

THE TOOLBOX

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Okay, so first thing, when you think about your toolbox, you really only have **three doors** in it. You've got the product itself and the message about it, which I consider to be seamless. If you want to think about it as four drawers I guess you can but I consider it to be seamless. So you have your opportunity, or if you must your improvement, or if you must your repair, the thing itself. And you got to give some thought now to "is the thing itself right?" Is the thing itself the best thing it can be for you to present it with opportunity language and for it to have the most appeal to the most number of people in your market that you want to sell it to your target audience? So you've got to give some thought to the thing itself. You may want to make modifications to your thing.

Your second drawer's **process**. So that is now how we make the sale. How we sell things. A trend, for example, and we're going to do a lot of detail but a trend, for example, in the last few years, motivated by recession and the difficulty of selling but then some people have discovered it's so profitable they will stick with it long after there's a recovery is it has driven a number of my clients back into the field. In one way or another, what were pure distance/media marketers are now, they have a preview speaker out on the road, they're doing preview seminars, they themselves are going hither and don and doing things. They're exhibiting and trade shows when they didn't exhibit at trade shows.

So you really kind of like when you want to cut a government budget, the best thing here with process is you put everything on the table and reconsider everything. Now when you walk out of here, especially if you make modifications in drawer number one, you may want to make modifications in drawer number two.

Last is the, oh one other thing about that, is we're going to talk about direct mail a lot today. That ought to be part of your process. Then the third drawer are **the people we're selling to themselves**. Are you investing in the best way possible to be talking to the best prospects possible the greatest percentage of the time? Who are we trying to sell to? And then who are we trying to craft things for? Those are really the only three places in which we can do real work.

And we're going to talk about prospects first. You will find a page, so realistic market assessment. So if you read and there's a couple of pages that follow that page, if you read the Lyman Wood book. So how many of you have got What a Way to Make a Living? Very good, okay. How many of you have actually read it? Very good, okay.

Cool guy, right? By the way George does that mean anything to you, Lyman Wood?

George: No.

Dan: Is Vicky in here? Oh we've got to get you this book. You would love this guy. So if you read that book one of the key things about their success with the fellowship thing is they clearly understood there was a limit to how many they could affordably sell. They had a handle on the fact that there's only 'X' number of people who are going to have a high enough level of interest in this thing. And if we try and press it wider, broader, deeper all we're going to do is dilute the message that works with the core audience and we're going to lose money.

So with niche marketers this is even more significant because you're usually dealing with a more finite number to start with. And so I had this conversation with private clients all the time and often it's always an unpleasant conversation because they walk in the door thinking because there's 55,000 chiropractors that they have 55,000 potential buyers and it's nothing of the sort. That's just fantasy.

First of all, some of them are too old. They are grandpas in practice in Podunk, Ohio. He's coming in one day a week. He hasn't gotten a new patient in five years, doesn't want one. He's just treating the ones he's already have until they all die. And then he's closing the doors and going fishing. He's not buying nothing.

Some of them are too young. They're in the category we talked about yesterday to dewy eyed to do anything. They got out of school, mama has a lot of money so she set him up in the state of the art practice right away. They didn't go work for anybody. And they don't know nothing. They think patients are going to materialize because they have healing hands and a bright smile and it's going to be a while before we're going to sell them anything. And by the way I haven't just described two isolated, two people out of the 55,000, I've described a significant number out of the 55,000.

There's other categories we can wipe out too, by the way. I can tell you, for example, that multi doctor practices, more than three in a single practice in this particular niche, lots of luck making sale to them. I can also tell you there's certain ethnic names you take off of a mailing label because lots of luck making a sale to them. And so you start to slice and dice this list. There's profound geographic biases that haven't changed in 35 years. There's six states you would never mail into if you were trying to sell to chiropractors because you aren't going to sell. I swear to you, it's hopeless.

So now when you bring this list down you may have 25,000 out of the 55,000 that even ought to be considered suspects in sales language. Then we got to think about how many of them are anywhere near any mindset that will allow them to buy or allow us to even get them far enough along to buy and there's a smaller number there. And so realistic market assessment, first of all, of what you got. What is the number? Because you got to build the economics of the business based on the real number.

So if there really is only 25,000 give her take you're going to get to five percent market share before your cost go through the roof. So 10% 2500, that gives us 1250 people that we realistically in that niche can make a profitable sale to, kind of the way we sell things. So now what is that business going to look like financially? Right? And now we get to the second thing is, the most important thing now is we got to figure out who the hell the 1250 are. Not by name but by mindset. Where are the 1250 because those are the ones we have to talk to? And we better figure out what the trigger point is with them. So now think about what most people do. They try and craft a message that will appeal to the 55,000 as broad, as fuzzy, political language, this big tent right? So in politics you win in the primaries with the extreme core audience, which is one of the reasons the process is so [inaudible 50:04] but still it's instructive. So we're about to start, in case you haven't noticed, the presidential campaign starts on Monday for 2012.

So far nobody's declared on the Republican side. Gingrich has declared he's raising some more money. That's all he's declared, God bless him.

So in politics it doesn't matter, democrat or republican. You win in the primaries because only the core fervent, extreme of each party votes in primaries. You win by being a narrow, focused extremist. Now in the general election, of course, you got to cast this big, broad message and try to appeal to everybody. So you got to move back to the center in political language.

