it was pure ice. Wore him down. I was so sure – made him doubt. Made him doubt. Every appointment I’ve gotten with a top executive, I was so sure, I made them doubt.

So win their respect – contrary to what weaker salespeople feel, like they’re bothering the executive, the prospect begins to respect you. Have you ever had anybody just come after you, and come after you, and come after you, and come after you? Do you find them annoying, or do you start to go, “God dang, that guy is like, chasing me. All right, put him through.” You start to feel morally obligated to talk to him. You know what I’m saying? Anybody here an executive that has had a salesperson chase you for a year?

The prospect begins to feel an obligation towards the persistent salesperson. They feel guilty, like you’ve worked so hard. Who saw, what was it, Michael Douglas – you know what I’m talking about? Wall Street? And he goes into the meeting, and Michael Douglas goes to Charlie Sheen, he says, “For 363 days, you’ve been calling me.” And then he launches into the whole speech. But that’s what got him the meeting. Call him the white elephant, right. That’s when you’ve got the big score, because you can never give up.

How much respect can a client have for a salesperson who went away after a single rejection? “Well that must not have been very important – they never even called back!”

Prospect thinks – I said that already.

So, once you begin, you stop only after you get what you want. Your attitude is everything. You’re going to get what you want to get, and become part of their lives. And so this is like three guys trying to tackle one guy. It’s kind of hard to see, but it just shows, like, the persistence and the determination, and the drive, and the will, and I think that’s the last one. Nope?

All right, what would happen if Mr. Smith spoke to you directly, like George did, and he said, “No, I’m not interested.”? I pitched him, and he said, “Sorry, I’m not interested.” And if I was determined to get an appointment with him, what would happen next? Same thing! The exact same thing! Another twelve steps!

So, remember the cool-off factor. Wouldn’t it be a shame, after all this momentum, to let the prospect cool off after the meeting is set, and cancel before the appointment? So – or worse, you presented, the prospect likes it, and you wait a week to follow up, OK?

So how do you deal with the cool-off factor? Follow-up. Massive follow-up.

OK, and that is it. Jay, you want to say anything before we break for lunch?
Jay: Yes. We’re going to take a half hour and do insights. We’re going to take a long lunch break. OK? All right. First of all, I want you to take about two minutes and reconcile yourself for two things: Number One, sort of like last night. The one big impacting realization that has come to you today. Number Two – the implication of that realization. Number Three – how you can actuate on it Monday. And I’m going to go around the room fast. It’ll take about a half an hour. You’ve got about a minute to get it all down.

Chet: Jay?

Jay: …Your workshop – you’re going to give us three things: impact, application, action, for today. We’ll do one more of these at the end of the whole thing, time allowing, for the whole event, but that will be only after you’ve got your plan, and you’ve watched other people’s plans, and we’ve got it all put together.

OK, well, answer those three questions, please. All right – write these down, too. Could Tanya, or is Diana here? No? Tanya, could you just write down this list, or Carl, or somebody as they’re reading it? Go ahead. Just hand-write it on a pad. Go ahead.

Dan: OK, my one big impacting realization was the effect of tonality on the phone. Dan Bantley.

Jay: OK. So what are you going to do about it?

Dan: Well, the implication is how someone perceives you, and I’m going to start using what I learned immediately.

Jay: OK, good. (chatter)

Eric: Well I figured with one person I wouldn’t get a duplicate. But that’s what I was going to say, so I’m going to go to our next one…

Jay: Ditto…

Eric: Which was just blowing by the gatekeeper, you know, and just come from the, kind of the preeminence down, and do it that way.

Jay: What’s the implication?
Eric: Well, the implication is that you can get—well, ultimately, you can get to the people you want to speak to a lot easier.

Jay: OK, let me give you Leverage 202. How many people do you try to talk to in the course of a year that could be buying influences, and could represent key clients for you?

Eric: Oh, I’d say, probably 1,000—thousands.

Jay: Of a thousand, how many right now, historically, have you not been able to get through the gatekeeper?

Eric: A high percentage.

Jay: OK, so let’s say—let’s be polite. 60%?

Eric: That’s fair.

Jay: OK, so 600 you haven’t gotten to. If this is just 20% more effective, you’ve just basically made 120 of those people now accessible. How many do you need to really increase your business by 40, or 50, or 60%? Not many. So the leverage—you guys got—I’m probably fanatical about reframing the contrast so it will not just be a throw-away…not that it is to you, Eric, but it won’t be a throw-away realization, but you’ll see the profound leverage, and the analytical implications of it. Thank you. So what are you going to do about it? What are you going to do about it, Eric? Are you going to start using it immediately, those techniques?

Eric: Absolutely.

Jay: OK. OK, good.

Participant 1: The biggest impact for me was just that every little detail matters.

Jay: In an integrated manner.

Participant 1: In an integrated manner. You’ve got to pay attention to those things. So that’s the implication for me, that we’re going to start paying attention to those details that you tend to overlook, and start doing that right away.

Jay: Now, are we writing these down? Somebody is? You’re typing them on it? OK, good. All right, good. Every little integrated detail matters.

Participant 2: I found Chet’s whole sales process very fascinating, but your first half hour of some of those tips—the continually learning and reading is going to impact me the most. I need more inside of myself—our business, our industry—I need to just know it in and out. So I’m going to start reading tonight.
Jay: And don’t forget one other thing: Know it out, too – outside, because the people you talk to, while the industry is certainly a key part of their job, they are men and women, and husbands and wives, and fathers and mothers, and they are interested in wealth, and tax preservation, and hobbies, and weight loss, and stress reduction, and all the knowledge you can get beyond that.

(chatter)

Participant 3: The biggest impact I got today was the idea of a charity event, or award ceremony. There’s a place called The Discovery Center near our office that could use some help. And we go in it to kind of establish a high ground with the local business state, and also the employee pool that we’re trying to pool from. Hi-tech in Greatville is always an interesting problem. There’s only about three technology companies buying. And our media action step is we’ll go talk to The Discovery Center, find out kind of what they’re after, then figure how to use that to get what we’re after.

Jay: Great.

Participant 4: I think the item that had the biggest impact was that attitude is everything when you’re on the phone – just as if you were me, and face to face. And it has much more impact on the contact. And I plan on implementing this on Monday, and by testing it, reviewing it, modifying it, and testing again.

Jay: Great, OK. Great.

John: Hi, I’m going to do a merge of things. I like Chet’s “dare to be noticed.” I thought that was really good, but I think what I’ll do is I’m going to try and do that through charity, since the charities back home are usually listed in the newspaper, and the person who is organizing it – I may try and get to them to see if I can’t give away one of my products as a gift to that charity to get noticed.

Jay: Great. And you’re going to start doing that on Monday?

John: Tuesday.

Jay: All right, when you get back. OK.

Chet: Can I comment that there are way better things you should be doing, John. That’s like at the small levels, trying to sell one plaque at a time, and there are whole industries waiting for you. If I were you, my first thing for you Monday, would be getting that ad in the paper to get your category directors in there. Because you’ve got whole worlds of millions of dollars of revenue waiting there, so you trying to get a charity event to get exposure is like on the low side – right? You guys see what I’m saying?
Jay: But you know, you know it’s interesting. I just thought about it. He gave a certain number of awards to all kinds of charities, and his only stipulation is they put it out on the table for people to see at all the events. In other words, if he was the donor…

Chet: For every high school, and junior school, and middle school in America has those auctions, where he could have his plaque there, and they’ll put ten business cards – but again, that’s driving one shot deals into him. I’m just saying that.

Jay: Well, we’ll talk. We’ll try to brainstorm when we roll our sleeves up after. OK, continue.

Participant 5: Well, I’ve had good success with getting past the gatekeeper, getting to the people I need, but that’s me. What I need to do is develop – take what you’ve got, what I’ve already done, develop a process that other people can use, and develop those systems.

Jay: Great.

Participant 6: I’m most excited about the concept of giving, because we have always spoke, somehow, but it’s kind of a new level. Because I am so sold on, if you’re giving then it’s always going to come back to you. So I thought my tool – or my thing I want to do when I get home – or actually, now, is create some valuable tools that will make it easier for our salespeople to be in a constant giving mode to their clients and doctors.

Jay: OK, next.

Ruddy: Great. Actually mine came out of today as a result of yesterday, and something Chet was teaching about presentations and the use of visuals, and he said - we sell on the phone a lot. And he said, “Get them to write it down.” And I just kept thinking to myself, “You know, I just couldn’t see it.” And then somebody made a comment today – put a website together that does your funnel for you. And you’re talking on the phone, and get them to go to a website and see it.

Chet: That was Bob’s suggestion – let’s give him credit. That’s a great one. That’s great.

Ruddy: For two reasons: Number one, it tells the story very compelling and in a graphic manner, but also, what a way to roll out and implement the sales people – I mean, the training’s instantaneous. It’s just go – all you’ve got to make sure they’re going and using it. So –

Chet: Yeah, especially if, in their case, I talked to them about having reps in each major metropolitan area, if it were lucrative enough – and they can make it lucrative enough. There’s no reason in the world why those reps have to be in a home office. They can go to LA, and they can go to Lincoln, Nebraska, and they can go to Chicago,
and you can have a rep right there, or a superstar building that city for you – you’ll grow way faster than the way you would have done it from central office, and now you can have meetings, and trainings, and all over the Web that you could never do all that stuff. It’s just – the Web changes everything. Go ahead – Bob wants to say something on that – he’s –

Bob: One secret we forgot to list this morning, is make sure that they have to have a password, so you’re on the phone when they get to that site. Otherwise they’ll race through it, and you won’t have the chance to impact them while they’re doing it.

Chet: Ah.

Jay: That’s great. That’s great.

Ruddy: Others can’t check it out without looking at your website, I guess. That’s probably not…

Bob: Let me comment on intellectual property. I don’t care how much of my stuff my competitors see. They can’t do anything with it. I want all my potential clients to see the material.


Chet: No comment.

Participant 7: I got the importance of tone, and – no, ah, actually, I had to agree with Ruddy. Ever since I was creating my power panels, and get distributors to go to the Web and go through it, I do a lot of stuff on the Web, and that works real good. But I’ve never tried that. And how I’m going to apply it is to figure out the most effective way to present it in a psychological, powerful way. Two action steps I’m going to take is to create the power panels for the presentation, and begin testing a few distributors to look at it, and see if I can create a fine relationship that way.

