How To Get Any Business Going and Growing

Tony Robbins, the nation's busines and personal peak performance expert interviews Jay Abraham, America's leading business growth advisor

Welcome to another edition of Powertalk. I think you're going to especially enjoy this interview. For a number of reasons. First of all, the person you're going to have a chance to visit with is a very, very special man. In fact, he's brilliant in an area that I think can really make a difference in your life -- regardless of how successful you already are. And that is in the area called marketing. You might say, "Why would I want to know about marketing -- I'm not a salesperson." The answer is simple. All businesses are about marketing. And in today's society where things are so competitive, just because someone has a better product very often does not mean that they will have a better income, or that the person who is the best at a job will keep that job. There is a great deal of downsizing going on, companies are going out of business very rapidly, and doing the best job does not guarantee you a sense of certainty about your future. In fact, many people are finding that what they were trained in for years is disappearing. So, this interview should not only inspire you but also give you fundamental tools on how you can take control, create a competitive edge and market yourself and your business more effectively.

We're going to get the chance to visit with a man by the name of Jay Abraham. Jay is a phenomenal human being -- an amazing man who's taken part now in more than 10,000 businesses and more than 10,000 companies are using his principles to successfully run their businesses. He's earned more than twenty million dollars just from his consulting fees in the last 20 years alone by adding value to companies and by coming in with a brand-new perspective about how to get your message across and how to attract people to your product or service. Look carefully for those distinctions that will relate to not only where you are today in your life but also where you will be in the future.

The principles that he shares are also quite fundamental and require us to think differently. I could tell you all about his accolades, in terms of his write-ups in the *Los Angeles Times* and *Success Magazine*, and his relationship with one of the founders of Federal Express. But I think what is more important is who this man is and what he can share with you. So, without any more platitudes let me begin.

Tony Robbins (TR): I understand that you charge $5,000 an hour for consulting and that most of that is done by telephone. Your seminars are priced between $5,000 and $25,000, depending on how many people you allow to be there. What makes you worth this kind of money to businesses and individuals? What exactly is it that you do, sir?

Jay Abraham (JA): I teach almost any kind of business owner or professional how to harvest the windfall profit sitting in every business that most people don't allow themselves to mine. I teach people how to turn one-shot sales into perpetual streams of income -- and I think I teach them how to have a lot more fun competing and gaining competitive advantage over everybody else in their marketplace or industry.

TR: I've heard you say many times that you think virtually every business you've ever looked at -- and you've looked at more than 10,000 -- has between $10,000 and $1 million of assets sitting on the table that they really aren't seeing. Quite honestly, when I first read some of your materials, I thought, "This is a lot of hyperbole." But as I've gotten to know you personally throughout the years, you really have consistently produced those results. Where is this money and how do we find this within our businesses?

JA: It has to do with an interesting aspect of leverage that not one in a thousand business owners, CEOs or accountants ever recognize -- and those are the intangible assets. That means the advertising, marketing, good will, customer relationships, distribution channels and expertise that a company possesses -- and ways they could more effectively and productively use them to their advantage.

TR: Let's talk about what that really means. Peter Drucker says that there are two questions in business: question one is what business are you in, and question two is how is business? That's it. I would say there probably is a third question -- with all due respect to Mr. Drucker -- and that is how do you improve business, which is really the question <u>you</u> tend to answer. He also said that all businesses are designed to bring in a customer and that can only be accomplished through marketing and innovation. Do you agree that those are the only two functions of business and everything else is an expense?

JA: Absolutely...and those are the core principles we teach at our training programs.

TR: So, let's say you're going to walk into my business tomorrow or into a local entrepreneurship. What would be the first thing you would do to harvest these profits that aren't there? Let's make this practical -- maybe give us an example.

JA: I can do an inventory right now -- a self-audit, if you will. The first thing I look at is what are you doing that you're not getting leverage enough out of.

TR: What does that mean?

JA: It means this. Every business is engaging in certain money-rendering, customer and prospect generating processes they don't even recognize -- let alone measure and analyze. Until and unless they recognize what and how they're doing, they can't begin to see how much better they could be performing. Now, let me stop and talk a little about leverage in the new context that we're going to talk about. Most people -- particularly people who have a financial bent -- think of leverage as having two quotients to it: upside potential and downside risk. That happens when you buy real estate, lease a piece of capital equipment or buy any other kind of investment with little or nothing down and a future payment obligation. I don't want to deal with that. I want to deal with the most wonderful kind of leverage each and every business person -- and probably almost everybody who is gainfully employed in any activity to an employer -- has and that's upside leverage. Parenthetically, it costs you as an employer, business person or professional the same fixed amount -- no matter what it is you do -- to drive business into your company. If you run ads, have salespeople, generate referrals in a subtle, understated type approach, do direct mailings, have outside field people, use manufacturers reps, do trade shows or whatever, the activity costs you "X" dollars -- and that "X" is a fixed cost and has no correlation to how the action or the process performs.

TR: In other words, you're going to pay that much no matter how much of a reward you receive.

JA: Exactly, the same ad that cost you $10,000 in tomorrow's *Los Angeles Times* can produce one order or call, 10 orders or 110 orders. The same mailing piece can pull a 3 percent response, a 5 percent response or a 10 percent response. The same salesman or woman can close 1 out of 25 people called on, 1 out of 15, 1 out of 5, or 1 out of 2. Correspondingly, that's only the first layer of this wonderful upside leverage everyone and every business has that few people recognize. Our seminars teach people how to use this leverage to grow their business.

TR: So, you're saying that in most investments, I'm going to invest my money and I have a potential return but also a potential loss.

JA: Most of the time that loss is very eminent and very frequently occurs.

TR: Okay, so in other words, there's a great chance that I'm going to lose my money in the investment, or get a very small return that I'm going to put into a savings account, money market or something similar. But if I want a large return -- a decent return -- I'm going to be aggressive and have a greater chance of losing my money or a portion of my capital. You're saying in a business, because of the power of marketing, there are ways of leveraging my money where I'll get a 20 or 30 or 40 times return for my money with virtually no downside at all...

JA: Or 200 or 400 or 2,000 percent. That's one of the major benefits of owning a business and of learning how to expand profits exponentially.

TR: Which I'm really not going to find in a passive investment, per se.

JA: Well particularly with zero downside.

TR: Now, how do you get zero downside? I know you talk about this. You often say -- listen, if you want to really develop wealth, the way to do it is through your own business as opposed to passive investment because the upside is so much greater and there is almost no downside. And yet the reality that we read every day in the

newspaper tells us that two out of three businesses that start today won't be around in five years.

JA: And that's exactly right because they haven't learned any of these dynamics that I teach.

