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TO BUSINESS SUCCESS AND
ADVANCED WEALTH ATTRACTION

SIX MUST-HAVE STRATEGIES FOR BUYING, BUILDING AND STARTING YOUR OWN BUSINESS

Six Categories to Add or Improve in
Your Business to Increase Your Success

with
Dan Kennedy

GKIC[™]
INSIDER'S CIRCLE

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CONTENTS

Six Essential Components of Buying, Building or Starting a Business.....	4
#1: Financial Leverage.....	4
#2: Place Strategy Advantage	11
#3: Celebrity or Brand Advantage.....	17
#4: Big Idea Advantage	20
#5: Urgency Leverage	23
#6: Process Advantage.....	26
Conclusion	29

SIX ESSENTIAL COMPONENTS OF BUYING, BUILDING OR STARTING A BUSINESS

These really are the six things if I were buying a business, building a business, starting a business today – knowing what I know now – that I would want as essential component parts of what I was doing.

I wish I did know them some 30 years ago... not that things haven't turned out well, they have, but still I wish I had known them.

I don't think you're going to find anything new here but you are going to get the six things I wouldn't leave home without.

So here they are and then we'll talk about them in order.

One would be financial leverage. The second would be place strategy advantage. The third would be celebrity brand advantage. Four is a big idea advantage; five, some sort of urgency leverage and last, a process advantage.

So let's talk about each of those.

#1: FINANCIAL LEVERAGE

First, let's talk about financial leverage. Here's the number one marketing mistake almost everybody makes and smart people – even though they have heard this and nod when they hear it – continue to make this mistake.

Six Essential Components of Buying, Building or Starting a Business

1. Financial Leverage
2. Place Strategy (Advantage)
3. Celebrity or Brand (Advantage)
4. Big Idea (Advantage)
5. Urgency Leverage
6. Process (Advantage)

It's a battle I fight with clients who are fairly fledgling in their enterprises. It's a battle I fight with clients who have been around for 10 and 20 years. It's a battle I fight with relatively small business owner clients. It's a battle I fight with the few really big business clients that I have.

It is not a battle driven by lack of resources or money or tight budget. So it's not about money. I think it's important for you to know that.

I have the same ongoing fight with a client that does almost two billion dollars a year in revenue and fundamentally could spend virtually any amount of money, any way that they chose and the same conversation with somebody who's got a bag of pennies and is trying to get going.

If you think you're resource-limited, you think that's why you make this mistake; but really, it is a mental mistake.

It's not a money mistake and it has to be fixed in how you think before you'll ever fix it in money.

The mistake everybody makes is they try and get their customers as cheaply as they possibly can.

So here's the mistake everybody makes.

They try and get their leads, their customers, their clients, their patients as cheaply as they possibly can.

That's their chosen mission and they evaluate everything they do based on the raw, simple, relative cost of getting a lead, customer, client or patient by doing it and they are very easily attracted by the cheapest or apparently cheapest thing to do like moths to a light in the dark.

They deprive themselves of the biggest single advantage you can have in the marketplace, which is the ability and willingness to outspend every direct competitor for the attention and interest of your clientele.

So not just direct in that, if you sell pipe, I'm not talking about everybody that sells pipe. I'm talking about everybody who's talking to the same purchasing agent you're talking to regardless of whether they're selling pipe or wrenches or horse manure. So by "direct competitor," my definition is a little bit broader than yours.

If you try and do that as cheaply as you possibly can, what happens? You can do only a very limited number of things.

If you can outspend everybody:

- The horizontal range of things that you can do expands dramatically.
- The aggressiveness with which you can do it expands dramatically.

You can buy speed; you can buy growth, you can create discouragement for competitors which, as an aside, is a very good strategy.

The biggest advantage you can have is the ability and willingness to outspend every direct competitor.

If your economics are right, you can even temporarily do things you know do nothing, just to discourage competitors and factor it into your averages.

I have a friend and client who owns a very large martial arts school in Louisiana. Some years ago, a major competitor announced they were coming into his relatively small market.