Chet: Yeah, your distributors are your low-hanging fruit. Meaning, you already have a relationship, so if you start to impact them in a more powerful way – also, John, you should cut a deal with Mike because he’s already out with tons of distributors that sell incentives, and products, and awards, and all kinds of stuff. I mean, you could be like an instant channel distribution for you, with a really cool product that nobody even knows about, and you could both make a million dollars on that thing, probably year one. But your distributors are where you should be having a massive impact, because they’re all – some distributors have 25 salespeople, right? So if you impact the distributor, you know? So that’s why I think the fortune cookie thing of showing them the power of it - that you got them to open it…that you got them to read the little scroll in it…you got them to break it open…And then, I’ll bet you a lot of them will want to go to every client they have and see if they can sell you a million fortune cookies per client. So I think for you, the distributors are your Dream 100 now, unless you want to get category specials –
and again, you might want to hire a superstar to help you ramp that up, just so that you’re not the one-man army that you are. But you’ve got a couple of guys in there. You say, “Get my production up 50%, and I’ll give you distributors I already have.” You don’t even have to break any new accounts. Just go bond with them, come up with creative ideas, help them work through it, help them sell it more, help them to train it more, use the Website, use whatever. But I’d put some horsepower on – those cookies are cool, and you have some great concepts there. So that’s what would be my – that’s the sheet I was going to write. I’m going to do these sheets right now, in person.

Participant 8: The item that made the greatest impact for me was persistence, and how I might apply that to setting an appointment, and the thing I want to try and do – or add to on Tuesday, is create a better arsenal of tools to continuously come back and try and set the appointment, other than the small amount of tools that I now have.

Chet: Good for you. Good for you.

Participant 9: Chet gave a really good idea about hosting charities. We’ve done those before, but never in a host capacity, so...And we’ve got lots of clients that can really get involved with it, especially ones that have been inactive in quite a long time. So that’s why we have to reactivate them, and get them excited.

Chet: Higher level of technology, and these things have happened, and …

Participant 9: Yeah. So we’ll start researching into what’s the implications from different charities, what they want. If there are specific issues, limitations, and so on.

Chet: Yeah, I just want to comment on something, that in the first day or two I started writing these notes for certain people, trying to give them the big idea that I thought they have. But so many already have it. So if you didn’t get a note from me, it’s probably because you really got it and I know you do. But later on when we do some workshops, I’m going to come and sit down with the people, and you can raise your hands and show me where you need some help, and I’ll get in there and work with you.

Jay: Great, OK.

Chet: Next

Jay: Who’s got the mike? Good. Elaine?

Elaine: Writing down the three most important things that you do for the company...breaking it down into seven or eight steps, and being real honest about which you do – are doing the best. An application of that is to find out what I should continue to be doing, and what things that I should probably delegate to someone else.
Chet: And what things get the most yield for the talent, skills and abilities that you have.

Jay: And even things that she might have great ability, if what she’s great at – there may be three things she’s great at that a $10 an hour person can do 90% as well, but it would free up 80% of her time.

Chet: Yes.

Jay: I mean, you’ve got to be very honest with yourself about opportunity cost. Because opportunity cost is really a precious commodity that most entrepreneurs don’t even think about. Marshall?

Marshall: Well I always knew how important consistency is but this presentation hits home how very important it is. And we’re going to go home and work on this with our telephone selling.

Jay: And you’ve got an organization you can –

Chet: Can I say something for Marshall? He’s here – he’s got two different companies, and you’ve got one you’re trying to really –

Jay: And he’s got another one he’s trying to start, actually - a third one.

Chet: And then you’ve got one that’s very well entrenched and very popular. But the one that’s well entrenched and very popular, using some of this stuff, you could probably get double the yield from that, without, you know what I mean? _____

Jay: Which would be great for your cash flow. It’d be great for your cash flow, and give you – fund a lot of your other endeavors.

Chet: Agree, or disagree?

Marshall: I hear you.


Participant 11: It’d be a visualization before a sales call of seeing what you want the client to feel, what you imagine them feeling, seeing them happy, receptive, then visualizing yourself being happy after the sales call.

Chet: And it really works, guys.

Jay: So what are you going to do with it?
Participant 11: Before – well, I don’t make any sales calls, but if I ever have to, or actually just calling anybody in general, for any purpose, visualization, being more relaxed…

Jay: I think any time you’re going to talk to anyone about – I mean, you’re selling a concept. You’re selling an idea – you’re selling any time you have a meeting, aren’t you? Anytime you’re going to talk to anybody, and you’ve got any kind of point you want to basically make, or objective you want to achieve.

Chet: Take a moment to focus your mind.

Jay: Yes.

Rich: I want to add something to that. I’ve done this for my whole business life, this whole visualization thing. And before a presentation I imagine getting a standing ovation at the end or whatever.

Chet: That’s a great idea.

Rich: And for some reason, even if I just _____ to that goal, it’s like all your words have been pre-programmed for them to come out, and you just seem to naturally respond to everyone you tie into, or that you’re talking to get the most brilliant outcome you’d ever imagine. But it’s just a matter of _______. Visualize the ultimate outcome. _____

Chet: And I’ll summarize that, so when you get the tape there won’t be this long silence from people who are wondering what – he was saying that he visualizes, before he goes out to speak for a group, or to present for a group, a standing ovation at the end, and it just connects him in the most positive way to his audience.

Jay: But he was just confirming the fact that you can use visualization to really project to your subconscious any kind of a positive outcome in the highest degree of either reality or exaggeration that you want. And it doesn’t discriminate, because it doesn’t know the difference. So it’ll drive you to do that.

Participant 12: The big distinction was the tips and ideas in getting past the gatekeeper – the additional training. Because that’s going to be key when I hire that superstar, because as you mentioned, possibly you may not get that best superstar. So these additional tools, right off the bat, will be much more effective.

Chet: Yeah, there’s very few people that are like, a master of this. Like I said, I never, ever saw another training program like that anywhere, ever. Has anybody ever seen anything like that? I don’t know why, because it’s something we all have to do every day, but I’ve never seen a training program with the details of how you get around the gatekeeper.
Participant 12: So on Monday the motivation is to get to the basics of the presentation – the buying criteria, get the research, get all that in place as quickly as possible. I do have one quick question on your promo materials, Chet. I think you mentioned about a powerful way to leave a message on a voice mail to get a call-back. Is there…?

Chet: Like I said, I just leave mysterious messages with mysterious benefits, and you’d have to give me a specific for me to come up with something, but –

Jay: Why don’t we maybe do that in workshop, after lunch?

Participant 12: OK.

Jay: That’d be great.

Participant 13: _____?

Jay: There’s so many people here…

Chet: I’d have to do it for each individual person, but yes.

Jay: We could probably come up with a template of some categories. I think it would be fine.

Chet: OK, great. Howard.

Howard: The overall impact from all the tips for me was that we’re a lot less effective at sales, due to lack of skill and persistence in all of the steps that you mentioned. So the implication is obvious – we’re losing potential business opportunities. What I thought I would do is start with kind of an incubator in the office in which I reside; transfer some of this information; use it itself –

Chet: That’s a good idea.

Howard: And have that be –

Jay: Great.

Howard: A group that I can work with.

Chet: We have seen how you implement, but I’m sure that this information is in good hands.

Jay: Jim
Jim: Not terribly different than that, but just because of the way, I guess, my career has evolved, I have access to an awful lot of people in our industry - probably a lot more than most. And as a result, I’ve developed no discipline when I don’t have access to them. And so most of them would be Chet, that was up there, with the gatekeeper that you don’t know, is pretty much what I do all day long. Because I know so many, I’ve never developed a process for those I don’t know. And so I’ve made notes of all that, and ____ them.

Jay: That’s great. That is great.

Chet: Great.

Participant 14: On the phone work, the notion of –

Chet: Note how much deeper his voice is now.

Jay: We going to start a glee club?

Participant 14: The notion of tonality and tone is really important. I do sometimes, really well, and I think I’m uneven. This gives me a template to watch, because I think sometimes I’m really uneven. And I have coaches that work for me that cannot close a pre-sold sale. I’ve got a senior coach where I can send anyone in the world to coach to, but when I got him to do a tele-class, he’d talk like this. And we can fix that now, with training around this, we’ll use this to... Thank you.

Chet: A good lesson.

Paul: It was almost like a light bulb went off in my head. I saw persistence, but tying in the earlier part of the sales and getting through…one of my goals has been to get to Steve Wynn, in the D.I., to have the old Gaucho in the Desert Inn. I’ve been sending him some materials, and using six degrees of separation of people who come into Gaucho and know Steve Wynn to go down and mention the Gaucho, talk about the Gaucho. And I sent him a press kit inviting him up to the Gaucho – be glad to put him up and take care of him. But now I’ve got the Playboy article, so when I get back

Chet: Another follow-up, right?

Paul: I will send him a follow-up article again, and with the Playboy Magazine explaining that, you know…

Jay: Now, how many people are you going to send that article to? The Playboy article?

Chet: Can you send one to me? Because I really want to see – just to read it, of course.
Jay: Oh, but no, you should just — anything like this...

Paul: Oh, no, I’ll send it all over the place. I mean, I really targeted this, because I figured if I could get into Desert Inn, then people will come to me with my concept. So I’ll send him an article, letter, and then I’ll do a follow-up phone call.

Jay: Great.

Chet: Great.

Jay: All right, catch these guys. That would be good.

Howard: ______

Chet: Yeah. Give the mike to Howard for a second.

Howard: Sorry. I asked a question to Chet at the break. He asked me to ask him with the mike, and that is, when the person you’re trying to reach is truly not there, is out of town, or is in a meeting, it’s not just a question of a gatekeeper saying, “What’s this in reference to?” Because — so the question is, how do you keep control at that point?

Chet: And so I told you before that what I do is I — the first time I call I just leave my name if they’re not there, if they’re not available, and no phone number. And then the second time I call, three, four days later, I will leave the name and the number, but no information. I will virtually brush the secretary off within ten seconds of giving her my number, and saying, “I’ve got another call. Thanks. Just have him call me.” Very casually. Hang up the phone. Now sometimes the secretary will call you back and still try to screen you, and then the process is identical. But that was a good, detailed question that I didn’t answer. And Rich, didn’t you have some question?

Rich: Yes.

Chet: What was the question again? Just tell me, and I’ll summarize it.

Rich: ______

Chet: Oh, yeah, I got it. I’ll summarize it, since you’re not on mike. What he was saying — he came up to ask me what happened with that one account, and I guess I should explain a little longer…a little further. But what happened was (and this is early in my consulting career) the CEO said, “Hire him,” and delegated me to somebody else who didn’t have the buy-in. And so the whole thing was just kind of, didn’t go anywhere, and didn’t happen right, and this and that. And he said, “Well, how did you overcome that as you went along?” And I said to him, “Well, I got smarter at that, and I learned to get the buy-in at the lower levels by involving them with the audit.”
So that’s why I created the audit. Because normally, I went into a company, like, I went into Men’s Warehouse — I knew already what they should do. You know what I mean? I already knew. I went in there knowing what they should do. But now, I never go in like I know what they should do. I act like — I show them my philosophies for — process vs. and event, and the twelve competencies… I reset their buying criteria… But then they say, “Well, how do we implement this in here?” Or, “What’s the next step?” And I said, “Well, they don’t know what the next step is. I set the buying criteria.” I said, “Well, what we do is we perform an audit. And that’s where we get to know enough about your business to intelligently and effectively infiltrate this.”