TR: Okay, how do we achieve this leverage and at the same time produce the level of security you're talking about?

JA: Well, first it comes from analyzing, measuring, identifying -- and then replacing -- certain underperforming aspects of your selling, marketing, advertising, or operations with alternatives that perform better.

TR: And that's what you're an expert, really, at doing

JA: I would say so.

TR: Give me an example of where you've done that so we get some kind of reference. Give us an example where a portion of a business was underperforming or the market wasn't performing and where you came in and produced fantastic results.

JA: I'll give you two or three. First of all. I want to give you a reference frame. You've got to think about what could be underperforming. The sales people could be underperforming, their presentation could not be closing, the markets they could be going after could be incorrect -- there's all kinds of potential problems. You could be having your sales people working their hearts out but calling on the wrong quality prospect. You could have them working their hearts out calling on the right prospects but making the wrong proposition. You could have them working their hearts out calling on the right prospects, making the right proposition, but not having the right risk reversal policy to induce people to buy their product and to make it easier to reduce the barrier of entry.

You could have an ad running or a letter going out, and because it has the wrong beginning, it could underperform it's capacity by as much as 20 or 30 times. Here, I'll give you a couple of examples. Years ago I worked with a brokerage firm that was selling precious metals. They ran ads in the *Wall Street Journal* and happened to have a relationship with a bank that was bank-financed. They ran ads for bank-financed purchases of silver and gold. Their headline said "Two-Thirds Bank Financing on Silver and Gold." When they ran the ads, they pulled okay. They brought back a profit -- the sales people made commissions adequate enough to stay, the owners made salaries, the overhead was paid and they had money left over to keep running the ads. They were happy. But they hadn't questioned how "high is high."

TR: In other words, what is the real ultimate leverage if these ads could pull more...if we could improve them! So, they began to accept it because it was profitable, as opposed to raising the standard and saying I want a 20 or 30 times return. That's what you helped them do. Now, exactly how did you do that?

JA: Well, I immediately asked them if they ever tested headlines, just as I ask the seminar attendees to analyze their advertising. By the way, most people try to redo ads -- that's the most inefficient thing in the world. If an ad basically pulls, the first thing you change is the opening statement. In a fixed print ad, it's the headline. In a direct mailing, it could be the headline or the opening phrase. In a direct selling situation, it's the first paragraph you as a sales person utter. Same thing if a sales person walks into a retail store, it's the first group of words the person who meets them utters and everything in between. And the trick is two-fold. The goal is to make the first statement a statement of the powerful, self-serving result the prospective customer is going to receive from availing themselves of your product or service.

TR: There is something else I've heard you talk about many times. It's that most businesses think people are buying a product and you disagree with that.

JA: Right, they are all buying a result, a benefit -- an outcome that is very self-serving to the end user. People could care less why you're in business, that you need to make payroll, or whatever. The only reason they deal with you (or they let you deal with them) is that to some extent they see an advantage in it for themselves. The clearer and more powerful you are at expressing, articulating, demonstrating, illustrating and comparing how you render that advantage better than anyone else you deal with -- the more business you will get. During our seminars we conduct ad clinics to teach business owners exactly how to make their marketing customer-oriented.

TR: But, in truth, the secret is being able to do that as quickly as possible, especially in today's society where people pay so little attention to something. They want their needs met, and they want them met now.

JA: That's the purpose of having a powerful opening premise, headline, or a prefacing statement. So, back to my story. This company had never tested headlines. They were doing great -- or so they thought. I said, "Let's try three other permutations of our offer." We tested them. Three small headline changes. One did a little bit better -- about ten percent. One did about the same -- the improvement was negligible. And one improved the yield of the ad they were running by 5 times -- or 500 percent. This was back when gold was not selling very high -- it was about $300 for gold and about $6 for silver. Remember they were saying "Two-Thirds Bank Financing on Silver and Gold." Keep in mind, my question is always what does that mean to me as the customer. It meant nothing -- so I changed the headline. All I said was, "If Gold Is Selling for $300 an Ounce, Send Us Just $100 an Ounce and We'll Buy You All the Gold You Want." And I had one for silver, "If Silver is Selling for $6 an Ounce, Send Us Just $2 an Ounce and We'll Send You All the Silver You Want."

It was the same statement but more powerfully denominated in the context of what's in it for the ultimate consumer. That one simple change, of all about 12 words, made in the same amount of space they were buying and using the same amount of body copy, which was 90 percent of the ad, increased their pull by 500 percent. I was getting a profit share, and they sent me $30,000 a month for about 12 months just for that one change. But that's one example.

TR: A good three minutes worth of work.

JA: It was good. I always, either individually or in my seminars, teach people how to identify, analyze and measure what I call the marginal net worth or lifetime value of a customer. When I meet people, I ask them a couple of questions and it's pretty amazing. The first question I ask is, "In a minute or less, tell me what it is about your business that gives greater advantage, greater benefit and greater result to your customer than your competitors." Most business owners will say, "Nothing -- or say <u>quality</u>, <u>service</u>, or <u>dependability</u>."

TR: You're right. Everybody says that.

JA: Which at best is negligible. It doesn't mean anything. The second thing I ask them is, "What is the lifetime value of a customer?" They look at me, and I ask them this follow-up question: "How do you know how much to spend for advertising, selling or on a promotion?" They'll say nothing or they'll say "X" dollars. I'll then say how do you formulate that, and they'll say they just sort of allocate it.

The answer is always the same. Doesn't it make better sense to first of all find out what a customer is worth to you -- worst case -- the first time you sell them? If you sell 100 customers,what's their average worth in unit of sales and then the corresponding profit? Of those 100 customers, how many will come back if you do nothing else? What is the projected long term value that each customer will be to you in net bottom line profit? No one ever looks at that. In my mind, until you know what a customer is and will be worth, you can't possibly understand how much you can afford to spend to acquire them.

Back to the examples. I had a client who sold fluid transmission products. They came to me and they said they were almost out of money. They had six sales people that were doing whatever they wanted to do and were not really managed -- trying to sell farmers and manufacturers. And they had a compensation program that was pure commission, and the sales people got approximately 10 percent of the profit. If they made $1,000 profit on something, the salesman would get $100 and the house would get $900. They said, "What can you do?" I said, "All you have to do is tell me what the lifetime value or the marginal net worth of your customer is -- tell me what the average new customer is worth to you in unit of sale the first time, how many times that customer will buy from you the first year and how many years they will be with you." They were shocked with the answer. It turned out the initial first sale on average was about $200 gross profit for the company -- of that $20 went to the sales person and $180 to the company. And on average, the customer bought five times a year for three years. So each time they got a new customer in the door, they were accruing $3,000 in cumulative profits they'd never recognized. I said, "Your solution is simple. All you have to do is set up a basis with your sales people where as long as they keep their production levels from their existing customers at or above their norm, you'd give them 100 percent of profit on every initial sale from a new customer they bring in."