So we were having our monthly telephone conversation and he asked if I had any tactical ideas. I said, "Yeah, go rent every billboard you can rent for advertising for the school for the next three months so that they can't drive into your area from any direction and not see it."

He said, "I thought we agreed billboard advertising doesn't work for what I do?"

I said, "Oh, it doesn't. It's not going to produce a single student but that's not the point. It will discourage the competitor because, every time he turns around, he's going to see your billboard and, if it doesn't discourage him, it will get him for maybe a year to spend a lot of money on billboards. You can stop after three months. He'll go buy up all the ones you had and waste all his money on billboards. So either way, you win."

But if your economics aren't right, you can't play that game.

The smartest marketers take this contrarian approach of "How can I figure out a way to structure the economics of my business so I can outspend everybody else on the acquisition of a lead, a prospect, a customer, a client or a patient?"

The single best starting point for you is the polar opposite of what everybody else is doing about money.

This is merely one application of a bigger principle, as an aside. It is one of my main principles, so everybody hears it from me a lot. It's the basis for the Renegade Millionaire System and everybody nods at this a lot when they hear it too.

Everybody instinctively likes this but very few people apply it religiously, devoutly. Very few people apply it universally.

The principle is whatever the majority is doing particularly about money is wrong and the single best starting point for you is the polar opposite of what everybody else is doing about money because, as everybody has been telling you lately, 1% are rich and 99% aren't.

There are several ways you can react to that piece of information.

You can go put on smelly clothes and sleep in a park in New York for six weeks and carry a sign and protest it. You can do that. You can make some voting decisions about it if you like or you can figure out how to be in the 1%.

It seems to be that that's the most constructive approach to a fact that nobody is going to change.

So the very fact that there is 1% and 99% should tell you all you need to know about behavior particularly when it comes to money.

99% of the people are going to be doing the wrong thing and only 1% is going to be doing the right thing.

If you don't know what to do, just start by not doing what the 99% do. What the 99% do in this application is they try and get their customers as cheaply as they possibly can.

Almost every conversation then has to do with, "Gee, can we do it cheaper?"

If I show most people the book that Gardner's Mattress use, "What's Keeping You Up at Night? A Guide to Overcoming 11 Common Mattress Building Mistakes" and it's in full color and it's got a lot of copy and it's 28 pages long...

If I show that to most clients, here's where the conversation goes.

- *"Can we do it in black and white?"*
- *"Do we have to do it on glossy paper?"*
- *"Does it have to be 28 pages?"*
- *"Why can't I just put it up on a website and let people fetch it and then it doesn't cost me anything?"*
- *"How about if I email it to them because that won't cost me anything?"*

This is where the conversation goes.

"How can I structure the overall economics of my business so that I can afford to do it more expensively than anybody else will do it?"

Where the conversation really ought to go is, if you were competing with them, "Gee, how can I make it bigger and deliver it in a giant box that looks like a bed and have people lay their head on it while they read the little booklet?"

That's what the right question ought to be but that's a question that's never asked because ingrained in people's behavior about this is "How can I do it as cheaply as I possibly can?" It's the wrong question.

The right question is "How can I structure the overall economics of my business so that I can afford to do it more expensively than anybody else will do it?"

One of Matt Zagula's principles, which is an enunciation of something I've taught for years, is "Show up like no one else."

The best way to show up like no one else is to be able to spend more than they can spend showing up.

This leads you into a category of thought – that we will only spend another minute or two on that we could spend days on – which should be, "What are the myriad of things I can do to the economics of my business that will allow me to outspend everybody else getting a customer in the first place?"

You need to look at everything you see through the prism of "Could I use this to fundamentally improve the economics of my business so I could then outspend all my direct competitors getting customers which would expand my horizontal list of options?"

If you take something as simple as Valpak. Everybody gets Valpak at home. If you don't know what it is, it's a package or coupons and everybody opens it. It's got 98% open rate because everybody knows there's something in it that they want.

So if you are a guy and you are living alone, you probably open it because there's a pizza coupon in it.

Everybody opens it because they know there's one thing in it they want. It's got nearly 100% open rate. The standard format in Valpak is a coupon and you can print one side or you can print two sides of it. However, you can put anything in Valpak you want if you're willing to pay more.