Fortunately in our kind of marketing we never have to move back to the center and generally speaking we'll lose money if we do. So you got to think about, in my example, the 1250. Where are, would, with their quasi-religion, right? 'A' they didn't try to appeal to everybody. Their number's much bigger than the number I just described but still they didn't try and appeal, for example, to Catholics. Why? Because what they were selling, what they identified about their buyer if you remember, actually I could probably get it exactly right and then we won't have to remember. And no I don't think I have it.

But basically what they identified about their members were, their 1250 if you will is they wanted to pray but didn't have any confidence in what to say. So they didn't know how to pray. Well that rules out Catholics because they get told what to pray. It rules out Lutherans. We got told what to pray. They hand you a prayer. So that rules out them, right?

And so it's important to try and figure out, again, we'll use from my example, those 1250. What are they about? Because if you try and talk to the 25,000 you're going to miss the 1250 and the only place there's any real money for you is in the 1250. So like yesterday we looked at these ads that I showed you a 1910 example and a current example that are all about, in the opportunity field, they're all about the enduring, admiring wife impressed with the husband who now is making a better paycheck or owns his own business or has his website online making money.

And many of you, your visceral reaction to that even though I showed you current examples as well as 1910 examples, your visceral reaction to that was it's antiquated as Grandma's wringer washing machine. That's not how men and women interact with each other and how the world works today and it's probably not the way it works for any of you in the room who are married, particularly the women. That probably isn't you. If anything it might be the opposite. But you may be driving the ship and he's along for the ride.

However, if you're selling money making opportunities to opportunity buyers and you want to know a little secret about the 1250 the overwhelming majority of them are still 1950 traditionalists and they're in conservative states. They are in Utah, Wyoming, Nebraska, Iowa, Ohio, Indiana. California's like a country unto itself, purely by its density you have to sell things to California and you have to change the message to work there. But otherwise the opportunity ads, if you go get an opportunity magazine off the shelf today, which by the way you should get them all and you should start paying attention to this. I noticed Wal-Mart stopped carrying them all of a sudden for some reason but if you go to Barnes & Noble they're all there. From the rags all the way to the elegant stuff. You should get them all.

Like that Pace ad you're going to see it in this month's magazine. Well it's not because they're morons. It's not because the people running the company are stuck in the 1950s, it's because their 1250 are still there. Mama's still, in large numbers, a stay at home mom or if she's working it's because they need the dough not because they believe that that's the way things ought to work. And he's still about being the guy who brings home the bacon and gets the adoring doe-eyed look from mama because he brought home a better paycheck. That's the 1250.

And so if you modernize that message based on you but you're aiming at them you're in trouble because that's still where they are. So your market assessment is a math assessment, how many there are and it's a psychographic assessment of who they are once you decide how many they are. The other thing about this to understand, and many of you have heard this before, but I don't think I can say it enough. The overall numbers, which in part define the affordably reachable segment of a marketplace. The overall numbers of American society and I don't know. For those of you that came across ponds but I would wager it's the same. I don't happen to have data. But in the United States these numbers haven't changed.

Social Security Administration started to chart them the year I was born, 1954. And everybody in the direct sales industry caught up and started to use them about 60 and 61, 62. I first noticed them 66, 67, 68. These numbers have not changed except in one place, which I'm going to show you. Otherwise they are the same. The last time Social Security Administration published them I think 's 2008. So they haven't changed all the way to 2008. They are the same damn numbers and therefore they're pretty important. So here they are.

The way it was always said because 65 was the retirement age and so the Social Security Administration still charts it this way. So if you follow them for their working career age 20 to 65, so 45 years of work, here's where everybody winds up. These are the old numbers. I'm going to show you the change. One percent rich, four percent financially secure meaning they're not going to run out of money before they run out of life, which is an increasing problem, of course, in the stats because dammit they're keeping them alive longer.

54 percent are still working out of necessity. Not by choice. And their total net assets including their house are hundred thousand bucks. Five percent are dead broke and 36 percent are dead. Now the only number that has changed between 1954 and 2008 is the 54 to 36 because they're living longer. So the 54 percent is now higher. And the 36 percent number is a little lower. Other than that nothing's changed.

But I want you to think about everything that has changed that should have affected these numbers. Just think of all the gadgetry you've got in your little bags. We got cell phones. We don't have long distance. When's the last time you got a bill with a bunch of long distance charges on it and anybody actually thought, "Well I don't if we should call Aunt Martha this week or not because all those business calls outside of my area? No I can't make those. The long distance charges will kill me." When's the last time anybody had that thought?

Access to information. George said, same thing. We're the same guy. New problem arises, new opportunity arises go to the library. Right? First of all everything you want is there and second there's a little old woman sitting there who's dying to be helpful who knows all kind of shit and will work for free. So you go to the library, right? But you don't got to do that anymore. You don't have to leave your happy little couch and your little pad and you can access every piece of information known to man as well as all the misinformation you would like – Wikipedia.

Well Wikipedia profile's hilarious, mine included. Very funny. I wish I was that interesting. But seriously think of everything that has changed to remove barriers to achievement in that period of time and we're in the same place. Right? Maybe even worse arguably because more people are living and now they're in worse, more of them are in worse financial shape. The reduction of the death stat actually makes us a little worse.

So all this changed, and all of us, all of us. So in that period of time we had the whole self-improvement movement. EST, Life Spring and everything it spawned. We had the advent of public speakers who run around tell people how to be successful. That business was literally birthed in the 60s. The first National Speaker's Association Convention was so small they had it in Cavett's living room with space left over. So that's all happened.

Learning media. I always joke, it's harder to get stuff when you, the record player bounces on a car seat and the needle scratches and it's hard to listen to them while you drive. So the cassette changed all that. And here we are with the same damn numbers.