And so, by doing the audits I get in and I understand, and then I get the total buy-in from every level of executive in a position of authority, because I build my own individual level of rapport with them. So that was a very astute question, and I would tell you that if you’re going to go out to these higher levels and make that sale, that you need to have as part of your process afterwards, that “Well, what we do is we do an investigation first, and we do an examination.” And so this way you are forced to get down deeper with the people that you just went over their head. And so that they get the buy-in, and they support it, and they feel like they’ve helped create the solution — you understand? So I really — that was a great question. Thank you for that.

Howard: Just quickly, on the same subject of …

Chet: Yes. Same for you.

Howard: …sales calls, or getting appointments, you have one negative up there of why you don’t give the gatekeeper information because he or she may transfer you to someone else. I’ve actually used that positively when I might start with the CEO, knowing I’m not going to get that person, but say, “Oh, you know, I don’t really need to bother Joe.”

Chet: Very good.

Howard: Maybe if you can tell me who handles — who hires architects in your company I can speak to that person.” And I get that information that way.

Chet: Yeah, and then when you call, you say, “Yeah, hi, this is Howard, and I was referred to you by so-and-so’s office.” You can’t say by so-and-so, because that’s a lie. But you say, “I was referred to you by Mr. Eisner’s office.” “Oh, OK, what do you need?” Next.

Participant 15: The thing that’s been the most effective for me today is the tonality, and how when I’m talking to different people on the phone, how they use the tonality properly. And it will be changed Monday.

Chet: You know, I’m just concerned they’re going to close that restaurant, because...
Jay: No, no, they don’t close it. It’ll be OK. We’re almost done. It’ll go fast.

Bob: My biggest insight for this morning is that I’ve got several pieces of low-hanging fruit and marketing materials that are not being deployed as effectively as they could be. And this is an idea for everybody, I think, is that even though – I don’t know, at least in my world there’s still a lot of offices where I’m trying to sell trucks to, and even dealerships around the country that don’t have Internet access, still. And so the website could actually be put on a CD-ROM,

Chet: Yup.

Bob: Like a Power Point.

Chet: That’s a great breakthrough, Bob. Thanks for upstaging me, Bob.

Bob: So that could be re-deployed, and then the reprints, very, very useful. And I’ll get those things in the mix.

Jay: Great. Tim?

Tim: It’s a very good presentation this morning. I use the phone a lot to call on high-level people, and I got the tonality… the integration of the steps is very good. I like your orientation concept, rather than – I’ve got an idea for you, and I’m coming by to talk to you about it. The cool-off factor I thought was a real important issue that I’ve never seen done before, and I love the website-synching idea.

Chet: Yeah, that’s a good one.

Participant 16: What I found was a really interesting statement was something you said this morning, Jay, and that’s the secret to gaining leverage is improving each component of the business, which I’ve heard you say probably a hundred times on tapes. But the fact that you said it – it’s leverage, upon leverage, upon leverage, upon leverage. And then the implication, to me, was that not only do we actually have to improve all of these elements, but to first take and separate each of them, and see if we can just improve ten of them, 2% each, little by little, think where we’d be in a year’s time. And I’m going to start that Monday, tomorrow.

Jay: That’s great.

Chet: No you’re not. You’re going to the mountains on Monday.

Neil: What impacted me was the process of how to get an appointment with anyone. I noticed that many of my reps call on multiple-location owned stores, and they’re not talking to the decision-makers. They’re not talking to the right people. So I
need to set up a meeting with them, and get them trained on these techniques. But before I can do that, I need to get my sales tools in order.

**Jay:** So Monday?

**Neil:** Tuesday I’ll be home.

**Jay:** Great, good. Great, thanks, Neil

**Participant 17:** I was extremely impressed by the Power Point presentation, and how bringing graphics into your presentation are critical. And I think that the website link-up with the telephone system is just perfect for anybody that wants to do it from one location, and do it across the country and around the world.

**Chet:** I’ve been using that technique for years, myself. Thank you for the, ah…

**Richard:** Congratulations.

**Jay:** You just didn’t want to upstage Bob.

**Richard:** I already know everything. I didn’t get anything out of the presentation whatsoever. Actually, Chet’s provided me with a wonderful, organized training program as we put together a new sales and coaching operation in the new venture with Jay, and it’s going to save me a lot of time that I don’t have to go and reinvent the wheel. And we’re starting recruiting on Monday.

**Chet:** You are.

**Jay:** Great.

**Chet:** Did you see – were you here for the one on super-stars?

**Richard:** No, _____-

**Chris:** One thing that I got out of this was really the work persistence. And that is in persistence, especially with executives. Perhaps get them more involved in the decision making process, and find out more. Because it does take more persistence to get to these people, to finally end up in a decision. So, and also preparing a procedure for the implementation of this process, because right now we don’t do that.

**Chet:** Very good, Chris.

**Participant 18:** There are many things that impacted this session, but there was a comment made on the very beginning of the session, which was, plan to penetrate the market on purpose. Dare to be noticed, and to stand out. That was very impactful, because most of life is not only planning, but preparing to penetrate several markets
nationally and internationally, on purpose, and with a purpose. It was such quality and excellence that we will send out and be noticed without compromising the level of commitment we have for our Lord Jesus Christ. And the action that will be taking place this week will be going through further preparation to lay down some foundation work.

**Chet:** Amen! Very good.

**Jay:** Thank you.

**Joe:** Probably the biggest thing that I learned is that I’ve got to be persistent in all the things I’m doing. One thing I’m going to go the reverse of everything you’ve done, and teach my girls real well how to keep people from getting to me. So I’ll have a little more time to do some of these things, and I want to be persistent in a lot of the things of Jay’s we’ve tried to implement, and then I’ll say, “Oh, they just can’t do it.” And I need to go back and say, look. I’ll need to give them a format so they can follow it for awhile, so they can do it. And – well, all this stuff we’re going to just start doing.

**Jay:** OK, Joe.

**Joe:** Actually, what impacted me the most was your presentation on doctors. That is that for being quacks…chelation, that is, we get exactly that scenario, and the information he gave was just ideal. But one of the key breakthroughs I got when I was thinking about that was, we have several groups of people that we can go to and do seminars that will gladly invite us in and let us do it. Put that presentation together in that format, and it’s simply an education process. It makes – the treatment itself makes absolute sense. And anybody we can get to sit down and listen to it, it generally falls in that category. So just putting it-

**Chet:** And once you put that together, you can use it one-on-one in the office, because it sets buying criteria. You’re strategically building your practice. You’re training all your current patients to be referrals for you – I mean, for you guys it’s just a very powerful tool.

**Joe:** Chet, they’re actually – you know, we’re not chiropractors, but there are a number of points there that we could really use. Is there any way of getting a copy of that format?

**Chet:** Ah, sure.

**Jay:** You call him “Giveaway Chet.”

**Chet:** Well, we’ll just have to make a copy. There’s a couple of people here who could use it, actually. And it’s up to Tanya. I don’t know how buried we have her now.

**Jay:** How many pages is it?
Chet: 65 panels of...so how many people need the one on doctors?
One..two..one company apiece. (chatter on counting crowds.) Go on, next.

Jay: OK, we’ve got to move, move, with...

Participant 19: The single thing that I would say would be what Jay mentioned earlier, and also what Chet emphasized, and that was concerning endurance and persistence. That’s something that we emphasize quite a bit. “He that endures until the end shall be saved.”

And the implication is developing a follow-up system that we can use in the things that we’re doing. And this week we will develop an integrated follow-up system with an accompanying follow-up toolkit.

Jay: Great.

Participant 20: It’s already been said, and it applies to me too, as far as the visualizations – how I will visualize a person receiving me and being glad about what I have to say, and my being glad about them hearing it.

Chet: Great. Great ___


Jean: One of the things that I – that stood out to me today was the presentation by Dan O’Day. And one of the things he said was that he’s looking for a human story. And that’s our business. People are our business. And so this thing that I thought about as far as applying what he said is to figure out either a way to make contact with either station managers, or those who are doing ad campaigns at our local radio stations, whereby we can develop a rapport and find out more about programming – either half hour programming, 15-minute segments, or ads to get the message out about Wisdom Life, and what we have to offer to either women, men or children.

Jay: OK, thank you.

Chet: Well, if you do a charity event, too, they’ll cover it like crazy. It can get you a lot of publicity. It’d be a really good way to spread the word.

Participant 21: All those brilliant things about the _____ tonality, and all those things that (are) using that. But the thing that impacted me about it was that I’d reverse those images in quite a few places to _____ the 38 and the 55 for physiology. But it was only to your repeated illustration example that it really hit home how profound it is. And

Chet: It took five times before your brain said, “I totally get this now!”

Participant 21: Yes.
Chet: That’s a good observation.

Participant 21: So I’ll take away from that the wider realization that there’s so much that we intellectually on one level know, but are not even close to applying to the extent we can, so –

Chet: You can thank ____ for that wisdom. He’s the one that said, “Let’s do four days, and drill it down, and drill down, and drill down.”

Participant 21: So the action there is just go through all these nuggets of information with much more of an open-minded application-focused philosophy.

Jay: Good. Thanks.

Participant 22: Well, I had this insight at 3am, so technically, it’s today. But it was on the material about yesterday, when Jay was talking about testing control - just something, it stayed with me. And I realized every process in the business – I could break it down and just quantify everything, and just by measuring it, it’ll behave differently, just knowing what it brings in. And I think that’s the most powerful thing I’ve learned.

Jay: Good. Are you going to start on Monday, looking at your processes?

Participant 22: Yeah.

Jay: That’s great.

Participant 23: I think right off, first thing this morning, I picked up on communication with your team, and that’s probably one thing that we really hold back, because we don’t necessarily want them to know where we are. And so I picked that up as – I started drafting a memo for as soon as I get back – what I’ve been to, where we’re going…

Chet: Good for you.

Participant 23: Where we are, and share some of my goals, because they don’t know. Yet protecting my time, too. So what I want to do is get back to the office and put a door on my office, and train my doorkeeper to stay away – to keep everybody away – that I’m just getting indulged with, and start working on the things that’s going to turn everything around.

Chet: Did you hear that, Neil? Door on his office? OK. If you build it, they will stop coming in.

Participant 24: The realization I had was when Jay was doing his little bit for the start, and he was talking about asking the question, “What if?” because that’s where
the breakthroughs come from. And I realize that when we take the information we’ve learned back and try and apply these processes, we’ve got to get all our stuff together and get every one of them going. “What if” at every point in the process so we can create new distinctions that keep us improving and innovating in the heat of the competition. So when we go through the whole process for the staff, we’ll be doing it very much getting everyone’s ideas, rather than having the marketing people or the managing people creating the whole program. The secret here is you can have the most dumbfounding, brilliant idea that no one else would even consider asking for.

Chet: You’d be amazed, actually.

Participant 25: I really loved how you had so clearly integrated to a whole new level. That was great. And I can see how we can apply this brilliance of extreme persistence to massively increasing the conversion rate of our sales, because there’s so little we’re doing to persistently get those people who are not buying. And also, to keep much longer, too, the people who are already buying, just by looking at the whole of different approaches and combining them to keep that going. I will definitely be putting that in place.

Chet: Great.

Jay: That’s great.