So you can put a four-page 11x17 sales letter in there. You can put a full-folded-down newspaper tear sheet in there. You can put something with a little lumpy object on it in there.

You can put anything in there you want pretty much as long as it doesn't need air holes in the envelope to breathe. As long as you're willing to pay to do that, they'll let you do it.

Hardly anybody ever does. In fact, the most common question they get is "Can I buy half a coupon?"

So financial advantage, I'll show you one thing about that just as a thought. How many steps does it take to get to a million?

If we're doing dollar transactions, it takes a million units. If we're doing million dollar transactions, it takes a unit and everything in between.

One of the many ways you want to create financial advantage

in your business is figure out how to minimize the number of units it takes to get to each million dollars.

The most common question Valpak gets is "Can I buy half a coupon?"

That can be raw price increase, it can be ascension ladder, it can be A/B offers, it can be all the myriad of things that we teach.

But that's an important thought is right now, it's useful to know how many units it takes you to get to each million.

Then think about "How can I reduce the number of units it takes me to get to each million?"

In doing so, you'll find you have created financial leverage that allows you to pay more.

#2: PLACE STRATEGY ADVANTAGE

The second thing on our list of six is a smart place strategy. By place strategy, I don't necessarily mean geography... I mean market, I mean the group of people, the population from whom you are going to draw your customers.

Local thinking for a local business really is not smart.

First of all, a lot of people still think local and provincial when really that's all over with.

The little cupcake store in Hudson, Ohio is shipping cupcakes all across the country to Manhattan where apparently there's a shortage of cupcakes and nobody can get them.

So boundaries are gone. People are flying across country to come to their dentist, their financial advisor. People are doing business online. So the local thinking for a local business really is not smart.

There's an article in yesterday's USA Today about church marketing and how churches now are really not limited to being local businesses, they are global businesses.

An interesting side note in that is the article about the Catholic Church's confession app on your iPad, which has had 100,000 users in the last three months or something.

Titanium members and Platinum members know after about five minutes of tech talk, my eyes cross and I'm out. Imagine now being the guy going in and explaining to the Pope that we're going to create this app and people are going to confess on this little box. Imagine that conversation.

So I'm not talking about geography; I'm talking about market. I'm talking about where you plant yourself, who you go after, what opportunities you take advantage of to draw customers from.

I'll give you two quick examples since I'm time limited. Years ago... this is really a famous story but a lot of people still don't know it... a guy I worked with late in his life, his name is Joe Cossman.

Joe made a number of fortunes in a row by moving laggard products, stagnant products, even failed products from one place to the next. It's a strategy that works over and over and over again.

Nearly everybody owns a George Foreman grill. This grill was sold not as the George Foreman Grill for at least 25 years and it was in department stores in the appliance section upstairs at the top of the escalator... that they brought out only in October, November and December because it's one of those products that people buy at the last minute when they're desperate and they don't know what gift to get for somebody.

So they get them the combination Bose stereo, cappuccino maker and goat milker... "Oh this will be cool. They won't have one of these?"

It was one of those kind of products. It sold a little every year but... there's no doubt attaching it to George helped and that's something we're going to get to but they transplanted it from the department store to television where they could demonstrate it... which is another principle I'm not going to talk about here; I actually just tied together celebrity, place and demonstration if you're really quick. So that's a place strategy.

Cossman's biggest hit ever was a product called the Ant Farm. If you don't know the product, it's a plastic thing like a flat aquarium with dirt in it and a bunch of ants. From either side, you can watch the ants make tunnels and run around and do whatever ants do. This was being sold to schools for earth science and biology classes. That's what it was.

It took Cossman to say, "You know what? Kids would love to have this at home on their dressers in their bedrooms because their mothers will hate it."

By the way, I was in a toy store last week and there's Ant Farm there and the gal working in the toy store is about 12 so I know she doesn't know the story. I said, "Do you sell many?" and she's, "Yeah, yeah, yeah."

*Yellow Pages has
been invaded by
national direct
response advertisers
with out-of-category
place strategy.*

I said, "Why do you think people buy it?" She says, "Everybody says the same thing. They buy it because they know their mom's going to hate it."