TR: So the sales people made $200 instead of $20.

JA: Yes, but every time the sales person made $200, the house was accruing $2,800. They felt it wouldn't work but agreed to try it as a test. To make a long story short, sales tripled. It doesn't have to be that hard, Tony.

TR: Well, let's talk about the business you did with Icy Hot -- I think that's another good example of leverage. You took dormant resources and human ingenuity to look at the business in a brand-new way and got a tremendous increase in the quality of life. I also want to relate this to people who may not own a business because people who don't own a business still have resources within themselves that can be redeployed.

JA: The story is that most people allocate within their business a budget. It can be a sales budget, an advertising budget or a marketing budget. I've learned that you can have an infinite upside budget if you stop looking at budgetary figures and start looking at allocating an allowable cost per sale, lead or transaction.

TR: So instead of saying we've got $100,000 in our budget to produce sales for this particular event or situation, I want to say that I can spend...

JA: I'll spend $25, up to $25 a prospect, or up to $100 a sale, and you can bring me all the sales you can because you know the residual value, the stream of income, and the lifetime value if you do nothing else. Icy Hot was a company that sold a patent medicine, like Ben Gay or Mentholatum. It's a balm of mentholatum and it happens to have a very good therapeutic, external affect on bursitis, neuritis, arthritis and other kinds of rheumatic-type ailments. We bought this whole company that had almost no business. We were going to put it under and just use its facilities. But we kept getting letters and letters from men and women who had been buying it for years begging us to keep selling it because it was the only thing they could use to get their arms moving and their legs walking and their pain subsiding. So we decided to try to build this.

We didn't have a lot of money -- but we did have a philosophy of not paying for advertising -- only paying for results. The product sold for $3 a jar. We went to advertising mediums galore. We went to over 1,000 radio stations, television stations and magazines. We went to catalog and mail order companies and all kinds of other non-traditional forms of selling. We went to them and said if you offer our product for sale to your customers, first it will not be any kind of a competitive product, because it only adds value: second, it sells for $3: and you can keep 100 percent. Everyone thought we were crazy selling something for $3 and not even making the hard cost of the goods.

TR: So you actually gave them a product for free, let them sell it and they made all the profit.

JA: Right. All we asked of them was to send us the name and address of the customer so we could make certain that the customer got their product promptly and were satisfied. Now, why would we do that? Because we had analyzed from the past what the lifetime value of a customer was, and we found out that every time we brought in two, one of them would migrate for about 10 purchases a year and make us about $25 net. It wasn't really costing us $3, it was more like 45 cents to make the product, put it in a jar and ship it out bulk rate to the customer. Every time we sent it out, we sent it out with a coupon offering all kinds of other things. For every 100 coupons we sent out, we not only got back 50 orders but another 20 orders for other products we had. So it was a cash flow loss of 45 cents, but from a practical point, after the first group of sales, we were way ahead of the game. And we never had a budget. We had an unlimited budget because we would only pay for sales not for advertising. We just basically said keep the $3.

It got to the point where as sales slowed down, we even paid $3.45 to sell $3. Everyone thought we were crazy. But we built a company from $20,000 to $13 million in 18 months, and sold for tens of millions of dollars to J.D. Searle, a big pharmaceutical company. It's a whole different way of looking at business.

TR: That's the kind of leverage you're talking about -- where it's only upside and there is no downside. Any investment you and I are going to make, there will always be risk. There was still some risk here, but it was pretty muted.

JA: You have to understand the only risk you have to have in anything you do is the cost of an inexpensive test. Most people make decisions that impact the entire destiny of an enterprise or a career based on conjecture. I will not do that, and anyone who has ever spent any time with me or went to one of my live events would think it's a cardinal sin.

I learned that every aspect of a business can be tested, measured and improved just by testing one way of doing something against another. One headline against another can be 21 times more effective. One price point against another can be 10 times different. One way of articulating, presenting, or stating your proposition against another can be 5 times different. One price point can pull a 3, 10, even a 15 times difference. If you keep testing things like that, it's not just that results improve 12 times or 5 times, but it's also exponential because all the components work together. That's how you get a 3,000 or 5,000 percent increase.

TR: What's interesting is the thing that stops most people is the realization of the power of one distinction that one slight change can make. It's the mindset that seems to stop people, it seems to me. My customers who have attended your seminars say you spend a great deal of time on changing their mindset to look for opportunities instead of obstacles. How do you really grow a business exponentially?

JA: As you know, my biggest plight in life is that people don't believe I can do what I do because they say you can't grow a business and double or triple it in a year, you can't make an extra $200,000 when all we made was a $100,000 all of last year. But it's not me, it's a function of how little they made out of themselves and their investment in their business. How you grow a business is very simple. There are only three ways to grow any enterprise. It doesn't matter what business you're in. <u>You either increase the number of customers, increase the unit of sale, or increase the amount of times a customer will buy from you.</u> This is an essential point I drive home in my teachings.

TR: So we're either going to figure out how to drive more people in the front door, raise our price to get more money each time we finally do make that sale, or be in a position where we make sure there is a back-end sale -- or multiple back-end opportunities. Better stated, once the customer buys the product, we want them to buy the product again and again so that the money we spent to get that customer means little to us because we've got a lot of profit on the back end.

JA: But here's the exciting point. Do any one and you can grow in a linear manner. Do any combination of the three and you grow exponentially. Case in point. Most people doing nothing, with no formal understanding of these dynamics or principles, have gotten to the point where they have a finite number of customers. Those customers, left on their own without any direction or great sales ability on the part of the companies, have evolved to a certain fixed unit of sale that's the average. And they'll buy a certain number of times without anybody doing anything. If all you did was become a little bit more effective, a little bit more proficient and adroit at selling, you could probably close a few more customers. In fact, you could probably <u>double</u> it by just being proactive and concentrating on a few simple ways to increase your effectiveness in these three areas.

TR: You always refer to programming your customers, what do you mean?

