

MY NOTE TAKING NERD

“Giving You The Edge”



**NO B.S. INDEPENDENT BUSINESS
ADVISOR TRAINING**

DAN KENNEDY

- **One of the things that being a "guru" entails is delivering a lot of self-improvement material, increase confidence, increase communication skills etc. and as Kennedy puts it you don't charge for that; you don't try to sell it blatantly but it has to be a part of what you're delivering. Otherwise, nothing else really matters, but at least 50% of the benefit that you deliver to people is sneaking up on them with this self-improvement stuff**
- So recall that there are basically two topics or two groupings of topics that the motivational or skills speaker has. Either the hard topic or the soft topic. The soft topic is something that is immeasurable; its leadership or confidence. It's basically Jim Rohn, or Tony Robbins and soft topics are incredibly important, if you don't have those areas covered, you're screwed and all of the hard topics won't do you a bit of good. But soft topics are very hard to sell, whereas the hard topics like "5 ways to fix your yellow pages advertising" or "how to write a sales letter" are much easier to sell because you can immediately make the money argument, which goes "if I get this and just get one more client then it was free"
- You can notice the very big difference in the testimonials between hard and soft topics. In the hard topics people invariably mention results and money "I made \$60,000, because I used this." Versus the soft topic testimonial, which says, "I feel much better about myself"
- Dan says one of the first big changes he made in his model was creating a single path of entry into his product line. So instead of having a cafeteria style approach where people came in with any number of courses or experiences being their first he tried to engineer a single path from his talk to buying magnetic marketing to buying everything else and more recently he put the newsletter in as another piece of his single pack.
- Though Kennedy says his mistake was trying to get people to buy magnetic marketing and then bring them into the newsletter. A very tiny percentage of people converted. On the other hand by getting them into the newsletter first on a forced continuity model he's not only made much more money from the monthly or yearly newsletter fee, but also got a much much better conversion percentage into his events and other products
- Though the breakthroughs here are the forced continuity and the low barrier to entry, the first thing that they get or are offered is not expensive.

It's something that they can easily invest in and continue getting until they decide to get the next piece.

- Kennedy's main thought process, his main solution for business problems now is to get more members. The only thing he really cares about in the business is to bring in more members because he knows with fairly good certainty what the conversion rates are of people who sign up for the free trial, who keep going on from there who moves up to gold plus and within each group, how much a new member of any group is likely to spend. So he knows that by getting more people in the funnel, he's going to increase the amount of money that the business makes.
- And so his answer to almost everything now is "sign up for the three month free trial of the newsletter."
- Kennedy says the three parts of his business are acquiring members, retaining members and developing members. So that they become really really good consumers.
- At the high level it really is that simple. Focus on these three areas and just about everything else takes care of itself. So those are the areas that most of this training is going to focus on
- Dan's got a bias toward small numbers of businesses. In other words have the fewest number of members or clients that you required to sustain yourself simply because it is much easier from an infrastructure point of view. If you can some how structure it so that a thousand people give you \$3000 a year rather than having 30,000 people give you \$100 a year. In both cases, you end up with a 3 million gross, but in the latter you will need to spend much more on the infrastructure and operations than in the former.
- Kennedy is talking now about ascension marketing, basically the idea that if you can recognize people or have them moved up into a group of higher perceived value or recognition then you're much more likely to engender great loyalty and keep them longer and have them spend more money. He says it's a model he first saw in the multi level marketing world and took some very valuable lessons from it.
- If you can get somebody into the funnel and then get them to do a few

things within a short period of time then you are much more likely to keep them and have them ascend to the level to become valuable.

- The biggest difference between the MLM model and the Kennedy model is that in the former, you are relying on people to produce; your income depends on other people doing well. In our business, it only depends on getting them to give you money. It doesn't matter how well they do. Now, those who use the material given will of course do well, they'll do great. Those who don't won't get any benefit because they're not doing anything but the real key here is that everybody is paying.
- **One of Kennedy's mantras is "we don't save souls we provide to winners." What he means is that you don't want to try to convert a non-buyer to a buyer. It's hard, time consuming, painful work. On the other hand, existing buyers already know how to buy so it's much easier to get them to buy what you're selling.**
- One of the big breakthroughs is this idea that you have your tools do the work for you. Have your tools do most of the work of the sale. Have your tools upgrade members to higher levels of membership rather than relying on people to be able to replicate the process perfectly every time. This dovetails with the Michael Gerber e-myth and also the Kennedy idea of "do it all for them" and "do it all for yourself, create the systems that take away the amount of work that you have to do."
- It's always easier to sell somebody else than to sell yourself. In other words, to convince the person you're talking to that John that John over there is a genius and that any money you give to John is very well invested. Much harder to get the person you're talking to believe that you're a genius and that any money they give you is well invested.
- The mechanics that we deliver to people, the tools that we put in their hands are certainly important, but most won't use them unless they've already got the head stuff figured out, unless they've got the confidence, unless they've got the soft skills then the hard skills don't matter. Of course, you can't sell a soft skills program by saying that but it is true in Kennedy's opinion.
- One of the biggest predictors of retaining a customer for life in the Kennedy model is if they come to a super conference and the reason is