That's a product movement from one place to the other and here it was small and there it was big.

I've been writing lately about what I call out-of-category advertising and selling. If you haven't been paying attention, for example, the prematurely-pronounced-dead media of the Yellow Pages... which if you haven't thrown it out, you have one at home.

So you should look because one of the things you'll find happening in the Yellow Pages is it has been invaded by people from my world, national direct response advertisers. We are invading by out-of-category place strategy.

In many of the cities all across the country, most of them, if you open up to "Dermatologists," you will find an ad in there for Guthy Renker's Proactiv acne

glop... in every Yellow Pages book in the country in dermatologists – which they are not.

Now, this aggravates the dermatologists in Cincinnati, Ohio, you understand. But, because the Yellow Pages is a shrinking media having difficulty getting advertisers, they are willing to do things that a decade ago, even five years ago, they weren't willing to do.

If you go to “Assisted Living”... that's where you're going to put your parents and that's where your kids are going to put you and, by the way, they're going to put you there a whole lot quicker than you're putting your parents there. I mean, the first moment you look addled... so you make sure you're getting a lot of sleep!

If you open up Assisted Living, you're going to find things like Premier bathtubs, the walk-in safe bathtub for old people. You're going to find their national ad in every local Yellow Pages book but not in bathtubs, not in bathrooms. You're going to find it in Assisted Living because mom can stay at home if we fix the stuff in the house that makes it dangerous for her to be there.

That's called out-of-category advertising and marketing. It's a place strategy that hardly anybody understands.

I got this last week, from a Titanium member Greg Davis. I'll read it quickly.

In the December Info-letter special report, Dan talked about out-of-category advertising and putting your ads in front of people that are not yet searching for your product...

I'm about to, by reading you something, teach you internet marketing. So for all you people who are frustrated that I don't know anything, I'm going to read you this. So I'm about to teach internet marketing.

I thought this might be useful for you especially if you use Google AdWords. His case study is he's in the wrinkle cream business, glop that makes wrinkles go

away. Driving traffic for it actually. Geography is the UK and the demographic for him is women over 35.

When I first started the campaign, I used typical skin care keywords like face creams, skin care products, anti-aging, wrinkles, etc. Naturally, a lot of competing ads, globally-known brands, people willing to spend a ton of money.

Dan is always talking about focusing on the 'who' and, in my case, the who was pretty broad.

I started advertising on keywords related to skin care that had a lot of the same who like cosmetics and perfume. There I still had a lot of competition but not as many pure skin care ads.

There I also learned that my ads converted even though they weren't in skin care categories.

Once this had proven it could convert on non-relevant keywords, I quickly expanded my keyword list. I moved on to shoes, clothing and other searches common to my demographic but that had nothing to do with my product.

Offline, online, same strategy. Don't miss it.

Since the offer was converting extremely well, I kept expanding my keyword list. It became a game of how much traffic I could drive to it.

Currently, some of my most productive keywords for my skin care products are news, weather, Marks & Spencers [which is a UK retailer. He's stealing their traffic] yellow dress, day and year.

With these non-relevant keywords, I've been able to do \$1.1 million in sales in December for a non-Christmas item. If I would have stuck with the keywords relevant to skin care, I would have done 10% of this.

Now, online, offline, same strategy. If you go to a classic car auction, the big ones like you see on TV, there's an exhibit hall at every single one of them and 90% of the exhibitors is car stuff.

However, at every single one of them there's a great big Tempur-Pedic bed store. It doesn't have a damn thing to do with cars but people are there for three days and who's there? Affluent people who can buy an expensive bed. It's completely out-of-category advertising.

With Valpak years ago, one of my biggest successes was for a client... one of the three biggest players in – and you've the ads, this business still exists, mostly newspaper ads – the \$39 show-up-at-the-door, stop smoking, lose weight seminar in the evening.

So the troupe comes in to town, they run the ads for a week, they do seminars at night, you pay \$39 to get in the door to be hypnotized so you'll lose weight or stop smoking. Then the real money is selling ingestibles and tapes and stuff at the back of the room.