Participant 26: One of the things that stood out to me was one of the points that Jay brought out about getting people to read books and tapes, and listen to tapes for you, because it’s not good time management thinking you can do everything yourself. And so – and it’s important that I am knowledgeable concerning our markets. So I was looking at developing a template or a guideline and assigning someone to read on some books and listen to some tapes that would help in the areas of what we’re working on. And I know Dr. Thompson plans for us to apply a lot of action on Monday, because we stayed over a couple more days to work on developing and planning.

Chet: Very smart.

Jay: That is good. I respect that.

Participant 27: One of the things that I really loved, and that really impacted me was being a gatekeeper, because at times I am the gatekeeper, and at other times I have to be the other part, offensively and defensively, as a gatekeeper. And the application is I plan to really capitalize on the techniques that were given today, and also to be able to teach them to other people in the Wisdom Life Institute. And we plan to use these right away.

Chet: Great.

Jay: Is that it?
Chet: That’s it.

Jay: OK, I’ve got one more thing, and this is – I’ll embellish on whoever was talking about process. These are… I have – not here, but a bunch of more sophisticated process improvement philosophies. But Deming, who created process improvement, created something called “14 Points.” And I’ll read them to you, embellishing just a little bit. 14 quick points, then we’ll go.

**Number One: Create constancy of purpose for improvement of product or service.** A company does not exist simply to make money. It’s primary purpose is to stay in business, enrich people’s lives, add value, and provide jobs. To reach this goal, a company should focus on innovation, research, training, continual improvement, and investment in people and equipment. And today (he wrote about equipment) today intellectual capital is probably ten times more important than equipment, because that’s the key competitive advantage.

**Number Two: Adopt the new philosophy.** (This was written – he was so far ahead…) A new economic age has dawned where quality, not quantity, is paramount. Companies cannot tolerate the cost of shoddy workmanship or poor training. The impetus for improving quality must come from top management. You really do have to be committed to it.

**Number Three: Cease dependence on mass inspection.** This doesn’t really have a lot to do with all of you, but the concept here does. Build quality into the product in the first place, rather than attempt to weed out defects during production with mass inspections. Re-engineer it so it’s really the most qualitative delivery of products, service, experience you can possibly have.

**End the practice of awarding business on price alone.** This is to suppliers. (sorry, I’m…) Instead, consider the total cost in the level of quality. You know, if it’s going to cost, it’s going to fail. If it’s going to have to be – you’re going to have to go out and replace or retrofit one out of seven, why even do it in the first place? Remember, you’re buying, you’re playing a game for forever. The marginal net worth of a relationship? So think about that with your vendors and suppliers.

Attempt to use single suppliers and build long term relationships based on loyalty and trust. His whole concept was you were a system. The supplier was just as key to you…you weren’t trying to hammer him down and get the lowest price. You’re trying to get them so motivated, they try to come up with breakthroughs. They try to think about your best interest. They try to figure out ways you can store or ship, just in time, everything. Well, they’ve got to be pretty comfortable that you’re looking out for their best interest too.

**Number Five: Improve constantly and forever the system of production and service.** Improvement is not a one-time event. It’s not like one-time training. It’s a
process. Led by management, each department within a company must work continually to improve quality and productivity. This is just his very basic grounding premise.

**Number Six:** This is the father of process improvement. **Institute training.** Workers should be trained properly when they start their jobs. Training should continue until performance has reached maximum levels. Retraining must take place whenever new equipment or processes or changes are introduced to the company or the environment.

**Number Seven:** **Institute leadership.** Managers should search for ways to help workers and equipment do their jobs better. Barriers that prevent them from achieving their potential should be eliminated.

**Eight:** **Drive out fear.** An atmosphere of fear produces economic losses. Workers will be reluctant to identify problems, admit mistakes, or suggest new ideas if they are afraid of retaliation.

**Nine:** **Break down barriers between staff areas.** Too often departments compete with each other, or have conflicting goals. Workers in research, purchasing, production, sales, administration must work together in an integrated and collaborative manner to perceive problems and to maximize the upside leverage. Collaboration is one of the great tools to upside leverage.

**Number Ten:** **Eliminate slogans, exhortations and targets for the work force.** Slogans such as “Zero defects” and “Do it right the first time” create resentment among workers. They suggest quality and productivity problems are caused by the work force, when in fact it’s caused by management, really, isn’t it? Think about it - in the system you do or don’t establish, and the criteria you do or don’t adhere to, and the procedures and policies you do or don’t establish?

**Eleven:** **Eliminate numerical quotas and management by objective.** Quotas obstruct quality and productivity more than any other single working condition. People who cannot reach the targets will be demoralized or try to meet them at any cost, meaning compromising performance quality. Those who are capable of surpassing the quotas may scale back their production. And again, this was for production, but try to extrapolate it to all the applications you guys have.

**Twelve:** **Remove barriers to pride of workmanship.** Most workers want to do a good job. Poor equipment, defective materials, misguided supervisors, poor or non-existent training can prevent workers from improving quality, performance, productivity and impact.

**Thirteen:** **Institute a vigorous program of education and self-improvement.** Workers and supervisors must continuously learn new skills to improve quality and productivity. The company, however, must make sure that no one loses their job because of productivity gains. So in other words, if people can become great and eliminate
themselves, they can’t worry that you’re going to be penalized for being an instigator or progenitor of that for you.

Fourteen: Take action to accomplish the transformation. Workers cannot change a company on their own, nor can managers. Integrated teams must form collaborative action plans to implement the Deming Principles. That’s it.
Chet: So follow me in this. And I can e-mail this to you, too. Hello? Everyone? I can e-mail this to you as well, which will then give it to you in a way that you can manipulate, you can print out what you need when you need it, etc., etc. But let me cover it. Let’s go to the…open it up. We can skip the first couple of paragraphs and see how it says, “The following…” No, let’s not skip that first one.

The following data is protected by copyright law which is Federal…in the government…OK? Seriously, this is a huge amount of work, and I do not want to see it on the Internet. The following document contains 20 years of learning curve, blah, blah, blah… Used properly, it’s one of the most profound tools… You can read all this stuff later. Excellent.

I want to go to the first workshop. Workshop training does many things… we can skip over that. Go to page two…to page three, actually. OK, Step One – all right, let’s begin. Actually do the exercises in the step.

Step One: (Find where we are? It’s under “Let’s Begin,” about this far down on page three? Everybody with me?) OK, it says, “Step One – Appoint a person to lead the group. In small companies the CEO is often best unless he or she wants to defer to a marketing-oriented person in the group. I say that because if the CEO is not dynamic, it’s better to have someone dynamic leading the group who’s better to guide things, but it should be someone that the CEO agrees with. Remember, CEO’s prerogative – you can always change things.

On a white board, write down the ultimate objective for every customer interaction. Even though you guys did that here, do it with your staff. It’ll really rock your world.

Now have each person in the group write down on their own pad every single idea they can think of. Do not call out ideas. Have each person write them down first, giving them a designated period of time to think about it. You’ll see most of the people run out of ideas after about two minutes, so that’s a good period of time. If you’re doing this by yourself, the exercise is the same: Write down everything you would like to accomplish from every customer interaction. The leader must participate as well, meaning if you’re the CEO giving the assignment, sit down and do it yourself, because that way you really get to direct things, and you get the top visionary’s brain power working on the same exercise. It’d be foolish to have your people do that, and you sit there acting like you know it all.
Do not read ahead. Stop here and do the exercise. So fundamentally, if you were doing it, this is where you’d stop and you’d have everybody do the exercise.

Now you come back – Step Four. **Now the leader of this exercise will ask each person to tell their ideas.** The leader will write them down on the white board, summarizing them. You know, try to find a way to say it in two words, or three words. Because you’re all sitting there. You all know what the basic idea is.

There are no stupid ideas. Criticizing anyone will ruin the workshop experience. You must create an atmosphere where people can share without criticism. As you write things down, very quickly you should start to get duplications. People will say the same things. Don’t write down the duplications. This is like – really like an idiot-proof guide.

Do not read ahead. Stop here and do the exercise. So now, if I were leading you, I’d be saying, “OK, Dan, what’s your ideas? And Eric, what are yours?” And I would be writing them down.

Now here, I just happened to add some stuff to the list. Chet’s ideas – and I do this a couple of other times. “Some strategic selling in every customer interactions; sell the company, not just the product. Number two, get referrals. Every single customer interaction should be explored for referrals. Number three, some personal bonding,” which most people will never think of as a strategic objective of every interaction with the customer. And you’ll be amazed when you add that one, “Oh, yeah, good idea,” but they wouldn’t – no one would have ever thought of that.

Get every piece of information you need, from e-mail address to direct dials and extensions.

Next – Step Five. Now you’re going to **organize a vote.** People’s opinions will change as the collective intelligence of the group is shared. This is where it really gets dynamic. So you want to get a general consensus as all the ideas are shared. Have each person look at the white board. So we’re got all our ideas up here, and I say, “All right, now everybody look at all these ideas. And I want you to rank the ideas in what you think is the best idea, the second best idea, the third best idea – meaning what they…” Think of the most important, blah, blah, blah.

Do not read ahead. Stop here and do the exercise. You guys following me?

Step Six – **The leader of the group will then ask each person to give their choices and next to each choice that you have by the board, you’re going to write three slashes for first choice, two slashes for second choice, and one slash for third choice.** Stop reading for a second.

So in other words, what you’ll end up with, is the one with the most choices will be number one. That’s why you give three slashes to the number one choice, understand? Because if you made number one, one slash, and number two, two slashes, number three would end up with the most slashes at the end, and that’s not everybody’s first choice.
Understand? So it’s like kind of the opposite – does anybody not understand that? I just want to make sure I’m not moving too fast.

Now tally up the totals. The highest number will be the group’s collective first choice, and so on. Cut it off at five top benefits, maybe six if you must have one more, meaning – and again, this is like a template for what is then a list of topics, you know, on the next several pages.

Step Seven – Implementation. Write a memo that outlines the finds of the exercise. These memos will be kept in a single binder for use later. Think of how a year from now, when you have 52 such memos, one per week, in a binder, a new employee comes in and in just a few hours they can read all the best ideas that your entire company has developed over an entire year of workshops. If you are in continuing conference calls with Jay and me, you will continue to get these workshops. (That’s because we use these also for some of our coaching clients.) In the memo it details steps that you will add to everything you do as a result of what you discovered, meaning that it’s not just that these were the good ideas of what we want to accomplish. Now we have the discussion of how we’re going to implement it, and what we’re going to implement, and when we’re going to implement it. So the memo will also say, “Here’s what we’re going to do from now on.” And that’s the beginning of a process.

Now something big like that – this is a big thing. You probably need to take those six ideas that you came up with and stop working on this for the next six, eight weeks, three weeks…because that’s what it’s going to take you to get those implemented and working at a tactical level. Understand what I’m saying? Now you really understand what I’m saying, because I’ve been saying that for the last four days, that it’s about you taking it and beating it into everyone’s head again. Make each person practice it. Make sure each person’s saying it, etc., etc.