JA: I mean that when people start a buying relationship, you have an inordinate opportunity to ethically program them forever. People are coming to you for guidance, and if they favor you with their purchase, it means they trust you. They look to you to have ability, expertise and integrity. If you, at that point, show them the reasons why it's in their self-interest to come back and re-purchase your product or other services or other logical extensions, you normally will get many more turns per year or customer purchases. And that can be incredibly impactful to growing your business. If we increase the number of customers by 10 percent, the unit of sale by 10 percent and the re-purchase frequency by 10 percent -- what have you done for your business? If you increase any one, you grow linearly, but if you just increase all three categories by a mere 10 percent, you haven't grown 10 percent. You've grown over 33 percent and that could be all the profit the business makes, so the profit could be massive. If you grow each one of those categories more, you grow one 25 percent, one 18 percent, and one 22 percent, the cumulative effect is like an 80 percent increase in your gross sales. <u>You've gone exponential</u>. It's easier to be exponential than linear. It's easier to grow massive than it is to grow slowly. Our seminars teach that it's easier to be successful than it is to be unsuccessful.

TR: How can you say that? I agree with you, by the way, but I've got to play the devil's advocate.

JA: That's okay. It goes to the fact that I've seen how few people understand how to optimize their time, money and opportunity. The moment you understand that, you've got a clear playing field because you can do things that are so much more proactive and effective. You can make a dollar go so much further. You can make a customer last so much longer and make an activity produce much more current and future yield.

TR: You've opened up several loops there for me to close. What stops people from optimizing? What is optimization?

JA: Let me tell you what stops them.

TR: Mindset, right.

JA: It's the difference between "tunnel" vision and "funnel" vision. Most people have been in their career, business or profession for a long time and know "it" so well -- but all they really know is the way that their industry operates. If you look at any field, a retail company, a professional practice, a manufacturing company -- almost everyone competing in that industry is doing plus or minus about 20 percent the same marketing approaches the same way.

The reason is that they have such technical expertise, but all they know is what they know. And all they know is what they see other people doing because they used to work for somebody else, or they tutored or interned with somebody who a generation or a decade ago did it the same way. I've been privy to look at over 400 separate industries. When you look at 400 separate industries, you learn two things. It's like traveling -- when you travel outside of Los Angeles, you see there are a lot of different lifestyles than the one in Los Angeles -- when you travel outside of California, you see there are a lot of different climates and a lot of different values -- when you travel outside of the United States, you see there are a lot of different cultures, a lot of different values, a lot of different work ethics, climates, temperatures and exotic things.

TR: It gives you a broader selection of choices for your life.

JA: And possibilities. It gives you a reference. You can call it having more distinctions. When I got the privilege of traveling amongst 400 separate and unrelated industries, I saw to my fascination that if you look at 100 industries, almost 95 of them drive their enterprise, bring in their customers and run their operations from totally different marketing contexts from one another. In other words, industry A operates from a marketing aspect totally different from industry B.

TR: Give me an example.

JA: Let's take a manufacturing concern. Most of them basically sell with either manufacturer's reps, ads in trade publications or trade shows. That's all they do -- they don't telemarket, they don't do direct mail, they don't do joint ventures with other people who already have their customers, they don't get endorsements in publications. They don't explore any of the infinite other possibilities. And one of these ways is where 80 or 90 or 100 percent of their business emanates. But there are so many things you could do in addition to this. For example, you could be running ads in consumer publications or trade publications: generating leads and converting them through direct mail or through telemarketing or through some other kind of mechanism like a trade show: or using a separate sub-contract representation. I can name probably twenty-five if I was asked to. My seminars are highly interactive, and the participants listen to the proven techniques from other industries.

TR: I see, so they really have one primary focus. Like in the real estate industry where they've got a realtor out there who is going to...

JA: Most realtors basically knock on doors cold, or they run ads that nobody reads and that don't offer any benefit that's in store for the reader who might want to buy or sell a home -- or they stand for 12 hours quietly, silently and vacantly at an open house that no one comes to see. To me it's just a dissipation of effort and energy -- and the most precious commodity we have is time.

TR: So what would you do with that realtor to have that realtor be more effective? Would you use some of these other avenues of marketing?

JA: I would have them look at how much more can they do with the customers they've got. Can you re-sell them , sell them more times or can you sell more things? If you have nothing else to sell them, can you sell them products or services that complement, and are synergistic to what you sell.

TR: In other words, this realtor will add value in a way no other realtor would have.

JA: If they don't understand how to articulate it, I'm going to teach them how. They can go back to all the old customers they ever called on, and I would have them contact them all and re-iterate to them, so they can better appreciate what they did for them in the process of selling their house, of representing them, of negotiating the purchase -- so they have a greater appreciation.

TR: It's a heavy referral-based industry. How would you tell a realtor, or anybody to improve their referral generation?

JA: When you ask people how they get referrals, most people say I ask people to give me the names of people I could call on. That's not what I say, Tony. What I teach people to do is go back and re-establish, or establish for the first time, the distinction of the inordinate value you brought to that person, or you will bring to that person, because of the effort, expertise, knowledge and the representation you're going to render that no one else could. You get them to concede what that is worth to them in both intangible and tangible terms in pleasure, protection in exhilaration at getting a bigger house and having no problems, and selling and not having to worry about it falling out of escrow. Then you get them to denominate it in dollars -- that, isn't it true, that because of the work we did and the strategy we had, I probably got you the house at the best price possible. Isn't it true that you probably saved $20,000, $30,000 or $50,000 -- or isn't it true that you thought originally we might have to get $200,000, but instead by using the strategy we worked out together, and me holding true and you respecting me for it, we got you an extra $35,000. So, you denominate what it really meant for them in these terms.

TR: So, they see it as being a real value of something that is tangible.

JA: I call it a sandwich -- half filling, half real perceived, tangible value.

TR: It gives you the leverage for the person who really wants to help you, because they're not just helping you, they're also helping their friends.

JA: It's not even help, it's a moral issue. You have two choices -- you can allow that friend to make the wrong decision and pay $30,000 more. You can allow that friend to sell his or her house to somebody, and because that somebody doesn't give them great representation, they may let him sell it out for $20,000 or $30,000 less. You can allow that friend to trust somebody who is in such a hurry to do the deal that it gets all screwed up in escrow and falls out. Or you can take it upon yourself because that friend is important to you and you trust and revere the friendship, and you want their life to be enriched, to put them in touch with me, couldn't you? Well, that might be a little evangelical but that's the way I believe.

TR: If you were talking to somebody who didn't define themselves as a realtor but defined themselves as an entrepreneur, the reality is that you'd probably go back to that person and say what are the resources that person needs, not just the additional customers they could bring to you through the referral process but you'd probably be looking at ways to leverage your relationship, to meet other needs that they have through other products or services, would you not?

JA: I would. You asked a question about optimization, can I introduce that and come back?