The \$39... they lose money on everybody they put in the room, they make money on what they sell at the back of the room. It's a business I thoroughly understand, only the hypnosis part I don't understand.

If you actually could hypnotize everybody into buying, that would be lovely but it turns out their closing rate is no better than the rest of us, just as an aside.

You'd think it would be 100%. It's the first thing I said, "So let me get this straight. In one evening, in three hours you're hypnotizing everybody to stop smoking or stop eating. Seemingly, you could hypnotize them all to buy the stuff you've got at the back of the room. How come we're only closing 42% of the room?"

This did not endear me to the client but I was looking for financial advantage so I said, "Let's get better hypnotists. We don't need a better ad; we need better hypnotists."

One of the biggest successes was Valpak. Everybody else was using newspaper and radio, I took them to Valpak with a four-paged sales letter folded down to fit into Valpak. Different place, out-of-category advertising.

The categories of Valpak are pretty much locked in place – tire store, pizza store, we can name them. This didn't belong there but it worked there fabulously.

#3: CELEBRITY OR BRAND ADVANTAGE

In the interest of time, we will move on to number three. Bullet number three was celebrity or brand advantage.

Now, I should tell you out of the gate, I'm not a big branding guy if you have to buy it. But if you can get branding as a byproduct of direct response so you're not having to pay out of pocket for it then it's powerful.

If you can get branding as a byproduct of direct response so you're not having to pay out of pocket for it, then it's powerful.

Celebrity is even more powerful and it is more powerful by the day.

One of the ways to get to branding is called co-branding which means you don't have a brand but somebody else has a brand that is powerful that can be borrowed, rented, bought and used.

The food industry for example, the fast food industry discovered about five or six years ago; there was a little bit of it a long time but it really became a trend five or six years ago of fast food restaurants... and in some cases, upscale restaurants but mostly fast food restaurants... glomming on to some known brand of product to match with the food that they were serving. For example, So-and-So's barbecue joint now is using a brand name barbecue sauce.

The big co-branding success of the moment, you've all seen the ads, if you wondered whether they were working, they're working.

The Doritos tacos at Taco Bell where the shell is made out of Doritos chips, that's Doritos Locos which is made with the red Doritos chips. It's working so well, they have now licensed and are rolling out the Cool Ranch version later this year. So that's co-branding.

Taco Bell exist and they are making tacos but everybody knows Doritos. Doritos is spending a shitload of money on advertising, why don't we piggyback on that? We'll co-brand.

It's a good deal for both because Doritos gets promotion from Taco Bell; Taco Bell gets a ride on all the advertising that Doritos is doing. Everybody wins.

If nobody exchanged money which may very well be the case, I don't know, it's still a big win for both because each got paid in advertising. Now, there's no reason you can't take that principle and bring it down to a local level.

Here's how authors do it. Here's how they get free celebrity and how they bring it down where they get it for free.

The best option is the dead celebrity because in most cases, you don't have to pay anybody and there's nobody who's going to object to what it is that you're doing.

For example, many of you know Joe Vitale's book "There's A Customer Born Every Minute" and if you don't, it's a great book. You should read it for the virtue of the book.

Joe's marketing book is all about "PT Barnum's Amazing 10 Rings of Power for Creating Fame, Fortune and a Business Empire."

What's the celebrity here? PT Barnum. That's the celebrity and there's a ton of PT Barnum archive stuff. There's PT Barnum public domain stuff; PT Barnum's

entire autobiography was published as public domain to start with because he wanted it circulated in as big a quantity as it possibly could be.

Joe co-brands himself and goes and gets himself a celebrity for free in order to build a book around.

If you've read the book I did with Chip Kessler about the 21 Lost Marketing Secrets of Dr. Brinkley, format-wise, that book is Joe's book done with Brinkley instead of Barnum. Of course, Barnum was famous, Brinkley isn't; so we did it for a different reason but format is the same.

Sherlock Holmes is public domain, there is a book, not near as good a book as Joe's but it's an okay book, "The Success Secrets of Sherlock Holmes: Lessons from the Master Detective."