OK, so now, let’s just go to page six, page seven – there’s a bunch where I spell it out again until you totally get competent at it. Let’s see… page eight, page nine, page ten…

OK, page eleven – workshops galore. At this point you should have the hang of doing a workshop, meaning that by now, I have guided you through what? Five full workshops with each step of detail and different ways to capitalize on them. So you won’t need, now, to have the details. All you need is, What are the topics? So let’s go – here’s more workshops.

Six. Most - (These are killer, guys.) Most reactive traits in the company vs. most proactive traits. Do a workshop to determine what activities are the most reactive, and which activities are the most proactive. Then do a workshop on how to eliminate or improve the reactive traits, and to enhance the proactive traits.

So you know what I’m saying? So now we say, “What do you guys think are the things we do that are most reactive, and the things we do that are the most proactive?”
Do them as two separate. “First let’s do reactive traits.” And then just start getting them down, and boy, you are just going to find out stuff you never, ever thought of or explored.

Jay: Chet, excuse me.

Chet: Yes.

Jay: These traits are the company’s, or the individual, or separate?

Chet: Well, both.

Jay: OK. So you have latitude to do whatever is appropriate.

Chet: Yeah, and let me say this: I deliberately don’t – in some of these, it says it in the copy somewhere. I deliberately don’t really spell things out, because then we’re doing it, and Wally thinks of something very different than what I said, and he comes up with something, and we all go, “Well, that’s not what we meant, but wow! Thank you for the insight! It’s a killer!”

So I don’t really spell things out on purpose, because you may have a perception of something that’s proactive or reactive that nobody – so I wouldn’t even define it.

Jay: Yup.

Chet: I’d let them define what they think is proactive, or reactive, or a company, or an individual.

Form letters – number seven. What internal activities in your company can be reduced to a form letter with boxes to check off items that are repeated regularly? Now this is where you’re going to get people down in the bowels of the organization – again, if you’re a bigger company – who will say stuff you never thought of, that will eliminate you having to do extra, separate steps. And again, this comes from being in the trenches and seeing things like this. The waste of paper, and things that can be done on a form letter.

Number eight – activities that waste time.

Number nine – improved filing system for work in progress.

Number ten – reducing interruptions.

Number eleven – make company more profitable. That is – you will be shocked. You have a little exercise – “What could I do to make it more profitable?” And if you’re a one-man army you sit down and go, “What could I do to be more profitable?” And there you are – working on your business…on what? Profits!

So it doesn’t even matter how many people you have. These exercises force you to work on the business.
Jay: Chet, excuse me again.

Chet: Yes.

Jay: Do you recommend to people that they do any kind of stimulus prior to going through the workshop to prepare and predispose people, or nothing?

Chet: Such as?

Jay: Well, like you’re going to get down here to “Three Ways To Grow More Clients.” I always believe the broader the sphere of options you draw from, the better the ideas that are contributed. So do you believe in trying to stimulate them before – not all, but before a given workshop, or just letting do it just from their own internal and experiential base?

Chet: Any way you want to.

Jay: OK, so what he’s saying – OK, I’m just trying to get direct from you. What he’s saying to you is, Hey, you make the rules, but you do need a structured process and a regular training. Does that make sense to you all? My recommendation for a lot of this – and it’s just me from my observation – is the more you stimulate – in other words, when I did the full-blown seminars that taught all the basis that you guys already know, I wouldn’t do an exercise… Well, first thing, I would say, “How many ways do you think there are to grow a business?” And you get like twelve. Then you go through the three ways. Then you go through the variations, then you get like, 700. So, I’m – this has got two goals. Number one is to get everybody unified; number two is to engineer breakthroughs that have origin with your team so they’ll be enrolled, isn’t it?

Chet: And then, more important than that is instituting if you really felt it was a breakthrough. And that can be like the breakthrough we got for the carpet cleaning guy. We stopped all this stuff. We’re not doing any of this, because for the last eight weeks we’ve been pounding that Gold Service through their heads.

Jay: So make the point. So when you come up with a breakthrough, how does that impact your commitment to doing the workshops? Let’s talk about that.

Chet: You continue doing the workshops on the breakthrough until you have it instituted.

Jay: So how would you do that? You’d keep repeating it?

Chet: Yup. You just go right back… Let’s say the breakthrough is the six questions we want to ask every single client.

Jay: So even though these are 52, what he’s saying is if you come up with a killer breakthrough you should really make that systematic and really implement it, and set it up and internally structure it before you can go on to do something else, right.
Chet: Yeah, and if you’re making incremental and continuous improvement, you’re making progress. So don’t give up on it if you know it’s a good idea. And you just – you have to be pig-headed-stubborn about making sure that the idea is implemented.

Jay: How long does one of these last? Is it an hour?

Chet: Yeah. It depends on the staff. Like Mickey has 18 people, so if he includes them all and he wants to get all their ideas on the board, and everybody’s got three or four ideas – It’s usually good to limit them to three ideas, or one idea, or if you have a really big staff, then you say, “Let’s have one excellent suggestion for this.” And then you’re going to end up with probably nine or ten up there, because there’s going to be duplication, if you have 18 people, for example. Yeah?

Jay: Do you recommend -

Participant: I’m wondering if you complete the structure and put it into like an Internet discussion group with your own team and post it there, and then they post it on the Internet?

Chet: Yeah, as long as you follow the structure you’ll get the same exact results over the Internet.

Jay: But it’s got to be – but there’s two ways to do it. You do it if you’ve got them participating on a scheduled, structured, singular time. If they’re doing it at their will, sort of ad hoc, and some are doing it…

Chet: Take ten times longer, and be a real pain in the butt.

Jay: Yeah, if they’re all doing it from 9 to 10am PST on every Monday, that’s one thing. If you say I’m going to post, and do it at your convenience, you’ll get half of them to do it. Some of them will do it for three minutes. You won’t get buy-in, or you won’t get complete contribution, or participation, I don’t think. Do you?

Chet: Yeah, and I think I made it really clear that these are mandatory. The growth things are mandatory. Yes, Neil?

Neil: ______

Chet: Do it by telephone.

Jay: Group conference call. Neil, we perfected it. You can do incredible stuff for almost nothing by group conference call.

Neil: So do I do it one time with the reps on a conference call, and then another time with customer service? Do I actually do this twice?
Chet: Yeah, if you have a large organization, break it out for the different groups and you’ll get totally different answers _____.

Jay: But it’s also worth doing it together too, isn’t it?

Chet: I agree.

Jay: Because you get a better – it’s like a kaleidoscope, man.

Chet: Yeah, but he’s got 13 salespeople and 25 customer service people, now what you do is you break them into groups. If you have 25 salespeople you break them into five, five, five and five, and then they work together on it. And then you appoint a chairman, and the chairman reports the ideas, and so you can limit the amount of ideas. But they’re still all working together, you understand?

Jay: So, it’s probably in here…

Chet: You understand? You’re looking at me like you don’t.

Neil: Are you saying I should have someone going through this process with a certain group of reps? Not do it myself?

Chet: No, I’m saying you should absolutely…

Jay: He’s just saying you should have someone help facilitate it.

Chet: No, I didn’t make myself clear at all. Let’s say…how many customer service people do you have?


Chet: 25 customer service people. Once a week you meet with them. You’re not going to stand up here and have 25 people give you three ideas. You’re going to end up with 75 ideas. So let’s say this is your customer service group, and I’ve got five people at that table, five people at that table, five people at that table, five people at this table. Say, “OK, this table I want to hear your three best ideas for selling customers faster.”

Jay: So like the exercise we did the last four days.

Chet: Exactly. You’re just breaking it up so that this table – and what we want is we want someone to appoint a chairperson from this table. Let them do it themselves. You’d be amazed.

Neil: _______?

Chet: Say again?

Neil: What if they’re not in this…?
Chet: That’s another separate question. Let’s finish this one. But – so this table’s going to work on it. Your table’s going to work on it. Your table’s going to work on it. First thing I’m going to say is, “Paul, you and your table appoint a spokesperson, and I want you all to start writing down your ideas.” The spokesperson’s going to take control of the table. Usually they’ll – the natural leader in the group will step up to the plate right away. And now they’re working on (let’s pick a subject) building better rapport with customers. So this group has come up with their ideas, and we only want three. So after they’ve worked through fourteen, now they’ve basically had to pick their three. And you’ll have to give them, like ten minutes for that. Because it’s a larger group and when groups work together they need more time, the egos get in the way, but it’s still very, very healthy and it’s stimulating lots of discussion.

And now you as the leader say, “OK, this table, what did you get?” And Mike says, “All right, well I’m the chairman.” And he stands up and he says, “We think that the three best ways to build rapport are this…” And then they’ll explain it, and you’ll write down a summary of it. “…And this…” And you’ll write down a summary of it. “OK, now, next table…” You understand?

Neil: Right.

Chet: Because you’re not going to get 25 people to give you 25 separate ideas. But what this does is now for the first time perhaps in the history of your company, you’ve got 25 people together working on improving customer relations in an interactive format where they’re being challenged to help create the world that they’re going to live in. You see the wisdom of it?

Neil: Yes, I do.

Chet: Obewan?

Jay: And just for…

Chet: I didn’t get to answer his question.

Jay: Yeah, let me answer it for you.

Chet: Go ahead.

Jay: Let me help answer it for you. The conference call technology has for a slight addition charge the capability, at your instruction, to break people into any kind of subgroups you want. You could have 500 people on a call, as long as they know who each person is and they can identify them, they can put 20 or 30, whatever you want, in one separate conference for a breakout. They can bring them back together, and they can organize them in any combination you want. You just have to coordinate that with them, and it’s wonderful what you can do.
Chet: Yeah, and the group Jay uses is called Conference Plus, and they’re out of Chicago.

Jay: They’re great.

Chet: And $.16 a minute you can get…

Jay: I think it’s more – I’ve got a grandfather clause. I think it’s more like $.17 or $.18, but mine are –

Chet: Actually, yours is way cheaper than $.16, but shhh!

Jay: No, I was the first one to use them when they started. I think mine’s like $.12 or $.13, but I’ve had them for years and years. I’ve got a grandfather clause. But even at $.16 it’s nothing, and they’re the best we’ve used.

Chet: But it’s great because they have three modes. They have interactive mode, where we call all talk at the same time. They have a listen only mode, where you are guiding and they’re listening, and then they have role-play mode where you can pick one person and everybody else listens, and then you don’t get all the background noise, and it’s just you and I, let’s say, and these are all reps, and they’re all in different parts of the country. And you can say, “OK, Bill, I want you to come up now. And we talked last week about how you would sell those distributors better. OK Bill, so let’s hear you take…” And we all build the structure of what that sales call is supposed to be like. You say, “OK, Bill, let’s hear what you sound like.”

Jay: But the other one too.

Chet: Then you both have the same document in front of you, or on the Internet, or whatever.

Jay: But they can also, then if you say, “OK, we’ve got this exercise. We’re going to break you into groups of 25.” As long as…they can break them out too, in separate…and bring them back together any way you want. It’s really neat. You can have the designated chairmen of each group of 25 be brought back in at the end to be in one queue. They can do anything you want as long as you work it out with them.