Now here's what you got to get based on that. You are not going to be the guy who changes the numbers either. Not you and not all of us collectively. They are going to be the same 50 years from now or worse, not better and you aren't going to change them. And that pyramid is how people arrange themselves in every population in a very short period of time.

So pretty much a parallel pyramid overlays every industry and every professional. I don't care. Fitness centers, mortgage broker, well they're gone. Insurance sales people, dentists, info marketers, speakers, don't make any difference same pyramid. One percent, four percent, etc. It overlays.

If you take a microcosm out of that industry and you organize them. So if we take all, I see you've arrived Michael. So if we take all of Michael Jans' P&C guys who he has provided with marketing systems and sales tools and all that, so he's taken a microcosm out of the P&C Insurance

industry and organized them over here. Guess what? Same pyramid now can be found in his customer base. Same damn pyramid.

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There's one percent of them kickin' ass, taking names, using everything he's giving them, their income's multiplied, they just bought their second yacht, they got their second mistress, they got the third wife, they're just flying. There's four percent who are better and then we start down the pyramid. If we go take the Forbes 500, which they publish every year of the richest Americans go take a look at it. They're net worth is in it. It's 500 richest Americans. Take their net worth and build yourself a little pyramid. It's a pyramid.

There's one percent of the 500 who are enormously rich. There's another four percent who are impressively rich. And then you're all the way down to the bottom of that 500, the guys who pretty much need to keep their running businesses still working just to cover their overhead. Now they got a big nut but the same pyramid is there. So we are not going to...now we'll impact individuals because obviously we all probably, at least most of us probably, started in one place of the pyramid and now we're in a different place.

By the way, most of us would've got there regardless of whether whoever influenced us existed or not because we would've found somebody else, the influences are really interchangeable. It's about the person being influenced, not really the influencer. If I had enough money to go to college and become a veterinarian, instead of doing this the impact on any of you or the world would be non-existent. It wouldn't matter because somebody else would've influenced you and you would've done what you did anyway. And the same thing is true of you by the way. You are an interchangeable doohickey.

If you went and did something else ultimately all my Michael's P&C agents, 99% of them who are now in the five percent would've found their way to the five percent whether through him or whoever was his replacement. But we are not, so we move individuals up and down but the numbers never change, never. And so both process, profitability, business structure, it all, message, it all has to reflect the reality of this pyramid.

If it is ever built under the delusion that it is somehow going to take the bottom of this pyramid and invert it and that's how you're going to buy your mansion that's delusional, not going to happen. And by the way, the big, big, big movements, who are all about that, namely Christianity, which is all about inverting the pyramid. That's the whole point right, losing ground. Not gaining ground, especially here in the United States. So church attendance is down, donations. It's all down. It's all trending down. It's not trending up.

So inverting the pyramid insane and you got to be careful that nothing you're doing in your business is about the delusion of inverting the pyramid. Not going to happen. Our business has to be about finding the ones who are or can be developed into the top part of that pyramid. I'm going to skip over to Halbert's stuff but it all has to do with the power of the list. You can get to it on your own. So I'm all the way over to the stuff that looks like this about the faith healers list but I'll tell you one other thing before we get there.

There's a book, have you read the book Sham? How many have read the book Sham? Oh very good. Good for you. So in it he was talking about his experience at Rodale and very important. So I'm just going to read it real quick. So, "Guided" our entire approach at Rodale. The most likely customer for a book on any given topic with someone who had bought a similar book within the preceding 18-months." I have more. But so let's just stop there for a second.

In list language, which in about another 45 minutes Craig's going to talk to you about direct mail lists. In list language that's recency. It's a select if you go get direct mail lists. So you can get the last 90 day buyer. You can get the last 12 months buyer. You can get the last 18 month buyer. With subscription list you can get the recent expires, people who expired and did not renew in the last 90 days, which often for many of us is the best list because they've given up on guru 'A' but it doesn't mean they've given up on topic 'A'. They have just given up on guru 'A', which is why companies have portfolios and newsletters so they can move the expires to another one that they own. That's what that business is all about, much like the faith healer list.

So a person who had bought a similar book within the preceding 18 months. Now first of all it's important to know whatever comparable truth exists about your business and about your customer. So I just gave you one of the big truths that exist about all your businesses, which is the shape of the pyramid and the fact that it won't change. This may be a truth about your business. It may not. But there is a truth like it about your business and who the most likely customer is. And it's important to know the truth and then build everything for the most likely customer.

So this gets us all the way to length of message. So here's what everybody tells me. Just like George said last night, he and I talk about this a lot because refuse to be dissuaded. So nobody will watch, nobody will listen, they didn't listen to those three tapes. This business I was in with [inaudible 69:37]. This is the test they had to take before they were allowed to buy. Plus they had to listen to and the husband and wife both had to sign and affidavit that they had listened to 12 hours of audio

material before they were allowed to buy. And if I were doing it today I'd do exactly the same damn thing.

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I just did a very successful campaign, 46 page sales letter, 50 some odd page book, 90 minute audio CD. Well what are you doing? You're shrinking everything for the willingness, the interest level of the unlikely buyers. That's what you're doing. That's like doing a pitch in a room for people who won't come in out of the parking lot. So what you'll do is go out and give the presentation standing on a car in the parking lot. Well how effective is that going to be? No. So it's important to know who you're most likely buyer is and then you craft everything to influence the most likely buyer. You don't craft everything to influence the unlikely buyers. Screw them. Leave them in the bottom of the pyramid. Let somebody else rescue them. The money is in marketing to the most likely buyer.