From a book distribution standpoint, this is a little problem because I found it in the fiction section in with all the Sherlock Holmes novels not in the success or self-improvement section of the bookstore. So that's a little problem.

Just like, in the early days, all the "Chicken Soup for the Soul" books were in with the cookbooks. That was a problem.

If you want to see fiction, there's a series of detective novels in which they have made the Rat Pack detectives solving mysteries in Las Vegas.

So an unknown author with no credits to his name figured out, "I need to leapfrog this somehow. How about if I go get me celebrities everybody knows? I'll pick dead ones so I'll have less trouble and I'll pick ones that were big enough to be public figures."

Everybody's got every option I've talked about so far.

There's somebody in your market who's spending a lot of money on advertising that, if you were linked to them, you benefit.

Everybody in every business has the Doritos-Taco Bell option somehow.

There's somebody, some entity, locally, globally, in your market who's spending a lot of money on advertising that, if you were linked to them, you benefit from all their advertising and if they're linked to you, they benefit from all you do. That opportunity exists.

The book opportunity exists for anybody, not just an info-marketer, anybody. If you own a pot and pan store and you want to do a book to promote your pot and pan store, there's some dead, famous cook who you can factor in to your book.

Free celebrity and free living ones are also useful. Grant Miller, for his “Sun Your Buns” business has a postcard featuring him with a reality TV “superstar.” He didn't pay her one thin penny because she's already got herself licensed to a line of tanning glop lotions and potions.

All he has to do is stock the glop in his stores, be at the trade show where the glop company has her hanging out in the booth, get pictures taken and he's got himself a celebrity to use in a marketing campaign and he spent no money.

Anybody selling anything in any category, there's some company whose stuff you could be selling who already has a celebrity.

The last thing I'll say about this is seriously:

***Knowing what I know now, I would not want to
leave the house without either powerful branding or,
better yet, celebrity attachment.***

It's okay if it's not the celebrity you would most love to have your picture taken standing next to.

#4: BIG IDEA ADVANTAGE

Let's talk about big idea advantage. The big idea that birthed the USP that had the greatest impact of any unique selling proposition I know of in our

marketplace, you know well, was the original Domino's unique selling proposition, "Fresh hot pizza delivered in 30 minutes or less guaranteed."

The big idea was "30 minutes or less guaranteed."

Nobody in the industry was doing it; nobody in the industry had thought of doing it, nobody was eager to copy them very quickly because, as it turns out, you actually can't consistently deliver pizza within 30 minutes everywhere in the country without running over a lot of nuns and kids and people on sidewalks and stuff.

That accumulates into a significant problem. Hence, the USP long ago left us but it did launch the company at a meteoric pace because it was a very, very big idea particularly to the target audience that was originally Domino's market.

Domino's original market you understand was not busy working moms coming home, people screaming, "Where's the food?" That is the target market now.

The target market originally were college kids in dorms because the original locations were close to college campuses and over 70% of the deliveries were made to college dorms and apartment buildings near college campuses because those buildings were full of people who had smoked enough funny stuff that they desperately needed carbohydrates and could not go and get them for themselves and they did not care about quality.

They did not care about fresh ingredients. They did not really care about any of that. They really cared about "30 minutes or less."

Nobody did 29 minutes or less. Nobody entered that game like ever. Very, very big idea.

In the mattress business, Sleep Number beds is a big idea. Personally, I don't think it's a very good bed but it's a very big idea. It's caught the imagination of the public, "One side can be this. One side can be the other."

Now, that's not a universally good idea. McDonalds did it years ago with the container that kept the meat side of the burger hot and the bun side of the burger cold. That thing went away in about six months. I guess it was missing the dial but the Sleep Number bed is a very big idea.

Speed is a very big idea. Three-day blinds, one-day dentures, big ideas.

A big idea you're all familiar with is the Amish-Made heater. This is now in its fifth year of mega millions of dollars of business. Of course, the Amish don't actually make the heater. The Amish can't even use the heater. It runs on electricity.

The Amish can't even take this thing home and use it. Really, all the Amish are making is the wood box that goes around the heater which is disclosed in tiny little print that nobody... Really, the big idea is the Amish-Made heater.