Chet: And that tells you how to handle your 13 salespeople all over the country. Mass conference, once a week…

Jay: It’s a very modest price.

Chet: Same time, $.16 apiece for an hour.

Jay: And they can tape it digitally for you, which is even better because then you’ve got a reference that you can use for all kinds of other things.
Chet: Absolutely. Yeah, if one of the sessions is so fantastic – or somebody misses it, even though you need to make that mandatory, and it’s not really an option. And then you’ve got a library, too, and every one is titled with a topic.

Jay: You can get it transcribed.

Chet: Within a year you’ve got a fantastic library of tapes on every subject. So you hire some new guy and you say, “Well listen to tape 33. Boy, because there, Bill Jones, who’s fantastic at this, describes his entire process.” And you’ve got it all on tape. It’s beautiful.

Participant: Conference Plus?

Chet: Conference Plus, yeah.

Participant: Do they tape it as well?

Chet: They tape it for you.

Jay: They do. It’s part of their – they will or won’t, but you’re silly not to because they’ll get better…they’ve got a digital…they’ve got continuous so you get every word. You can have it sent to you the next day. It can be reproduced. We can give you the name of our tape duplicator, who’s very, very reasonable, and he’s…

Chet: Yeah, he’s the cheapest in the world.

Jay: Yeah, he’s really a nice gentleman.

Participant: Winn Sales?

Chet: Winn Sales. Dallas

Jay: Winn Sales, and he’s in Dallas/Fort Worth, and he’ll only take you – I think you’ve got to do 100, or 200 minimum with him or there’s a surcharge, but he’s a wonderfully nice man. And very reasonably priced.

Participant: Do you have the number for Conference Plus?

Jay: I’ll tell you the number that we call in on. You can call in on that and they can give you their business number. It’s (847) 619-6144. That’s not their business number. That’s the number we dial, usually, a general conference number when you’ve booked a conference. But if you call in on that - (847) 619-6144. Just tell them you want to talk to an account exec. And ask all the different options, because most people don’t use a fraction of the capability, including – we don’t even use a fraction of the capability.

Chet: Yeah.

Jay: But you can do all kinds of things.
Chet: I didn’t know they could break out separate…

Jay: They can do anything. They can do great things. They also do – You want to do 7,000 people, they’ve got the capacity to tie – I mean, you can do about anything your mind imagines. You can do it for training. You can do it for prospect…for like a seminar around the country. You can do it by phone. We did 500 of you guys for this one, and it directly correlated to some of you being here. You could do it once, you could charge for – we did the week before or after, a $239 dollar one, and we had 3- or 400 people on that one. You can do all kinds of fun things for strategic purposes, for revenue purposes, for expedient introduction to your services purposes – anything in between.

Participant: Do they provide services for Web broadcasting?

Jay: I don’t know.

Chet: There’s another group in New York that does that that I know of, but I don’t know the…

Jay: Richard, you know who does Web…do you know who does that? Web broadcasting.

Richard: No, I could find out.

Jay: But you could find out. He’s got contacts in the technology field.

Chet: OK, and then – so let’s just read through a couple more of these, and then you’ll get the basic idea.

So #13, procedures for handling a client. #14, ask everyone to give three ways that they think might attract more clients. #15, ask everyone to write down three ways that they would enhance and increase the referral process. #16, what would keep clients longer? #17, what would make them buy faster? #18, what would improve customer relations? #19, what three things would make you (each employee) more productive? Man, you’re going to get some really surprising answers on these things. What training would help you be more effective at your job? And they just go on.

So there’s 52 of them, - you get the basic idea. Plus you probably have another 20 or 25 that you wrote down off of the slides that aren’t even in here. So this is like, the map for a great improvement in your business in every way, shape and form. Yes, Jerry?

Jerry: I’ve got a small club of employees, _______

Chet: Bring them in.

Jerry: Out in the field.
Jay: Have them all be unified. That’s even better. They’ll feel part of – they’ll feel great connection with the company.

Chet: Absolutely. That’s how you get this group singing in harmony. Bring them in.

Jay: That’s a – Chet, now, what’s your feeling about multiple workshops in a week. Is that too much overkill?

Chet: Yeah, because if you do a good job you’re going to get so much stuff out of one of these workshops that sometimes you just want to stop having silly workshops that you never do anything with. You know what I’m saying? In other words, if you constantly get great ideas and then nobody implements any of them, then you’re not successful as an entrepreneur.

Jay: But…

Chet: If you get something good, you need to work it through the organization.

Jay: But, see, I…not that anyone in this room is linear thinking anymore, but just in case a few of them are, let’s be clear. You could have different workshops going on for different segments of your team also, could you not?

Chet: Yeah, absolutely.

Jay: See, I just want to give you license to…

Chet: In every area of your thing. I mean, you should have some with the guys in the field about improving efficiency, saving costs, reducing expenses. You should have them, Neil, with your guys in the plant about reducing costs, saving money, improving productivity. You’d be shocked with the things that they’ll create that’ll make the whole organization run better, faster, smarter.

So if you have – when I ran all those companies I had one for each division that I ran.

Jay: And you could have – so you could have different topics, obviously, going for different groups.

The last thing I’ll say – that book, I Power, by Martin Eddelston, tells you – I mean, this is fabulous. And this is really neat, and I’m shamefully sorry I never recommended doing anything like this, because it really is connective. But he’s got a methodology that gets everybody just really stimulating ideas. And he used that to grow from nothing to, as I said, there are about $150- or $200 million, and he attributes a lot of the dynamic to it. And you could integrate that with this, and it really would accelerate stuff. It’s a really powerful process.
Chet: So let me give you my e-mail, even though that’s going to get me mobbed. Because I will e-mail this to everyone. Just give me, it’s probably going to be two weeks, because the week coming is crazy, and then I have another four-day weekend next weekend, so it’ll be at least two weeks before I respond. And let me please ask you that in the subject of the e-mail, to identify what the e-mail is about. So that way when I organize…my stupid e-mail program does not allow me to change the subject, and most people put weak or very undescriptive subjects on their e-mail. If you ever get e-mail from me, the subject will be really well spelled out.

But workshops – if you want these workshops in an e-mail on Word, just say, “Please send workshop.” If you want the research document as well, you could say “Research and workshops on Word.” They didn’t make copies of that. In fact, I think Carl actually has them. Carl, are you here? Didn’t I already send you that research document to e-mail? Because you already have these guys’ database, so I could send it to you and you could Bing! They’d all get it like that and no problem, right?

Carl: Yeah, but I don’t have the documents.

Chet: That’s probably the better way to go. Let me send you the – I’ll send these both to Carl, and you can just hit one button and all 30 companies get them, right?

Carl: Not quite, but yes. Yes. Yes.

Jay: They get something.

Chet: A lot easier than it would be for me to respond to 30 individual e-mails.

Carl: The answer’s yes.

Jay: You have the software to do it.

Carl: Right.

Chet: OK. And then the other thing I will say, because a lot of people asked about the researcher – the researcher’s a researcher. She’s like one of these, like, researcher-geek people. And I don’t want to be insulting to her, because I am very fond of her. But she doesn’t have a company, she has no – it’s not going to be the kind of thing…So if you really want research done, after you get the research document and you really understand how to create one to direct the researcher, then you may e-mail the research document to me, and I will give it to her. And then you’ll pay my company and we’ll pay her so she has a way to deal with it from a tax standpoint. Because she’s just a researcher.

So if you want to have research done you can e-mail me – and again, please give me good subject lines, at chetbo@home.com, C-H-E-T-B-O-@home.com. And you know what? I don’t want that on the tape! We’ll have to think of a more sophisticated way for 300 other people to do that, because I can’t possibly be a go-between for 300 people for
the researcher. But I’ll do it for the 10 or 12 of you guys who are really going to need that done. But again, don’t expect it right away, because if I see what it is and I can’t get to it, I don’t want to open it. Because if I open it and don’t get to it, then I forget about it, you know what I’m saying? But if you don’t hear from me in a couple of weeks, you can prompt me again.

**Participant:** Is there a way, like, you can search and find your own researcher?

**Chet:** Have at it. There are tons of them.

**Jay:** I mean, you can do everything from putting research as a search in a Website, going to the university, running a little classified ad, going to the librarian and asking the librarian if they’d like to do it for you on their free time. Anything in between.

**Chet:** That’s a great suggestion. The librarian one.

**Jay:** I mean, just use your creativity. Chet’s saying two things, and it’s paradoxical, like that rule for great success that talked about paradoxical. He’s saying you’re going to achieve a heck of a lot more with structured policies, systems, procedures… However, you’ve got the latitude to make the rules of what you want to do. It’s up to you. He’s just trying to give you an expedient to get started. But you might even find one that’s better, or more akin to it. But you might even call somebody in your industry that works for one of the trade pubs, because they don’t make bupkis either. We’ve hired people from trade publications. They’re very inexpensive.

**Chet:** Yeah. The librarian is probably the best suggestion.

**Jay:** Yeah. OK.

**Chet:** This is a person, though, who has researched for 50 companies for me, and she’s just really good at it. And she understands what you’re trying to do – find that pain, and blah, blah, blah. But –

**Jay:** Yeah, she’s $50 an hour. It’s going to cost you.

**Chet:** $50 an hour.

**Jay:** Yeah, for $500 you’ll probably use his person.

**Chet:** Yeah, but I don’t necessarily… that’s why I say, I don’t want it to be – well, we can leave that part on the video where you recommend a librarian. It’s probably a very good idea.

**Jay:** Yeah. OK. Next.

**Chet:** Now is the time for you guys to start and actually do your plans and work it through, and…
Jay: So like, you’ve got a process? No, I just want to make sure we have a process to take them through that we can get them started now.

Chet: Yeah, I was going to suggest that you work out the entire plan – what it is that you want to do, how you want to accomplish it, what do you think of the big things. It’s like your summary document, and your plan of how you’re going to now work it through, and then – go ahead, Jay.

Jay: I’m not trying to step on you, but I’ve got a suggestion that you can run with. (And you disconnected your thing.) But what I would have you do is maybe go through a real quick review of the high points of your notes so you pick up the big issues.

Chet: Great idea.

Jay: And get those set up on – I would almost take – I’d rip out some pages and do them long-ways.

Chet: Or Bob had a great way.

Jay: OK, go ahead.

Chet: He took two notes and have a separate list of action items.

Jay: Yeah. Is that what he did?

Chet: How many action items are you up to now, Bob?

Bob: I have 13 pages.

Jay: But here’s the problem, is Bob…

Chet: You had two pages two days ago, right?

Jay: But you have a separate pad for that, or a separate sheet?

Chet: He does.

Bob: I have three full pads.