So we're experimenting right now in a couple of niches. So Dean Killingbeck where are you? Okay. So Dean is like, amongst other things, the resident genius at Birthday Mailings including the fact that being able to get cold lists of people by their birthdays. So what we know about birthdays? We know that people think differently. It's whoever said it first said, I think it was Pat I don't remember that there's nothing like a near death experience to focus your thinking.

Well about 40 and up what are birthdays? They're increasingly near death experiences. And so they tend to focus one's thinking. And so people behave in a little window around their birthday differently than they do at other times. And in certain industries we've known it for a long time. So cosmetic surgery, cosmetic dentistry there's a significant number of patients who are 40, 45, 50, 55, 60, 65, benchmark. Or people's behaviors change by life event. So cosmetic dentistry, cosmetic surgery, for example, a significant number of female patients are in one of two categories. They are dating or they married a younger wealthier guy or they're six months after a divorce and they're getting back in the game. And from the sales standpoint we need them to have gotten the house. All that information's available.

So I'm just beginning to run the experiment and I can't believe I haven't done it before in an opportunity environment because what's going to happen on benchmark birthdays? Charlie's going to think more that week than he thinks any other week that year about his status in life, about his income, his job, his unsatisfactory business. He's going to focus and so I believe, I don't have empirical data for you yet but I believe that if we take mailing lists that are successful and we take out of them only the people who are having their 50th and 55th and 60th birthday and we shift all the resources to hitting only them we're getting to more likely to buy

prospects. Plus I could now tweak the message, maybe being obvious, maybe not being obvious but I can tweak the message to press those buttons harder because they're exposed and I know what they are, which gives me a closed loop of improving effectiveness.

Now it may be true that any birthday will bump response enough. It may not take a benchmark birthday. It may be any birthday over the age of 40. 42 may be work fine, 53 make work fine. I don't know. But I'm on the hunt and I can't believe I wasn't on the hunt before.

But this is who is this most likely to buy prospect? Because that's where we're getting all our money anyway. It's just you're wading through a whole lot of unlikely to buy prospects to find them and have them find you.

Second part of Salerno said then, "But the 18 month rule struck me as counterintuitive and discomfoting in a self-help setting. Many of our books propose to solve a problem. One would not expect people to need further help from us in the same problem area and certainly not time and time again. I discovered that my cynicism was even built into the Rodale system and repurposing, reusing chunks of our material in product after product under different names." Well discomfoting or not here's the big truth about that.

People's dissatisfactions, people's problems are actually their hobbies.

They are to them what golf or fishing is to you or horse racing is to me. That's why it don't matter how many books about it they buy and it's not ever going away. So the person who has a hugely dysfunctional relationship based on one or more things, I'll bet you'll back me up on this, that's their hobby. They redo that again and again and again and again just like you go play golf every Friday. And if you don't go for a few weeks you're uncomfortable. In a therapy practice if he stops them from doing for three Fridays in a row they're uncomfortable. Because you just took away their golf game.

So whatever they're buying stuff in they're going to keep buying stuff in. So if you buy one prayer from, how many damn prayers do you need? Alright? But you keep buying prayers, right? It's like I always joked in my Peter Lowe speech about the dragging the salesman to the sales seminar where they teach him 365 closes. Just give me one that works. I only need one. I'm only doing one sales presentation at time Bubba. I only need one that works. I don't need 365. But what do people want? One a week for 52 weeks times five years and a continuity program, right? Because not closing sales is their hobby. That's their thing.

So the most likely to buy prospect has a dysfunction as a hobby that he continues to buy stuff for because the poor stay poor. See it don't matter how many opportunities they buy. The vast majority of them stay in the same place. Now some move but not many. Most stay in the same place in a pyramid as they were. The faith healer list, which I put that in here for you, is a perfect example of both power of list and this whole thing about the same person buying over and over and over again. And when they get tired of one guru they just move to another. So in this example Oral Roberts list goes to Popoff. Popoff's list goes to Oral Roberts. They're usually buying from more than one at the same time, by the way. It doesn't do any damage.

We used to, I'll show you, so U.S. Gold, one of the ways is cost-per-sale went up and up and up, which they do over a period of time. So the backend was just on buying more stuff to sell, which of course since most people don't do anything the backend not spectacular. And so we shared leads with another business opportunity marketer selling not the same thing but a thing that had the same elements, a thing you took to a table somewhere and put it on a table and people walked up and saw the stuff and you made something for them and they gave you money. So we swapped our leads real early in the sequences because we both wanted good leads not dead leads.

So our follow-up sequence was still going on when we gave our leads to Casi and their follow-up sequence, although not as sophisticated as ours, was still going on when they gave us their leads. No damage. Everybody got what they were going to get plus as near as I could tell 20% of the people were buying both and not doing anything with either one them. Why? Because buying opportunities is their hobby, not capitalizing on opportunity. That's a different hobby. Only five percent of the people every have that one.

So you can exchange, it doesn't do any damage. So you need to do a lot of thought about who's likely to buy and how can you focus and zero in on your most likely possible buyers and be weary of media devoting much resources, time, energy to media that does not allow you to do it.

So to a great extent here's, specific to this, here's my anti-internet talk. To a great extent to me, particularly in this environment, much of what is done on the internet is like for the local business billboard advertising. The hope is that, cause 5,000 people drive by the billboard on their way to work every day, that there's a likely prospect in there somewhere and he'll see it. That's the hope.