If you're not familiar with it, there are millions spent on print advertising in USA Today and newspapers all across the country month in, month out. It changes seasonally... rests in summer, brings it out three seasons out of the year, does very, very well. It's a space heater. That's all it is.

It's a mundane commodity product anybody can go down to Walmart or Home Depot and buy and there's a choice of them in price ranges with dials, without dials. There's one that will do everything this one will do for a lot less money.

You can go to a local furniture store and buy a box for it if you want to but Amish-Made is the big idea.

It's the basis for the whole story and because the overwhelming majority of the public immediately associates the Amish with two things – craftsmanship and honesty – it makes the entire story of the ad work because it is believed.

One of our long-time members, off-and-on client of mine, Matt Furey, the big idea that drove his business again is speed, “How to Double Your Flexibility In One Evening.” That's a very big idea.

The best big idea from a money standpoint is really big, really expensive kids' playhouses. By the way, there's more than one company so this is not a story about one company. This is actually a category of companies. Average price from \$9,000 to \$75,000.

- Architecture Kids is building playhouses shaped like windmills, pirate ships and castles for \$50,000 to \$150,000.
- Lilliput Play Homes, they're the longest players in this business, they're all the way from \$4,000 to \$50,000.
- Kids Crooked House, they only make playhouses that look like Salvador Dali would have designed it. It's all out of kilter. \$8,000.
- Posh Tots, their top end product is \$122,000.
- La Petite Maison, custom ones so you dream it up, they'll build it, \$75,000.
- Barbara Butler artist plus builder makes custom, sustainable redwood structures for you liberal parents with ladders, bridges, chutes and fire poles. The top end products are \$200,000.

Now, a couple of things about that you've got to understand, that's a big idea with a big price tag and there's a market for it.

By the way, you can afford to spend just about anything to get a lead to get a customer to buy a \$200,000 backyard playhouse.

Pretty much, there's no limit on what you could spend to go market.

#5: URGENCY LEVERAGE

Urgency leverage. This one I knew from the beginning. That is that you really don't want to be selling anything without a compelling reason that people have to buy it right now. Because people generally aren't real good about buying.

When we talk about sales, we talk a lot about how deeply flawed consumers are in their behavior from our standpoint. Their biggest flaw is the ability to make a decision unless there's a compelling urgency for them to do so.

I would never want to be out there without the bullet of a profound reason for urgency.

Now categorically, this is very simple because there's only two things you can do. There's "buy now because" and there's "buy now or else." Those are really the only two categories in which we operate when we create urgency.

- **Buy now because**, that typically is discount, price incentive, BOGO offer at retail, be the first on your block, be in line with the cool kids at midnight so you're one of the first guys at work to have the new Wiz Bang phone, buy now because.

- **Buy now or else** is you're going to die. That's the best "buy now or else" pitch there is. That doc who has test results and says, "You've got to get on a gurney right now or you'll be dead by dawn," he has really no price issues; he has really no objections. He has really nothing to deal with, just "Climb on the gurney."

Buy now or else is some version of that. You are going to buy right now or something really bad or unpleasant or undesirable is going to happen to you.

You have to think about how many different ways. For example, there's a company that I occasionally buy rare or first edition books from. They only have one of the thing.

You really don't want to be selling anything without a compelling reason that people have to buy it right now.

In some categories, there's actually a lot of them out there and they keep reoccurring, in some categories there aren't. But they have trained me that, if I wait a day or two, it might be gone.

So now, when they call and say we've got X, they get right past all my normal "Wait a week, send me stuff in a box," all that goes away.

Vicky gets to me immediately; they've got the thing, do you want it? I drop what the hell I'm doing to respond and decide whether I want it or not because if I wait even an hour, I might not get it. That's buy now or else.

In many businesses, if you can't have that, you can at least manufacture exclusivity.

You can decide to sell whatever it is that you sell only to:

- One person in an area.
- One person in a business.
- One person in a neighborhood.
- One person in a particular industry or profession.
- One person this month, so you'll at least have to wait two months before you can buy it.