TR: Yes, please

JA: I believe I've been very lucky. I've had the privilege to work with the people who conducted the seminars for W. Edwards Deming. I think he was a seminal thinker. I believe his thinking was more powerfully applicable for entrepreneurs and professionals than it even was for manufacturing. He extolled a philosophy of optimization, which in my opinion means you should never do anything unless you can get maximum benefit and yield, currently and forever, from the minimal effort. In order to do that, you've got to understand a couple of, I'd guess you would say, distinctions. First of all, everything a business does is a process, and as a process, it can be measured, compared, quantified and improved.

TR: Give us an example.

JA: Okay. You own a business. You called on customers in the past to probably start the business. When it was a small business, you probably didn't have a sales force -- you probably were "it." You became so adroit, so adept and so capable at calling on people and unconsciously or subconsciously presenting the greatest advantage to them that you probably had a very high success rate of closure -- meaning if you called on 10 people, you probably sold 5 -- and the average person probably bought $1,000 or $2,000. But most people probably aren't as passionate, as clear, as demanding or as capable as you were. Your average sales person might need to call on 25 people to sell one and his or her average sale might be $200 instead of the $1,000 you averaged. You've got to measure and analyze what processes impact your business and what the dynamics of those processes are. There are two sets of dynamics: one that brings action to bear, and then one that impacts the dollars to keep them flowing in. In other words, certain factors bring in more or less people or convert more or less people. Other factors impact the dollars those people spent and the frequency or the continuation of that expenditure. I teach people to measure that.

TR: Okay so that's one. That's the first principle of Deming.

JA: So, you measure it. Where you are right now is what's called your baseline. You know it's basically an average -- the key is an average. If on average when you make a presentation, you convert "X," then "X" is your baseline. Whatever your unit of sale is -- that's your baseline. Now you've got all these baselines. Your goal is to first of all identify what your baseline is and then identify what the variance is. The variance is the differing performance levels that occur when other people or other mechanisms are used, and some are better and some are worse. Your goal as a business owner is very simple. It is to raise the baseline and reduce the variance. So, how do you do that?

It's simple. I show people how to conservatively test different ways of performing each process to try and get improvement. And when you get improvement, you do one of two things -- you either replace what was working, what was your baseline or what was your control process in a category with that which produces greater results. You don't necessarily have to drop what was working before as long as it was profitable because it may be impacting a different segment of a trial market. Instead, you want to build a broad base with different pillars. Is that getting too complicated?

TR: No, I think you're on track there. In other words, one of the things you've talked about in the past is that if you're going to be effective, not only have you got to measure what you have, but you've got to know exactly what you can count on and find a way to leverage it to get a greater result.

JA: That's what gives you predictability in your business. People say, " I don't know what I'm going to do in the future." You know exactly what you're going to do in the future, plus or minus a small variance <u>once</u> you measure, quantify and then project out.

TR: One of the things you've said in the past is that the major reason businesses fail is that most businesses have one primary way to bring customers in. If something disrupts that -- something external, something in the government, something in the

economy, something in the way of a new kind of competitor -- suddenly that business is in trouble -- or it literally goes out of business.

JA: That's true.

TR: Please describe for us that dynamic and what the solution is. How do we make sure that we have long-term, predictable profit in any business enterprise we're a part of?

JA: I want to use two graphic analogies. I believe you build your success foundation on pillars. I'm going to call it the diving board versus the Parthenon analogy. Most businesses I look at (and I shudder to say most of the businesses or the business owners or the professionals listening to this tape) would be built as a diving board. Imagine a diving board with only one post supporting the board -- the board is your foundation, the post is the method or the mechanism you've either consciously or unconsciously depended on to generate all your sales and sustained growth. What is a diving board by nature, what does it do? It goes down. If the one post that you've built your business on either gets saturated or stops being effective, you're in trouble.

So, basically my goal for a client or someone attending my seminar is to systematically build their business on multiple pillars that support it. One pillar can be whatever they do now: the next pillar will be another alternative form of selling or of generating business or of lead generating. It can be that one facet of your business is direct selling, another facet telephone marketing, another facet joint ventures or strategic alliances, and still another can be contingency or shared revenue, tri-tip selling with advertising mediums, like radio stations -- and the list goes on and on.

TR: So, in other words, if one of those pillars goes out now...

JA: It's a nagging inconvenience that may eliminate 10 percent of your business, but it will not debilitate or terminate your ability to exist. I approach every pillar as what I'll call an innovative profit center. You should never do anything that doesn't produce a profitable outcome for you or that doesn't basically dovetail together and reinforce everything else you do.

TR: A lot of people reading this right now are thinking "this is fascinating." But you know the truth of the matter is that you can pick all this stuff apart and what's most fascinating is the intensity and passion in which you hit all of them. In other words, you're figuring every single tool and how to maximize. It's back to optimization -- could you describe it again?

JA: Optimization in my mind is the process of getting the maximum yield for the maximum duration of time with the minimal investment from everything you do today, in the future -- and this is really interesting -- and from everything you've ever done in the past. From everybody and everything you ever come in contact with. Not just your business -- your current and past employees, your vendors, your current customers, people you don't sell, suppliers, distributive lines, the location you're at -- everything. So, start with that premise.

Here's a quick summary of my theory. Until and unless you can form a clear, distinct and accurate picture of your vision for the business, you can't possibly build or fulfill or achieve your dream for that business. And the trick or the secret to building your vision is to master this art of optimization. As I said, optimization is learning how to maximize, not minimize, every asset. Most people I have observed minimize their activities instead of optimizing them. I show them how to change that.

TR: And right now, the environment demands this -- this is why we're seeing companies that are downsizing saying, "Let's look at every part of our business and figure out how to do it more efficiently than we've ever done it before."

JA: Exactly. Most people don't even identify or recognize all the areas, opportunities, options or pillars for optimization that are available to them because all they have as a point of reference is what they do in their business. You can't optimize until you first recognize the assets, the opportunities and the options available. If you don't know what's possible, you can't be expected to do it. So, you have to first of all stop and ask what is possible? How many better, other and additional ways could I be doing something that would work as pillars in my business?

TR: Part of why people bring you in and go to your seminars is because you tend to see multiple ways of doing something based upon your background of working with so many different types of businesses in so many types of industries.

JA: You're getting ahead of me, but that's exactly true. You must learn what strategies allow your business to take the best and maximum advantage of the greatest opportunities available. Again, this is part of this understanding, this acknowledging and awareness of how many other possible ways other people and businesses outside your industry operate. I call this forming an "optimal success strategy."

TR: Let me clarify something on this, though. There are many things in your business which don't provide the maximum return and yet generate all these small, little returns.

JA: It's an integrated comment, but you're right. Certain parts of an enterprise may give their life for others. They can't be judged out of context. It's an integrated statement. In other words, I've had businesses where we purposely acquired new customers at a loss because we had analyzed the residual or the lifetime value. We knew that every time we lost money, like the Icy Hot example, we really made money. Every time we gave a free service, we didn't really lose money, we accrued an incredible benefit. You have to look at an integrated, holistic context.