Jay: Yeah, see I mean, if I were doing it – I just don’t think we have enough pads. We didn’t – If we had extra pads I’d give every primary a pad so they could have the action items now. But if not, just tear your pad out and just…oh, we’ve got them. OK, use that. That’s how I’d do it. But I’d go through, because you can’t – he gave it to you in a sequential order that had to do with first forging your strategy…

Chet: Very good, Jay.
Jay: …then your tactics. If you guys go at it the same way you’ve been doing my stuff, you’re going to end up with a better result, but not the optimal result.

Chet: Very good, Jay.

Jay: Well, no. I mean, I’m a good learner.

Chet: That’s a pretty good outline.

Jay: Yeah, Chet, why don’t you outline the big – you want to give them the sweeping…

Chet: It’s right there on that page. Wally’s holding it up. There you go, right there.

Jay: And you all have it. And if you don’t have it, we’ll get you another one real quick. Who doesn’t have it? David. It had been distributed earlier. You might have it, and not remember you got it.

David: I have it now.

Jay: OK, so how much time do they have, because…

Chet: Well, I think that’s what we need to do ‘til we’re done here, so…

Jay: OK, so let’s tell them what to do…Tell them what you’re going to tell them what to do. And then summarize what you just told them to do, Chet.

Chet: You’re doing great.

Jay: Hey, I paid attention.

Chet: Keep going. I think it’s a great idea to start from the beginning of your notes and pick your action items of how you’re going to do it. And then as you’re doing it, you start to create the structures, and etc., etc., etc. And then you end up with a full-blown plan that you follow that’s specific to your companies.

Jay: But in case we run out of time – because we’ll probably stop between 5, 5:15, 5:30 – let’s lay out what you should do so if you have to come to a stopping point…You’re welcome to stay here, to go home on the airplane. But again, my recommendation - and I’m deferring to him because I think he’s more procedural-oriented. But I would go through all the high points first, so you know what you’re working with. Then you can organize them, and then I’d put them on separate sheets in a prioritized order, and then I’d do the action items.

But keep in mind, strategy first, because without it, all you’re going to be is tactical. You really are. So you’ve got to – first things first. Deal with it. Build a foundation so then you can build the superstructure, and deliver all the tactics.
OK, so why don’t you take, well, why don’t we take at least…start now and take about the better part of 20, 25 minutes, and then we’ll stop and see where they are. No, just see where they are.

**Chet:** OK.

**Jay:** No, because then we can just go in and give them the rest of the time. I’m trying to find a way we can monitor and adjust if they get miscalibrated, or if somebody figures out… If anyone - by the way, we’ve got some bright people in this room – if you have a faster accelerator like Bob’s, share it real quickly, and we’ll evaluate. We’re flexible ourselves.

**Chet:** That wasn’t Bob’s idea. That was my idea.

**Jay:** Actually, it didn’t really happen. It’s been disclaimed. Anybody got a better idea? I’m not trying to be accusatory. Anyone got a better idea?

**Chet:** A better way to get more out of this…

**Jay:** Don’t say, “Stuff it.” That was a joke.

**Chet:** Stuff it – ah. Took me a minute.

**Jay:** You’re tired. I can tell. You’re head is just going…

**Chet:** I am. I’m really…I’m really fried.

**Participant:** You can… going back to your visuals…a lot of times I’ll draw a circle in the center of the page with a topic, and then I’ll spin circles off of that, and it’s easy to read real quick, and you can put a lot…

**Chet:** You know what?

**Dan:** Mind mapping, I think it’s called.

**Chet:** Let me comment on that, because I actually teach that technique, and among the 4,000 things you guys learned, that was not one of them.

**Chet:** That’s for creating? The worst thing you can do – I’m really glad you brought that up, Dan. The worst thing you can do when you want to put together those stories is start in an organized fashion. Because when you organize, you engage left brain. And does anybody know what that does? What’s left brain? What’s the left brain? It’s the logical part of the brain. So you automatically, you just cut down – so like these courses that teach you, “OK, the first thing you do is you write down ‘Areas covered,’ and try to organize your thoughts…”

**Chet:** Don’t try to organize. That’s the last thing you do. You do what Dan said. You put in the middle what your objective is, and you start going like this, and you just write
over here, and then you’ve got another one here, and then you end up with five bullets over here, and then you go down to here like this, and you put another one over here. And now you get this flow. And then you organize.

So – but for the point we’re at now, you’ve been flowing for four days. It is time to organize. But I’m glad you said that one. I mean, now is the time where actually, you’ve got four days of this stuff. I’d like to see it laid out like, you know, bing, bing, bing. Like Bob has. Now he’s got his action items, but now I want to see in the order of when you’re going to do them, how you’re going to do them – you’ve already got that too, huh?

Bob: These are highlighted on the big list, and then…

Chet: Yes. He is such a show-off, that guy. No, I’m kidding. No, you’re super-smart.

OK. Anybody have another suggestion? Because, see, what that last one did. It brought up another area that was really valuable. No? Then let’s go. Go to work, guys.

Chet: But the next question is, how do you develop that core story? So you start with this broad research, and it’s pretty much the system that Bob has – even though I’m not going to give him any credit for it. And you start with your broad research, and as I read the research, and I know what I’m trying to prove, as you do. You know what you’re trying to accomplish for each one of your companies. Now I start keeping a separate pad over here where I put just the “Ooohs.” “Oooh, that’s a good one.” And I put a little bullet, and I write it down. “Oooh, that’s a good one.” And I put a little bullet, and I write it down. “Oooh, that’s a good one.” And I put a little bullet, and I write it down.

Anybody ever prepared a college paper in this manner? Where you’ve done the – you do the broad research, and then you start picking out the facts that you know are going to help you prove the case that you want to prove. And then you start taking these facts and you start building your panels. And I use the extra-large index cards, because they force me to keep a very limited – (chatter) What they do is they force you to keep a very little amount of information on each panel, because your tendency is to want to tell this big story on the panel. So you start off with these – you know, the extra-large index pads, and you have your one topic. So what –

Because here’s what’s going to happen. If you have really good research and you’ve really done a good job, this fact here will be amplified by this fact here, which when coupled with this other fact on page 15 of your major things that you researched, makes this thing make people say, “Wow!” – You got it.

So for example, in that chiropractic presentation there’s one panel that shows that doctors need to know 20 times more information today than they did in 1950, and on the same panel it shows the growth of various professions. And that’s like six, seven pieces of separate data that we put onto one panel that you page by in 13 seconds that the average person goes “Wow!” And our goal there was to show them that there’s no way a
doctor can be an expert on everything, so they sure as heck can’t be an expert on the spinal column, and that’s why there are chiropractors. But we – it was a little throw-away setup panel. (So that was a great suggestion Jay.) So what happens is you start to get these panels.

Now you’ve got your panels, and then you actually start to practice how you present them. Like when I’m presenting the one on effective presenting… That’s why I say, I’m a little stingy about this stuff because when you’re looking at these 3,000 slides it’s this massive amount of research, and then, what was the order that they were going to be presented in? And all that is work that somebody had to do. And then what graphic is going to illustrate your point? Because remember, I said there should be a graphic on every point. Well, if it’s a comparison and it’s saying, “A decline in blah, blah, blah, blah…” Then have a bullet that spells it out. Every page has a source at the bottom. And you’ll see on that chiropractic one, every page has the source of where that information came from.

And then in this one you’d show that decline in a bar chart, maybe. Or if “40% of the industry…” And then you say, “Pie chart.” And I just literally draw a little Mickey Mouse version of what I want. I put my bullets and their text here, and then I start to play around with it. And I find out that when I – like, I just built one for another client, and it showed that doctors (this is different than Immuno) but doctors spend ten years in school - and law school - and come out with approximately $100,000 worth of debt, and are making about $40 an hour. And schoolteachers spend four years in school, come out with approximately $4- or $6,000 worth of debt and are making $40 an hour. Both are very honorable professions, but one would think if you’re going to pay those long dues that there was some kind of bigger reward at the end of the rainbow.

Well that was several pieces of information, and at first I had that debt on one page, in terms of the $100,000 vs. $6,000. And then I saw that – I found that later on in the data I found the statistic about (I did lose my train of thought, finally. In four days, that’s the first time.)

But anyway, the point is that I started to see how “Oops – I need to put this here.” And you’ll see that. So if you build these panels and you start to rehearse with them and practice them, and pretend that you’re presenting the information, it starts to make this a logical flow.

So, Dan, that’s how you do it. So start off broad. And if you don’t want to have to do the research, or you don’t do the research and you want to do your story, and you feel you know enough just from your own brain – and some of you do here. Some of you have all the data you already need to build your story. Then start to build those panels. Take your little index cards – use the extra large ones – and start to write the panels and practice the story and pretend you’re presenting it to somebody, and then there’s nothing like practicing out loud. It’s so powerful. I already said that.
OK, and then in terms of this exercise (which I know, we’re right at the end of the rainbow here) Rich, you had a really good formula. Would you mind coming up and doing a minute on it? (chatter)

Rich: The problem we faced was like everyone else here. We’ve had ___ 12, and then we’ve got the – what was that other list? It was 52 memos. So we’re going to end up with hundreds (maybe even thousands) of brilliant ideas to somehow prioritize and do. So the trick is how do we actually achieve this in our business?

So we were thinking, what is the company structure we can have to at least prioritize ideas somewhere? So we thought we’d need a tree, we’d –

Chet: That’s a key right there, though. What he just said is “Prioritize.” That’s the key. It’s like, here’s all the ideas, and you start to look at them and you ask, “What is the result of each one of the ideas?” And that will start to predict your priorities.

Rich: So we decided to build a tree with branches on to hang all these prioritized ideas on, so we can “chunk” the ideas onto different branches. So the first one was, of course, the strategy bubble, which has a whole lot of things coming off, like the workshop. (I don’t know if you can see that now.) The workshop/training, (I won’t draw anything on this) and then underneath, in our particular business, we have development. So we develop websites and so on.

Chet: Well, for anybody here though, that totally ___. You have the strategy. Then you have the development that grows out of that strategy, which is in this case your corporate story, or your presentation materials, or… That’s actually – I thought he laid it out pretty good.

Rich: And then next down is customer relations, because once we’ve actually got the product up and going, which in our case is a website, we need to be processing the customers.

Chet: And in your case it’s, - Now we’re starting to get down into the tactical implementation of the story. So what are going to be the choices that you…? It’s pretty much what those boxes lay out. It’s pretty good.

But what I liked is that he found a way to say, “Well, let’s pick our priorities. Let’s decide what we’re going to do first…what we’re going to do second…” It’s just a way of disseminating the information in a highly-organized fashion.

Rich: And then the final bubble on the tree was Edmund, with like accounting and that kind of thing. And out the bottom drops the dollars – out of this tree. So there’s lots of branches coming off the tree, and a lot of these branches, for example, copy… there’ll be one person at our company who’s better than the others at copy, but we’ll have a shot at it. But we tend to have, for example, one person who’s just a specialist in
Now, what ends up happening in addition to this is we end up with – we call them outcomes. (Probably a bit of an Anthony Robbins term) Just sort of like projects. So in this case one might be a particular product that we are going – someone has to be responsible for. That could be Xenocal, which, when we’ve looked at how can we have the broadest possible market, that could be a lifestyle center website eventually. So we’re going to have all these different outcomes here that people will be managing, so it will be a complete tree for each of these outcomes or projects. So that way we’ve got…

Chet: Good job. Thank you.