But I would rather know who the 52 likely prospects are in the 5,000 and go stick the billboard up in their driveway so they can't miss it. That's

what I would rather do. And to me it's exactly the same story. Now there's also value issues, which I'm not going to get into. So if you want to recalibrate your thinking about this drawer, prospects, you recalibrate your thinking to **who is my most likely to buy prospect?**. What are they all about? What is their starting point? What is the one thing about them that I can hook to? So would, the one thing was they want to pray and they don't know what to say, which by the way is poetic. So that one thing told them a lot about who not to bother with and who to bother with. How to craft the message, right? Because the message can be pretty clear can't it? If you want to pray and you don't know what to say we're your guys.

Now that rules out, again, a whole lot of people. Immediately, well I know what to say. My organized religion that I'm already a part of tells me what to say. So it repeals them. I would wager, so I don't think a single Catholic in my family would ever answer his ad. I don't believe it. Certainly not the patriarchal mother figure of the family because every time I'm there she is telling everybody what to say when they pray. So they're not going to answer that ad. That ad's going to drive them off. Oh well we don't want to drive off all those people so we got to rewrite the ads so we...no, no, no. We want that guy, well that person who right now wants to pray and doesn't know what to say. That's who we want, that's who we want. Same game. Same exact game.

So your second drawer now, **your second drawer is the thing**. And therefore what you can and can't say about the thing. So it's your actual product, your actual opportunity and the message, which to me are fundamentally one and the same. If you want to separate them into sub drawers feel free.

So here are the types of things. We can have a thing that is **replacement**. So in a niche usually that is a new, seemingly new and different version of the same business or business within a business, an attachment to it but we're not really taking them out of the niche. So we're not telling the chiropractor not to be a chiropractor anymore. We're just telling them what you thought was a chiropractic practice, that's not what this is. This bag is a whole different kind of practice that's new and radical and revolutionary and obsoletes everything you ever thought you knew about chiropractic practice.

I wrote a headline the other day for a client. **What if everything that is now part of your insert niche business is as obsolete as last year's phone?** Well it's an analogy because everybody's got one, right? You've seen that TV commercial now where all the people are P.O.'d as they're seeing the new thing right after they bought the thing. It's Best Buy's deal because Best Buy now has this malarkey program where they'll buy your

obsolete thing when you buy the new one so you don't have to worry about buying the new one because it's going to be obsolete in a few days. So they show somebody sitting there with their brand new doohickey and there's like a Steve Jobs character speaking to the group of them telling them that now this is version 8.2. But I just bought this yesterday.

So everybody's got this now, right. And so I think it's good analogy. So replacement is, in most cases, we're not actually taking them out of their business. We just want them to think we're taking them out of their business and everything they don't like about their business.

Years ago, a guy by the name of Rob Minton. He was in the real estate business and here's how he starts his consulting day with me. I say, "Well tell me about your business, where you are, where you want to go." He comes up, got a piece of paper, he says, "I got to list everything I don't like about the business I'm in." I said, "Cool, great. So tell me the list, right?" He's in the real estate business. He said, "Well I hate doing listing presentations because at best four or five people they wind up giving it to their sister in-law and shit. I hate going to their houses at night. I don't like any part of about doing listing presentations." He said, "And I don't really like doing open houses because you got to sit at open houses and you don't know if somebody's going to come or not and the candy in the dish thing. And you sit there all day on a Saturday and my wife bitches about the weekend. I don't like open houses. Okay? I don't like being on call. I don't like people bugging me and the title company calling me that something didn't go through and I got to call them right back. I don't like any of that. I don't like showing houses because it's a pain in the ass." Yeah okay.

Now he's paying me. At the time, I think my day fee at the time was like 12 Gs. So I got to try and keep a straight face for a while. You can laugh. I won't bore you with the detail but basically when he's done there's nothing left about the real estate business in his list except getting a check. That's it. Everything else has been eliminated. He don't like any of it. And I'm thinking well this could be short day.

So I say, "Well is there anything," and again I'm trying to not to say in a tone of voice that is excessively sarcastic. I said, "Is there anything like you like other than cashing the checks? Anything at all?" And he says, "Well I got a few investor clients and I kind of like them because they don't care if the countertops are green or blue. They only care about the numbers and they buy multiple properties during the year. So I don't have to go through all the work to get somebody and then I can't do any business with them again for five, six, seven years because I can sell them multiple properties and I make double money because I make money when I sell it to them and I make money when I sell it for them. So really

everything is twice. And pretty much they're pros, they're like business people so they don't bug me a lot. So I kind of like that." That's fine. Okay. So that's the business. That has to be the business. You're only going to deal with investors and you're going not do anything else, right? Which is exactly now what we did.

So everybody's walking around with a list of all the stuff they don't like in whatever business they're in. They may not have put down on paper but believe me they got in their head. We all do. You do. I do. The list gets longer, by the way, with each passing year. As soon as you solve a few and get them off the list another 20 have appeared. My list is different than it was 10 years ago but I got the list. And so everybody's got the list. And so really the structure of the replacement thing should be designed to wipe out the list. So whoever's in your niche think now, think about it this way. What's their list? What's their top 10 list that all your likely to buy prospects would agree on they don't like about the business they're in?