So, I show you how to form an optimal strategy. You can't do that until you develop a whole different philosophy to operate your business and life by that forces you to be totally externally focused. I'm going to use the word service or benefit to others because the most self-serving thing you can do is to learn to be selfless. People don't realize, you're not playing the game for the moment -- you are playing it for forever. When you look at it in that context, I've seen these very shallow thinkers who think they're really astute because they made a little more profit up front, but they've totally eliminated the residual effect. And the residual value is where all the real wealth comes from.

TR: And I think the ultimate residual value is the identity that you create in the marketplace because what people know about you and believe what you can do for them is what's ultimately going to give you leverage. You can't replace identity.

JA: Exactly.

TR: Now we're getting into what marketing is. Let me ask you two questions. Question one: Finish optimization, but then tell me what is marketing? Second, how do we use optimization and marketing if we don't own a business right now to have greater leverage in terms of our sense of certainty about our future?

JA: Okay. You can't adopt a superior mindset until you redefine the purpose and objective of your business from a customer or client benefit perspective. In other words, most people in business are mediocre in success and fulfillment because their purpose is incorrect. You basically have to set yourself up to understand what is the best, the highest, most distinctive and valuable result, benefit or purpose my company or my value can bring to the customer. My job is to help you understand and redirect and re-focus all your company's activities towards that outcome, otherwise you aren't going to be exponential.

TR: Most businesses tend to focus on how to make a profit versus how to serve the customer in the greatest possible way.

JA: It's because they erroneously think those are separate. They're not. They are absolutely the same function. Anyhow, you can't redefine your business' highest and best purpose until you decide to innovate, in my mind, because in its purest sense, innovation is the bringing or adding of superior value to the end user. If you innovate in your factory, it's useless if it doesn't bring an advantage to the end user.

TR: You may bring a price advantage to the end user potentially.

JA: That's fine. A lot of times people do things, but they don't pass the advantage on to the customer so they think they are making more profit. But sooner or later if you don't pass an innovation-based benefit on a continuous basis to your customer, you won't keep their patronage.

TR: That makes sense.

JA: You can't add value to someone, or someone can't see you adding value, until and unless they understand and appreciate what you're doing, have done, or will do differently for them, and that requires better marketing. Because, Tony, in its purest sense, marketing is a few things. It's the continual education of a customer or prospect for the life of that customer on the advantages and benefits your company or your service brings them that no one else does; it's the intelligently formulated process of increasing their demand or desire for your product or service; and finally, it's the strategic process of bringing them to closure and to completed action.

TR: I like your definition that marketing is a life-long process with the customer because that presupposes we are going to have an ongoing relationship. But it's educating them as to what they get by working with us versus anybody else -- and then the process of using that education to increase their desire for our product.

JA: Not only their desire but their appreciation. It's giving them a basis to discriminate on your behalf.

TR: Interesting. Let's come back again to the individual now. How does an individual who doesn't own a business optimize or really build a Parthenon, if you will, for their financial life, their business life and for their career?

JA: It's very simple -- the moment you believe it's simple. All you have to do is put yourself in the position of your employer. Your employer is as scared as you are. Your employer is a man or woman or a group of investors who have sunk enormous amounts of capital into their businesses and are very eager to see that investment continue to pay out. As soon as you help give them their outcome, they will love you, treasure you and never want you to leave. How do you do that? By identifying greater and more effective ways they can make their enterprise throw off greater profit. They can get more customers from the action. Just doing the same thing I suggest that any business owner do, but do it as a "de facto" business owner. Identify where they are and how you can increase the unit of sale and the frequency of sale and other things you can do with customers or with prospects who are inactive. When you have identified what those are, go to your employer. You'll find that the moment you implement them, they bring such an advantage to your business you may not want to necessarily reveal them to your employer until you effect the right structure.

TR: I assume that means economic structure for your added value.

JA: That's right. I'm giving you both sides of the transaction in this interview. You go to your employer and you make them a very simple proposition. You ask them if, on your own time, you are able to identify, organize and implement, in the most conservative manner, processes, mechanisms, and activities that will increase the amount of profitable sales -- what kind of deal you could work out. Make sure they realize that they will augment -- never supplant -- the business' normal activities. They will only bring increased value.

TR: You are adding more pillars, not taking away what they're already doing, which they are committed to and believe is the essence of their business.

JA: Right. If I can do that for my company, and if the activities make a lot of money, can I get back a dime or a quarter for every dollar I make you? And if that's too rich, can I get back a nickel or a dime? And if that's too rich, can I get back an extra $5,000 every time I make the company "X" dollars for, and this is the key, as long as it keeps working? Would you mind putting it in a simple letter for me, sir or ma'am, as the case may be.

The basic premise is presuming that you are going to bring things in. Think of it as a dual value because you can export things, too. Case in point. Certain companies have their manufacturing structure down where they get greater efficiency per hour or per manpower or per hundred square feet. They get less waste. They have greater ways to do things. They have greater tax advantages. You can take those techniques that are being used internally and you can license or sell or rent those to other people.

TR: Give us an example.

JA: I'll give you 2 examples. I had a client who owned a car wash. He came to me to try to improve his sales. In looking at his operations, I realized that his process of getting people to take the hot wax and all the other options was about three times better than almost any other car wash in the country. I said why don't you sell that technique to other people. He reluctantly tried and ended up getting something like 1,000 car wash facilities to pay him $100 a month to use his way of articulating the option of the wax so that three times as many people took the wax option. That was all profit. I had a realtor one time who was a very hot realtor and was great at getting listings. As she was sitting on her thumbs, trying to figure out something to do after she sold her business, I got her to take the technique she used to get listings and teach other people. The first event she conducted made $60,000 in three days teaching people at $1,000 per head.

That's just one way, but there's tons of ways. You can do it for other people. You can buy and sell concepts. You can be a brokerage firm. So the idea is how many more ways can you make your company more efficient? The idea of downsizing is very limited. Most entrepreneurs don't have the slightest understanding of all the ways to reduce their costs to improve their productivity. And I'm just talking in the first segment of this interview about ways to increase sales -- well, the flip side is all kinds of things. If you just improve such things as reducing attrition, which is the loss of customers, or conservation, which is the retention of customers, that alone could increase your sales. All you do is look at other ways you can bring your employer improvements, efficiencies, and reductions that they wouldn't have done on their own. And you can ask for percentages of savings and of increased productivity that you can quantify. And with a few simple phrases uttered on paper and signed, they could even downsize and terminate your employment and you could still get a residual check for life. And what I've done with a lot of people when they have done this, was teach them to go to the employer and get a buyout -- so you could get a lump sum payment.