Jay: Let me ask you a question – OK. So now you’ve been spending, whatever, an hour working through this. I’m just going to randomly – who’s got a mike? Al, you’re going to be the runner – the running miker. The mike runner. So – put it in Mickey’s behalf. Mickey, what – not insight or realization – what liberating discovery has come to you in the last hour?

Mickey: Liberating?

Jay: Yeah. Liberating, man. It’s like, wow, this is exciting! I never realized this! As you’re putting this all together. One liberating discovery has come to you – what is it?

Mickey: Well, I don’t know about liberating… it’s just that I have a tremendous amount of work to do.

Jay: But, as you do that what’s going to happen?

Mickey: It is going to liberate me.

Jay: Isn’t it?

Mickey: Yes.

Jay: So it’s a liberating discovery.

Mickey: Yes. It is, most definitely.

Jay: All right, same question. Who had a liberating discovery, anybody? OK, Elaine had a liberating discovery. Bob had a liberating discovery. Carl had a liberating discovery. OK, Bob – or Bob’s colleague. Somebody had one.

Bob: As we were looking through my 18 pages of small print, we came up with a strategy to actually get those implemented, which was more of a process development.
And before we came we developed a project management risk analysis process, which it turns out we can apply to the seven disciplines that we decided the company focused around. But most importantly, these guys were good in knocking that out.

**Jay:** That’s great. That’s good. OK, anybody else have a realization that was liberating? Liberating, who? Nobody else? OK, raise your hand – one…Elaine had her hand up, now she’s putting it down.

**Participant:** We focused on what business I’m in and my ideal customers, which I’ve been trying to figure out for awhile.

**Jay:** Now you know what they are?

**Participant:** Yeah, it’s nice. I’ve got to test it, but I think it’s going to work.

**Jay:** When you listen to the re – the 93 Referral tapes, the very first illustrative, sort of position-setting interview on there is me dealing with this dentist from Australia named Paddy Lund who transformed his practice. And it was all about basically deciding who he wanted as his clients and who he didn’t, and firing – benevolently and nurturously and diplomatically and respectfully – the people he didn’t want so he could set a criteria for what joy, what fulfillment, what purpose, what really viability meant to him. And I think you’ve got to do that or you’ll be serving all the people, and half of that won’t appreciate it and it’ll be very unfulfilling. Good.

**Walter:** When we first went over the workshops I thought it was a bit simplistic and…

**Jay:** Oh, go ahead and say it. He’s not listening. Hokey!

**Walter:** …theoretical. But just now I – like, not now, but like an hour ago…

**Jay:** Yes.

**Walter:** It was – I think that’s the single most powerful – if you want to grow your business…

**Jay:** Yes.

**Walter:** That’s how you do it.

**Jay:** I’ll tell you, when – the one thing that I was always fascinated about was the irony that when I ever explained my methodology to people they’d say it was hokey. It was simplistic. And yet, the most powerful things in the world, if you look at what really works, are not the complex things. It’s the simple, easy, logical, repeatable things. And that’s really what great, enduring success is built on. That’s great. Thank you. Elaine?
Elaine: This has all kind of come together today, but in a way I’ve been kind of fearful of growing really rapid, like doubling business in a year, or whatever. Ruddy thinks a lot bigger than I do, so he keeps telling me all these grandiose numbers we’re going to hit. And I keep thinking, “Oh God, he’s never going to come home!” But what this seminar’s done for me is to see how we can empower a team, and we’ve already been trying to do that, but it’s just giving them tools to do it. And empower a team of people to get our business working for us instead of us working another half-day - whoever said half-day was twelve hours day - every day for our business. So that’s probably been like a revelation to me.

Jay: That’s great. Mickey – got an addendum?

Mickey: Yes. Jay, I think the biggest revelation to me is that we can do it.

Jay: Yeah, it really is. It’s much easier than you think. It’s got to have a system, and it’s a revelation to me for why so many people were unable to do it, and I was always frustrated with them when I should have been empathic for them. And this has been a very revelational day for me too.


Paul: I think the one thing I found out is that we had most of the answers all the time, but we had no way to have them organized to come up with the results we wanted. We had an end result, but didn’t know how to get there. And this gives a structure to that. We’ve got a fast track of getting there.

Jay: Yeah. A very clear, simple,…

Paul: Yeah.

Jay: …direct, and universally applicable, so it can be applied to almost anything you’ve got. Great, OK for – as a courtesy to Chet and to all of you, let’s bring it to a wrap. I’ll make a quick little summary, and then Chet will probably say something, and then we’ll give you a license to either stay here, to interact, to go… James, I think, is still going to do all the people. You might want to have said something about it on tape. Maybe we’ll do some testimonials or something. I don’t know if you did it or not, but we’ll bring that up.

Chet: If you could get a few more, that’d be great.

Jay: OK, so real quickly.

Three months ago, Chet and I started talking about how impressed I was with the results he had precipitated with clients we were collaborating on, because he was working his system with them. And that wouldn’t it be interesting to see if we could take that and apply it to an intensive for a small group?
That started the evolution of the PEQ Program. We walked our talk and did what we said. We tried a lot of different avenues. We’ve got 28, 30 people here from a broad spectrum of mid-range, small/medium businesses, some very sophisticated ones, some very basic areas of endeavor. You’ve all come together, trusted us. We told you in the beginning, I don’t think me dropping 150 more, or 5,000 more brilliant marketing insights that you can’t actuate on is going to really help a lot of people. I think basically me giving you connecting…what the drivers were…trying to show you what leverage really looks like…teaching you these concepts of force multiplier, and PEQ and how it really works is really neat.

But Chet basically represented the missing link…the operating system that would let all the power of your desire, your commitment, your intense need and capacity to contribute more, to perform higher, the commitment you were making to people, to assets, to marketing, the product or service that you come up with, and the love that you were cultivating for your marketplace, to all culminate into an integrated system that could really thrive, survive, preempt, dominate, be invincible.

And so what the last four days have been have been me trying to make whatever contribution I could, connecting the dots. I’m upstairs with nine million reference volumes, going upstairs and finding little things that I can share and reiterate, or that would have context. But really, most of this weekend, Chet has carried the ball with his system to connect all the power.

Now the one thing I want – I want to laud him. I want to give him Herculean credit where it’s due. I want to tell him I was impressed, because without – not using negative self-talk, the skill set that he extols is not the skill set that I really have cultivated to any degree. And it’s my most awkward area. And taking my strategic breakthrough non-linear thinking and connecting to his has produced incredible results for people. And I hope it will produce incredible results for each and every one of you.

And I’ve been very honored to be part of this, and I was very impressed. Chet said in a humble, but a confident way, “You’re going to love the transformation that I’m able to bring to your materials. It’s going to be incredible to…”

Chet: No, what I said was you’re going to love the platform on which this material makes this…

Jay: But whatever he said, the truth of the matter is he’s connected it for you.

But I’ve got to urge you to do one thing. In my reformed manner over the life of the last 15 years, if you look at the material I’ve shared with you and the methodology that I’ve tried to formulate, and the discoveries that I’ve shared, there’s a lot of incredible stuff there that could do so much for you if you go back and remember what it is and tie it to all this. Because it’s just powerful stuff if you really turn it into a systematic, integrated – he’ll say “stacked” - I’ll say integrated Power Parthenon, and you really
understand this military concept of forced multiplier, and you understand that leverage is a much more dimensional... a much more integrated... a much more exponential concept that can be multiplied, magnified and impacted through every process, every person, every activity. But I for one had an extraordinary experience, and it was quite transformational.

And I really do – I appreciate Chet a lot. And I’m very thankful for me, because it gives me a way to see reclamation of all the contribution that I tried to make to you, and you get a reclamation of all the investment you made in my methods. But it also is exhilarating for me to see somebody who’s got really master-level expertise, and the ability to translate it into really actionable and easily understandable form. It’s been a great pleasure, and I really appreciate it. Thank you so very much.

Chet: Thank you.

Jay: That’s all I had to say, except I hope you really apply it. You want to say anything? You should say something. Epilogue, epilogue!

Chet: Thank you. I hope you got all that on tape. Thank you. Thank you. Well, entering Jay’s world (which now you know what that means) took a lot of work, but it’s paying off in spades in every single way. And it has been very rewarding. And it’s funny, because I started off in smaller companies, and then I took this high-falutin’ technology to the big companies and learned really how to get it to work in bigger companies. And then when you, having talked with so many of you now, so intimately and seeing what you’re going to do with what you got, it’s extremely rewarding. But we discovered it by us actually taking several companies, and getting in there and working them over and watching it work.

So Jay has been an inspiration to me. It’s funny, because in order to prepare properly for this, I was reviewing some of my old videos. In fact, two years before I actually spoke to him, I took one of his concepts and credited him for it. So – I’m sure a lot of other guys steal stuff from him and never even mention his name. So I thought, “Oh, that’s nice. Look at that. I acknowledged him.” But he’s having a profound impact on my life as well, and all of the breakthroughs that I’m seeing with our clients, most of the ideas were powered by Jay, and it’s just them having the technology that’s here.

So the same amount of applause for Jay!

Jay: Pleasure. Thank you. Thank you very much.

Now use the rest of the time. Chet’s got to leave, like, momentarily. I know he would love to talk. You want to meet with you two, and Marshall, talk to him for like two minutes before he leaves.

Chet: I did.
Jay: Oh, you already did? Good.

And all of you - we live in a world that thrives and is nourished by people who achieve results. We live in a world that is not about intellectual entertainment. It’s about seeing people actually implement, systematize, sustain, and reap and harvest and harness the enormity of power and profitability and preemptiveness that lies in all the combinations that have been shared with you in the past, and over the last four days.

The greatest acknowledgement you’ll give to me, and I suspect to Chet… I mean, standing up is very flattering to my ego, to my sense and purpose, and yours too. But the greater flattery would be if you go out and…

Chet: Yes!

Jay: You know, you double your business and you credit us with it. You become – you’re not only written up as the restaurant, but you’re written up as, “Oh my God, how did he go from…one day he was being acknowledged in Playboy. The next time he had 87 units and he’s now a trillionaire, and he just bought Microsoft.” And he said, “Chet and Jay helped make that possible!” And now Bill Gates is cooking shrimp.

Anyhow, all of you, the best of success to you, and be vigilant, as Chet said. And I’m sure that I can say it again, because a lot of you unintentionally succumbed to initial validation in non-viability. When you try something and it didn’t work, you’d go into knee-jerk, status quo, futile, and forget it, and it didn’t work, and you couldn’t get it in your system, and moving on. Now you know how to do it, so do it. I feel like the Nike commercials.

Chet: Give yourselves an applause.

Jay: Yeah, thank you so much for all your contributions. And Carl – we’ve got to thank Carl too.

Chet: And Carl Turner.

Jay: Carl worked his heart out to bring you all together. We really appreciate it.