***You can create exclusivity and you should think
about how to create exclusivity.***

As quickly as I can, the best story about this... Larry King told me the story of – when he was on radio in Miami – being asked to come in and emcee a little testimonial dinner for someone engaged in a not 100% legal business.

This is a testimonial dinner where a bunch of bent-nosed people will be there. They're also going to honor the guy, the local parish priest and so forth.

So Larry says "Yes, of course," because of who invites him and they tell him, "Look, there's just a few rules. You can't make any jokes about the mafia because there is no mafia and don't ask anybody to turn up any lights because there's competitors in the room who really don't like each other and there's Feds here and the people from the church don't necessarily like to acknowledge that they're in a room with them.

Larry does the thing and he's off stage and he's happy to just get out of there.

Then, the same guys who came and got him now greet him back stage and say, "You were great. Everybody loved you. You were terrific and now we owe you a favor." Larry, "No, no, no, no, no." "No, we owe you a favor. What would you like?" "Oh, no, no."

The guy says, "We owe you a favor. We don't like owing people favors."

Larry says, "Really?" Larry says the next question he gets asked is one you'll probably never hear in your entire life which is, "Well, you got anybody you want whacked?"

Now, what's important about this question is that everybody starts to make a list.

Immediately into your mind comes the first one, the second one, the third one.

That's what happens with exclusivity is, if it's done right, people immediately begin to think of the people they know they don't want to have it.

That's the extra leverage in exclusivity. Keep it in mind.

#6: PROCESS ADVANTAGE

The last one I wouldn't leave without is a process advantage. There's all sorts of processes.

For example, GKIC is really a process company. Tupperware is really a process company.

One kind of process you're very familiar with is continuity. Till forbid, charge your card every month, etc. The number one perfect 100% retention continuity business in America... there is one that is perfect and it has 100% retention. We can't claim it, no one else can claim it, Guthy Renker can't claim it, only they can claim it.

It's the electric company, the utility company.

People are very unwilling, particularly spouses, to sit very long in a cold, dark house without a working refrigerator. Kids don't like being in a house with no TV.

The utility company has nearly 100% retention in their continuity program.

Hardly anybody else does but still, for many businesses – and many businesses that you would not think it would be an important part of their business, such as Grant's Sun Your Buns business, Diana's Gourmet Pizzeria business – continuity can work. It's a powerful process.

One way or another, you do want a process advantage.

So many businesses that you look at and you think of in the context of their product or their service, it's very important to understand that that's not what's driving their success.

For many businesses, it's very important to understand that it's not the product or service that's driving their success.

I pointed out many times, Tupperware, most people think of with the plastic pots and the lid that when you put it on and take it off it makes a noise and it keeps crap fresh in the refrigerator and it stacks. That's not their business at all.

They're a process company and they're very good at a handful of processes.

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- Finding and recruiting people who will work in their spare time on straight commission in order to sell things. That's a process they're very good at.
- Training those people and motivating those people so that they'll be productive. That's a process they're very good at.
- The actual architecture of a home party that sells a lot of stuff that pretty much a trained monkey can do, that they're very good at.

There's about five processes they're very good at. The pot is almost immaterial to the point that they also own cosmetic companies, skin care companies, other direct selling companies that use the exact same set of processes.

Proactiv, \$800 million a year business, is really not about the glop. It's helpful that the glop works and that if you stop using the glop, the problem comes back.

That's helpful but really, they're a process company and they're not an infomercial company, they're not an internet marketing company.

They're a collection of processes that work. So I would want a process advantage.

I would say this last thing to you about that.

- Some people think about processes in context of marketing.
- Other people, who came from the sales side, think about processes in terms of selling.

The real advantage is having really good processes in both sales and marketing.

The real advantage is having really good processes on both sides.

One kind of Achilles heel of a lot of people who come through the marketing side here is they get really good marketing and their sales processes suck.

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Now, when the phone is answered, it's horribly; when somebody finally does get in the store, the person facing them is lousy; the capture is bad of walk-in traffic, the follow-up is bad.

People from the sales side may have a great sales process and then they have no marketing. The real advantage is both.

CONCLUSION

So there's six categories of things to hunt for what you don't have in those six categories or how to improve and strengthen what you do have in those six categories.



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