TR: I remember you were talking to someone about the customers they weren't getting. They'd run some advertisement, and people had not bought their product or

service, and you turned around and said that's a great opportunity -- while they may not necessarily buy from you, they're going to buy from somebody. Why not sell the leads to your competitors? You're even figuring out how to maximize or optimize the people that don't buy from you. Let's talk about that and relate that too, if you would.

JA: I believe one of the greatest areas of opportunity is in the people you don't sell. I did a seminar one time and made a small fortune on this. I was selling a training program to put people into a certain kind of business. I went through Entrepreneur Magazine and saw two or three people who had a similar training program. I went to them and asked them if they would let me furnish them with a letter they would send to their existing people who paid to go to their training. They both refused. I said, "Fine, do you have prospects who inquired and didn't convert?" They said, "Sure, we've got tons of them." I asked if they would sign a letter to them saying in essence that we were gratified when you inquired, saddened you didn't take advantage of our training, but realized there must have been one of a few reasons. Either the timing wasn't right, it was too expensive, or the opportunity didn't work for your skill set. If you're still wanting to go into business for yourself, there's only one other person we think might help you, and they recommended me. I made $200,000 by getting them, because I said those people didn't respond either because they weren't interested in going into business, they didn't have the right compelling offer, they weren't made the right proposition, the concept was wrong, the approach was wrong, the people were wrong. But they raised their hand for a reason.

TR: You were in the lead-generating business at one time, weren't you?

JA: Yes. It's very fascinating. Most people don't understand that everyone generates leads. The Yellow Pages are leads. Somebody you meet can be a lead. Leads have several critical factors. What they cost is only one. The conversion rate is the second factor. The unit of sale is the third, and the residual value the fourth. Until you know all of those factors, you don't know anything. People say, "Yeah, our leads cost us $25 or a new customer costs us $50." That doesn't matter. What matters is, what do they bring in the first sale? How often do they come back? What's the profit on them? You have to analyze all these factors. A lot of people who generate leads don't analyze them, but the few that do standardize them all together. They may say a lead costs us $25. But you may have a lead that comes from one source that costs you $100, that's ten times more valuable than the ones that cost you $5.

TR: Every time you work with another group you must add new references and distinctions.

JA: Yes, because I change. Basically, I do something no one else does. I don't conduct my live programs by standing at the podium and lecturing. I make the participants conduct the programs and as such I learn as I'm teaching. Every time I learn a new way or learn how somebody else uses my techniques, I just file them away. Then I standardize and categorize them under their distinctions of these three ways to grow a business or other categories. It's not complex. It can be taught very easily as attested by the thousands of people that have been able to successfully use it.

Well, where is your business coming from? Most people have never analyzed the origin of the business, and it's a two-prong question. Where people are coming from and where repeat business is coming from? It is trite, but the 80/20 rule is probably true. Probably 20 percent of your customers are bringing you 80% of your business, but you're not treating them special in two ways: acknowledging them or offering them more. If you know that one kind of a customer has a tendency to buy more often and in higher volume, you can program them to even more purchases. You can offer them products and services not normally offered because they are too expensive to stock or produce. You might find just like with realtors -- they knock on doors, they run ads and they do referrals -- but when I ask them to analyze regressively where the origin of their business is, they'll find that 80 percent of their new business came from one or two categories, yet they're not discriminating. They are spending the same or less time on those categories than they do on the rest. The idea is getting the highest and best use of your time and opportunity. Where do you get the best leverage on yourself and your business? I think the key is to ask lots of questions, as specifically as you can, and to keep going deeper.

TR: If you gave me three questions that every business person needs to ask consistently, you start out with the first one, which is: where is the origin of my business? Where am I really coming from? What are the other two?

JA: First, where is it coming from, where could it come from? It's a similar question. Most people have no idea where their highest and best source of new business is. I mean that in a geographic, identifiable approach. Number two, who stands to benefit more than you by your being more successful? Most people don't ask that. That opens up lots of possibilities. First, the customer benefits if you understand results. Second, the suppliers benefit because you may be speaking about a greater beneficiary to a supplier. You may be 80 percent of their business. They may be more motivated to fund, to help and to support you in growing your business.

TR: That's a great perspective.

JA: Number three, who's in the position who already has my customers and has already sunk an enormous amount of effort, time, money and action to get their goodwill and would be in the perfect position to recommend, endorse or make them available to me with a positive pre-disposition?

Also, what other ways can I benefit form the goodwill I have with my customers in an ethical and beneficial manner to them? And what ways can I better reduce the risk of the transaction thereby getting more people lowered in their resistance barrier to take advantage of my product or service the first time?

TR: That leads me to a very important concept. Let's talk about risk reversal. How important is that? What is it -- and how can virtually any business use it to see an

improvement in their ability to bring customers to the table initially and then apply it in the future?

JA: First of all, how important is it? Do you want to stay in business, be competitively superior and be obscenely wealthy and successful? In any business or any life encounter, one side of the transaction is always being asked to assume all or more of the risk then the other. It may be done explicitly, implicitly -- it may not even be consciously done but in every transaction it occurs. To the extent you can acknowledge this fact and eliminate, reduce -- or even make better than risk-free the transaction on the part of the prospective customer -- you own the business. Let me give you an example because it's from the 19th century and it's a wonderful little story. A man wanted to buy a horse for his daughter. There were two horses for sale. One man said to him, "Buy the horse, take it home, and if you don't like it, bring it back and I'll give you back the money." The other man, who understood risk reversal said, "My horse is kind, gentle and good. Why don't we do this? Let me bring the horse to you, let your daughter ride the gorse for 30 days. I will even bring you the oats for the horse. At the end of that time, you decide whether the horse is suitable for your daughter. If it is, I will come then and ask to be paid, If it is not, I will come then and take it away." Now which horse would you buy?

TR: No question.

JA: Here's the irony. Every business really guarantees the transaction by and large because if there's a problem, they either make good on it, give the money back or offer a replacement, but they sweep it under the carpet. I teach people to bring it to the top. Make it a powerful condition -- a very specific aspect of the selling transaction and not in the way of saying "satisfaction guaranteed." That's like saying service, quality and dependability will sell your product or service. I believe you denominate very specifically. You give somebody a matrix or a discriminator to impose on what their benefit, and result should be. You tell them, look Mr. Robbins, if this service doesn't make you 20 percent more effective or reduce your expense 15 percent, if you aren't this or aren't that at the end of 30 days, then you have every right to ask for your money back.