Now obviously some individuals have different things on their list but there's some that are going to be on virtually everybody's list. Now let's make the replacement about not being on the list. So a big replacement that we did in chiropractic in the last 70s, to give you an example, so replacement opportunity. At the time 99% of chiropractors were 90% insurance compensated. The entire practice was people were using their insurance unless that's from a train wreck, which not a lot of offices are located right by the tracks but I did know one chiropractor's right by the tracks and four times a year there was a big train wreck or somebody's car got hit by a train. He couldn't have been happier. It's like oh great 22 damaged people are all coming in the door. They're literally crawling off the train, crawling in the office, sign them up. But most people are not in that position. Everybody's tragedy is somebody's opportunity.

So all these practices were insurance driven, which the lazy doctors were all dependent on but there's their list. If you ask them for their list they all had the same list. We hate the insurance companies. We hate the paperwork. We hate them rejecting cases. We hate them coming back and saying, "You want to bill us \$56. We're only going to give you \$18." They hate the caps, yadda, yadda, yadda. There's a whole list. That is it. There's a whole list.

So what's the replacement? Cash. Exactly. The cash practice, which is what we called it. And so our replacement was no insurance. We're going to show you how to run a successful practice and make all the money you want and you accept no insurance, none, zero. If somebody wants to go and get reimbursed on their own and fight with their insurance company that's fine but everybody's going to give you cash. Furthermore since we're going to get cash from them anyway let's get it in one big lump sum.

So let's sell prepay. And so we taught prepay. So now if you've been to a chiropractor you know the drill, right? You need to come in five times a week for the six...so all that gets calculated up and no it's a \$13,800 case and you take care of it in one payment or three payment and you save 20% because now you can give them discounts, which you can't do if you're part cash, part insurance because you can't legally do anything for the cash patient you don't do for the insurance patient but if you're not taking any insurance you can do any damn thing you want. So you can save 20% if you do one pay. You save 10% of do three. So that was all replacement.

I'll give you another example, same profession and dentist. So Greg Stanley who some of you may know, very successful. Practice consultant for many years. He hit a wall in his business because some people have this problem, great brand name, great reputation but everybody in the niche thought they knew what he was about. So if you stopped everybody at a tradeshow, chiropractor or dentist, and you said, "What do you know about Greg Stanley?" Almost without exception they would start by saying good things – good guy, good reputation, does what he says he's going to do, etc. And they would tell you his program on matchbook cover. He tells us to get our overhead down below 50%, pay off all our credit cards, live debt free, invest in municipal bonds and put the staff on an incentive program. That's his whole deal.

Well, so who's coming to his seminar? Who's buying a program? There's no mystery why he hit the wall. I said, "You've got to keep the reputation and scrap the content. We need a replacement." So chiropractors and dentists, now instead of insurance, if you ask them to make another list about all their pains, the thing that aggravates them the most that they're least happy with what do you think is on the list, number one on the list?

Audience: Staff.

Dan: Staff, absolutely. Number one now they're going to tell because none of it's their fault of course. Nothing going on in the office is their responsibility. So it's entirely the staff right? And one of the big gripes about the staff is they never refer. And by the way if you start to talk to doctors about referrals and why their referral rate's so shitty, which it is, they will immediately tell you, "Well I've got 18 staff people in here and they don't even bring anybody in from their family and they don't encourage the patients to refer and so we run a referral promotion and we put the little button on them like the HerbaLife button – lose weight, ask me how. We put the button on them. Nothing happens.

So okay, what's the replacement? We called it Staff Driven Practice. Here's the whole pitch. Forget advertising, forget marketing, don't spend any more money, which they don't want to spend that anyway. I love that

deal. Stop it all. Don't be in Val-Pak. Don't do nothing. Send your staff to us for three days and we'll return your staff to you as a referral machine and they will drag people in off the street. They will bring a family in. They will talk to the patients for you. They will get the patients to refer and your practice will increase by 10% a month every month. So they'll double every year purely based on the efforts of the staff.

Replaces the whole practice. By the way it's not an easy promise to keep. But as I told Greg that ain't my job. But my job is coming up with a replacement. Making the thing work is entirely your damn problem. I don't get paid enough to solve that too. But so those are replacement examples in which you really don't take the person out of the business. But you literally keep the name of the business and in his mind change the entire business.

The second thing that might be in this drawer would be **true replacement**. So there's a very successful thing being run in chiropractic right now and literally the ad in the trade journal is all about getting out of practice. The guy is teaching commodities training to chiropractors. The whole pitch is a week's pay in four hours and never see a patient again as long as you live unless you want to. Now I'm actually surprised the trade journal took it. Usually you have to do those kind of things by direct mail because the trade journals won't run the ads. But right now trade journals, magazines are taking ads they wouldn't take two years ago because they're a little short on advertisers.

So he actually is doing a pure **Greener Pastures** pitch and if you get his stuff the whole opening is everything that's horrible about being in practice and everything that's going to be horrible about being in practice and why I got out and I started doing this and 12 months later I was able to burn my practices to the ground and walk away. We actually used a similar pitch for Get Rich in Real Estate for Docs with Ben Altadonna program a few years ago. We didn't quite go that far but our star was guy who was up to eight offices and they were driving him crazy and he was one step away from his aorta blowing up from the stress. And he started to do real estate then three years later he was able to sell his practices and now he just gets a check in the mail and sits on his boat. So it was close to the same story.

The reason this works is because everything looks better from a distance. Everything. And it really looks better from a distance in dim light, close to closing time. But everything looks better from a distance. In fact if you have mixed dog mastermind groups, which most of you don't because you're in niches, but Bill has had them. So here's what happens in the mixed dog groups. At the end of the day everybody wants to get in everybody else's business. Huh?

Audience: And you actually had Minton selling to our group to get into his business.

Dan: Yeah, sure. Buy the Income for Life thing is your second business, yeah. Because he was in the group, too. So everybody wants to get in everybody's business. Even though they've actually described what they don't like because even their don't like list looks better than my don't like list, right? I'm going, "Well that sounds shitty but it doesn't sound as shitty as my shit." Right? And so what we call the Greener Pastures Pitch, which is based on an Earl Nightingale story, which you undoubtedly all heard. So Greener Pastures, now obviously you may or may not want to do it but it works. So you can go into your niche or another niche and you can move them to Greener Pastures much easier in many cases than you can sell them a better version of what they already got.

So we had a guy in one of our groups. Who was in the group with Larry McIntyre, anybody? Dean you were in. Anybody else? Oh you missed some fun. You've seen this guy's stuff though.

So Larry was in my VIP group I think for two years. And Larry's business was matching American men with foreign brides. So everybody in that business basically sells lists or now they sell access to a website and the women put all their stuff. So it's like Match.com in the Balkans. Well it's a lot of Russian because they want to get out. This is shopping for green card on the other end of this deal. So they mostly want out of bad places.

But so his business never was this. His business was big fee, kind of do everything for him. So you paid a fee and then they prescreened the women and health checks and they all had to be Christians, profiles and ultimately after you had corresponded with 'X' number of them Larry took a group to Moscow or to Japan or wherever this group was going and then they met with them. Now if they were going to marry one they got all the legal stuff facilitated for them. And Larry was even a minister so he could marry them.

And in the time he was with us I think he went from under a grand, \$900 bucks, I think we took his price up to \$8,000 or \$8500 bucks, by the way, with no difference in response. And we learned some things about who the most likely prospect was. So my conversation with Larry about that, by the way, started with, "Well who's your customer?" "Well it's guys over the age of 40 and they're divorced. And look here's my testimonials. There's ministers. There's truck drivers. There's doctors." I said, "Yeah but there's got to be more of one than of another, right?" But he's doing big broad brush advertising, mostly in USA Today.

Well here's what we determined is the most likely prospect to buy. Three time divorced long haul truck driver over the age of 50. This is the guy. He's a slam dunk. That's his number one, now that changes everything. It changes the media you advertise in. There's lists. At that time you could voice broadcast them. And the trucking company's voice broadcasting them to recruit them. So there was a company who could voice broadcast them. There's truck stops where you can put literature. I mean it changes everything, right? As soon as you know that fact and it really is a Greener Pasture, it's the ultimate **Greener Pasture** sale. So the guy is now giving up on and to be clear about this, see my theory is at about the fifth or sixth divorce the common ingredient in this problem it ain't them, right? One, two, maybe five, six, no the common ingredient here...see like Kelsey Grammar's right on the cusp here with number four. The odds are excellent it's him. He's experimented with different ages, sizes, shapes, backgrounds. So probably. So the Greener Pasture here is this guy has concluded in his mind, right? So here's where he is that not only is the problem the woman. It ain't the fact that he's on the road five days a week, only home weekends, sleeping with hookers at the truck stops while he's on the road drinking like a fish when he's home. No it's none of that. It's the woman.

And furthermore it's because she's a damn American. Well that's what he's concluded is feminism has screwed the whole thing up. They're unmanageable. It's because they're an American. That's what he's concluded. That's where he's at. And now the Greener Pasture is Russian bride, Asian bride. So what he is have in a picture like about an Asian bride?

The picture he has in his head is complete obedience. He's thinking old James Bond movies. She's in the kimono, the slippers, the long black hair and she's giving him a massage in the bathtub and cooking him in a meal and she don't even speak English. Perfect, right? That's what's in his head. Here's, of course, the problem – the flaw in that ointment should anybody be tempted-- is they aren't here very long even if that's true when they get here. Unless you are going to keep them locked in the basement, which there are laws about that, people try it incidentally, but the problem is you brought them to America. That only would work on a deserted island because we have TV. We have neighbors who say, "What? You're doing what? Huh? What century are you from girl? So in a very short period of time here's what he's got, the fourth American wife with different eyes and a green card. That's what he's got. So the thing doesn't work for the most part.

But it's the ultimate Greener Pasture sale to the right person. Now think of the improvement alternative to that. So what's the improvement alternative we sell to that guy? Him. Him. Yeah we sell him therapy.

Well please. Which one of these stories is a better story? You remember the little one you saw in the James Bond movies giving him a rub down in the hot tub and cooking him a meal who don't speak English? Or we could fix *you*. Which one of these things seems most appealing to you?

And then if we match that, there are some people I imagine the improvement story would be more appealing because they would, on some sane, rational level, reject the opportunity outright. However, if we matched the story up with the right guy we got magic because he wouldn't take the improvement story if you were paying him to come to therapy. Not going to happen. I did that, by the way, I didn't like it either. The only good news was the therapist concluded it was her. And mostly what he wanted to talk about was how to be a speaker and an author and publish a newsletter. Carla, by the way, was not thrilled but she picked the guy. I'm going, "Hey he's your guy. You picked him. I'm happy to come." So it lasted four visits and that was the end of that. So think now about the replacement opportunity. Not only did we do improvement we did a true replacement of Greener Pastures. So those are the two kinds of replacement, right.

Then we have kind of a step down is to talk in **reinvention** language rather than replacement language. So replacement's harder to assemble and present. Although I've given you two examples of doing it in the chiropractic niche, and I could give you more by the way. And I'm doing one in the financial advisor niche right now. We're talking replacement language. We're not talking reinvention language. And again their don't like list. So anybody in here sell to financial advisors? Oh good. Okay. We both do.