I believe in giving a better than risk-free proposition in most of my transactions because people come out protected, advantaged, and ahead of the game.

TR: And what is your belief that guides that process? What's your belief about people and what they really need in that situation?

JA: I believe two things. There's three kinds of people in business. The people who actually render an incredible service and know it, but don't tell it. There are people who actually render a great service, don't know it and don't tell it. There are people who don't render a very good service or product. The latter, you can't do much with. They're not going to endure because the market will figure them out no matter what. A risk reversal or guarantee is only going to help them the first time.

But the vast majority of people either do or can render such a superior service and get their market to see them more distinctively or advantageously. But the only way to do that and make it easy is to acknowledge the fact that hey, even though I know what I do for you is going to produce a great outcome. So I see it as my job, as my charge, as my responsibility, Mr. Robbins, to allow you to avail yourself of it, to preview it, to experience it, totally at my risk. Why? Because if it works the way I say, you're not going to not want to continue so I'll be benefited. If it doesn't, I don't deserve to keep your money anyhow, and that's the basis I operate on.

Ask yourself this question. You have a choice of buying a product or service from five vendors. Four of them basically don't even mention a guarantee or are very nebulous. One of them not only mentions it but insists that it be a condition of doing business, insists you put them through the paces, insists that be the only way they sell to you and helps you determine what your expectation minimally should be for you to be satisfied and get value. Which one are you going to buy from? Now people say, "It's terrifying I'm going to lose all my business if I do that." But you should ask yourself this question, "Does your product perform at the level you would promise?"

TR: All that would come across to me as hyperbole until you say, "And if these things don't occur..."

JA: Within 30 days, as long as you do your part of whatever the regimen is, you have to denominate specifically. But most people don't tie it all together. I have a client who is a founder of Federal Express. He used risk reversal and increased his business dramatically. His business quadrupled the first time he used it. I have another client who is the founder of the largest accounting firm in the country. He tried it to get clients and it doubled his closure rate. The incidence of refund or unraveling was nil, but it presupposes you don't do it if you don't perform a great service. I tell my students to never denominate an expectation if you can't deliver it.

TR: The other thing that happens is when you make demands upon yourself, the customers actually tend to soften on you more because they see that you are truly committed. They see the integrity in how you're operating within your business.

This brings up another issue, which is the importance of creating a unique identity in the marketplace so that when someone thinks of that particular product or service or that industry, they think of you ideally. What would you tell them would be the steps to take?

JA: Well, first of all, I call that the Unique Selling Proposition, or the sales advantage. It's basically what people see as the benefit you bring them more advantageously to their self-serving needs than anyone else. It depends on who you are, it's not a standard because it differs for different situations -- but it's a question of giving them what somebody else doesn't. And it can be a lot of things. Let's say you sell something hard vs. soft -- something hard is tangible, something soft is services. If you sell something hard, you might throw something soft in with it which is free or very inexpensive. You might double or triple the protection. They'll appreciate you and the performance of your product at a much higher level. And their loyalty will be enhanced. I've seen it happen countless times. It's amazing.

TR: The core belief system that you have that seems to guide everything is that discovery is the fuel of competitive advantage. I like that. Let's say, for example, an employee really wants to start their own business or they want to get into business, how would you guide them to evaluate the type of business they would want to be in and the type of business they would not want to be in? I think earlier you said to me that you have some tools for how you guarantee most businesses fail and how you guarantee that a business would succeed.

JA: The first thing you do is look to see what businesses have customers they're not maximizing where you could basically create a business that would be a joint venture relationship with them, or take advantage of the enormous investment and goodwill they have already made, the enormous money they are continually spending on facilities, equipment, personnel and advertising -- to sell or offer other logical extended products or services under the confines of the companies. Most businesses I look at sell one product or service -- they only think of themselves in the context of "I sell this product" when in fact the very acquisition of that product means that a customer has to have pre-done one thing and then post-do something else to make that product work. Because it integrates with other products or services. All you have to do is discover what are the other products or services before and after they buy yours that they need or want. Find a way to make an association with somebody else who represents that, come together with a company who sells one, do a joint venture with them, and you can make more money. Find somebody who's got a customer base and a great relationship, but they're only selling one facet of the process. Find other people who represent other needed aspects of the process and make deals with them where you become their representative because you can deliver a market they don't have.

TR: You've also said that you don't want people to buy a business that doesn't have a clear back end.

JA: That's right. The truth is if it's a one-shot sale, you're not buying anything. You're a promotion, not a business. You want something where when you invest in a transaction, you have enormous amounts of future transactions you can predictably depend on -- and you should think not only in terms of selling your product but selling all kinds of other products or services. Think in terms of being an ethical opportunist. By that I mean your goal is to find many ways to optimize the selling opportunities you have to that customer. Does that make sense?

TR: Interesting. So to answer the question directly then -- the way you make a 90 percent success ratio is to fully analyze and understand how to move the customer.

JA: Non-emotionally.

TR: That's pretty forceful.

JA: Because I'm thinking most people make all their decisions from their heart. They have this vision of basically being a business. It's a vision of being happy, a decision of making money. But what they end up doing is making a crumbling edifice that they can't even sell and they have to run it and it consumes them. It's horrible.

TR: They actually end up working harder than they ever did in their job and for less money very often.

JA: And their life savings is compromised. I have a philosophy on all business which I want to make sure I can share with you because it's really very important. Whether Jay Abraham comes into your life or not -- you are the one who has consciously made the decision to invest your whole life, the fate of your family and the fate of all kinds of other families who are dependent directly or indirectly on you. You're the one who has your house mortgaged. You are the one who has to get up every Monday morning and be in there to open the door. You are the one who has to make payroll clear the bank. You are the one who has your name on the line for real estate. You owe it to yourself to do a couple of things. One, get the greatest yield out of everything you do. Two, get the greatest joy out of every hour you spend. Three, give the greatest value you can not only render but that can be perceived so you have the greatest vehicle you're building so it can give you the greatest benefit that you and it deserve. That's all.

TR: Well, Jay, I appreciate the time we spent together. I think you've given people a tremendous number of distinctions or answers and hopefully what you've done is sparked even more questions. Because as you said, that's when we really learn, grow and expand. I appreciate it. If people have questions about how to reach you and avail themselves of your services, can you give me a phone number or a way for them to contact you?

JA: Sure. They can call my offices. It's in Los Angeles, Rolling Hills Estates, actually. The number is (310) 265-1840. Thank you very much, Tony.

TR: Thank you. I had a wonderful time with you and I'm looking forward to hearing many stories from people who utilized what they've learned to make quantum leaps, exponential leaps, in the quality of what they do for people and themselves simultaneously.