What do you think is real high on their no like list? You guys ought to know.

Audience: Compliance.

Dan: Compliance, yeah they don't like compliance.

Audience: [Inaudible 109:46]

Dan: Yeah. Okay I'll narrow it further for you to help you. Because this is now useful of the two of you too. Well yeah compliance, home office, yeah they hate the home office, which by the way they should. But so the ones who do seminars, who put people in seminar rooms and move them from seminars to appointments they have a term they use.

Audience: Plate licker.

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So re-invention would be more about maybe how to only get the patients who have really good insurance. That might be reinvention. Re-invention might be how to get the patients to do most of the work to get the insurance reimbursed. Re-invention might be focusing only on a particular type of patient for who there are hardly any caps. Reimbursements is more generates than reimbursement for other kinds of patients.

Reinvention might be how to put an MD in your practice and have a DC/MD practice so you can bill under MD codes instead of under DC codes which are more generous and less likely to be turned down. So that's s step down from full replacement. It's easier to build your box. It's not as powerful. It's drifting from opportunity talk to improvement talk. Hard not to have the drift. But it still can be pretty powerful because if we can take their don't like list and we can do some reinvention that maybe doesn't eliminate the list but it knocks some stuff off the list and it makes some of the stuff not as bad. Then we've done something important.

Rearrangement. Now we're taking another step down. We're sort of drifting even closer to improvement and away from opportunity. Rearrangement now is really, you're one step away from the deck chairs on the Titanic, right? So rearrangement now gets us into changing the sales process, changing the way their new customer comes in the door, changing their advertising and marketing to produce a better customer, changing their pricing and their fee structure so they make more money on each one. So they need less.

Now that's the kind of puzzle pieces we're playing with on the tabletop and when we get done we have to present it as close to opportunity language as we possibly can. Then we have addition expansion. That gets us somewhat back to opportunity because we get to talk about **business in business** or business attached to business.

So Donna's in the "business in a business" business. So she's installing weight loss businesses in fitness gyms and other kinds of practices. So she's totally in this category. She is you keep your list of shit you don't like, you leave your business the way it is but man we hook this thing to it and look how great this is. So that gets us right back to opportunity and we get to do opportunity speak and we really are selling an opportunity. It has synergistic relevance so it's not like telling a guy with a fitness gym to open a car wash. That's greener pastures. In this case it's synergistic. It has relationship.

So in chiros, for example, some years ago we sold a whole package about how to put what really is today a stand alone franchise like Massage Envy, how to put that kind of a massage business in the office next door to your

chiropractic practice. Synergistic. Chiropractic patient needs massage. Massage therapist can create chiropractic patients. Our wrinkle by the way is the only way you kept your place as a massage therapist because you had patients given to you, you had your credit cards processed, you had our phones answered, you had your space. The only way you kept all that was you had to produce five new chiro patients a month for the chiropractic practice. Didn't matter where you got them from but you had to deliver five. Otherwise your ass was out and the next one was in.

So the pitch to the doctor was if you got five therapists you're going to have 25 new patients a month that's all you need. So not only is this a great business it eliminates all your marketing of your other practice. Isn't that cool? It was very cool.

So the addition of business in a business or business attached to a business is another way to approach this. And it is leveraging assets, right? So somebody's already got customers. They already got maybe a physical location. They already got a staff. Maybe they already got sales people and even if they're all crappy, even if they whole thing sucks they still got customers. So we can leverage what they already got by attaching this thing to it and we get to tell an opportunity story to them instead of...

So like the way to solve the United States Postal System problem is privatize the whole damn thing and in every area you let retailers bid on who gets to have the post office in their store but the government keeps all the money, all the retailer gets is traffic. So if Wal-Mart wants it fine. If CVS wants it, Costco wants it, we don't give a shit. Home Depot, I don't care. It's a brothel. They can have it. Whoever bids the most gets it and what they get for it, that solves the whole problem. Never happen. Because in small towns it is that way. In real small towns the post office is in the back of the hardware store. That still exists.

So why does a hardware store owner like that deal? He makes a little bit of money on the postage but it brings him traffic and it takes only a corner, which he was using. All he had back there was crap anyway. So that's the story. That's it.

The last one is **a multiplier**. Again this allows us to talk opportunity. It's a multiplier. So maybe the guy's got eight jewelry stores. So maybe everybody that's got jewelry stores we're selling them a system for party plan selling. And now he's going to put Tupperware like people on the street holding home parties in a big geographic area around where his stores are. That's a multiplier effect and maybe it will multiply even more. Those of you who sell internet marketing, see if you treat it this way to existent business owners, so you got something that works in retail here. Now we can multiply it. We can be global, not local. With affiliates now

we can multiply it even more and so now your one crappy little store is actually 50,000 stores, with this opportunity tapping into 50,000 people's customer bases that's the multiplier story.

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So all the way back to "Gold by the Inch." So the sales letter we didn't tell it in the show but the package that you got had a multiplier story in it. So yeah you can make that little money yourself or if you wanted to you could have 10 locations in your town and you can hire retired people and high school kids to sit at the location at the swap meet every weekend and you can just run around and collect the money. So there's a multiplier story. So instead of making \$500 from one you can make \$250 from 10 in the same weekend. Oh that's pretty cool. Right? And we even showed them three-tier. So really now you could have 50 from which you only made \$150 and you could have them suckers everywhere. So that's the multiplier story.