because for many of them it's the first time they've ever been part of an experience, surrounded by people of like minds, surrounded by people who are all using the stuff and talking about exciting results.

- **Because the type of marketing and tools that we use are so radically different than what most people do, it can be very rattling to the confidence to always be fighting friends and family and employees that doing this is smart, that doing this is a right. So when they get validation of that at a super conference, it really helps with all of the head stuff and makes it much more likely that they'll continue with the membership in the group.**
- So Kennedy is talking a bit about the type of people you want in your group and the first thing that you want is somebody who is in an active marketer, an active advertiser, somebody who is already used to spending money in trying to acquire new clients.
- So people who are actively marketing already and who are not criminally stupid in their marketing tend to get us and will respond to us better and us in this case of course is people on planet Dan.
- One of the big truths to remember is that nobody joins one thing. People who will join your mastermind group, people who will join your service tend to be the same people who will join other services and other groups and you should not worry about this. Remember a buyer is a buyer is a buyer.
- Remember you're very unlikely to be the first guy that converts "stubborn Charlie" i.e., the first guy to get an otherwise non-buyer to buy. What you're looking for is joiners. You're looking for somebody who has proven that they will spend money in order to get the slight edge, somebody who will spend money in order to better themselves.
- So back to the idea that selling somebody else is much easier than selling yourself. Kennedy says that the first model of this was Christ. He got a few people who were really good at telling his stories and then sent them out and created this giant organization. Personal testimony is one of the most powerful things that you can have. In other words,
- you're telling the story of how the genius affected your life but the more

stories you know about people that match up with the people you're talking to the better.

- In other words, if you're talking to clients about the Dan Kennedy method it's useful to be able to talk about Ben Altadonna or Greg Neilson.
- **The next thing that Dan tells his people to use is social proof name dropping. In other words, to use the names of all the people that Dan appeared on the Peter Loe events with. Of course the obvious corollary is any of the companies that you've worked with, you can immediately drop names of to get better recognition with new prospects.**
- Subtle note: every month's newsletter has a job of reinforcing people to believe that it's a good idea to continue getting the newsletter. That's why it's a good idea to have success stories in every newsletter. So look at Kennedy's past newsletters to see how he's done it in a subtle manner.
- As Dan says for obvious reasons he is not circling them and highlighting them as testimonials because that would defeat the purpose but never forget that the real purpose is to have people reaffirm that it's a good idea to keep subscribing to that newsletter.
- **Metanote: Dan is telling people that it's easier to sell somebody else than it is to sell yourself. He's saying this in a group of people that have paid a large amount of money to tell him it's probably in his best interest that these people believe that it's easier to sell a third person. Is it true? I don't know, does it matter if it's true? Probably not. Remember truth is subjective, we all live lies so we might as well use the most useful lie**
- In talking to people about their businesses in order to sell them anything it is extremely important that you get them talking to you and not have you talking to them because they will tell you what they want and need. Now pretty much anything they want or need we can provide them with but it's very useful to know what they are most frustrated with so that we can hit on those points as the big points
- The most important thing to remember is get the ball rolling and then shut the fuck up. Let them talk and they will tell you what they need and want

- Interesting admission -- these self compiled lists of local businesses or people who went to what ever seminar or yellow pages ads or local direct mailings to you will be far more valuable to you as a direct mail prospect source than any list that you could possibly buy or rent
- Kennedy's thoughts on direct mail of just about all types is that it's slow and somewhat inefficient and somewhat costly. The upside is that it will get you people you never would have got otherwise. The downside? Cost and effort.
- Alot of media has a huge variance on an area by area basis. Depending on how much it costs, how responsive the local market is, and other factors, the exact same ad may pull 300, 400, 800% in one area and - 50% in another area.
- Remember, even when it's hard to remember that there is a lot of value in old leads and that there are any number of reasons that people will not say yes the first time they are offered some thing. Be diligent in continuing to work your list of leads in order to convert prospects into clients
- Dan recommends speaking at the small local niche groups a lot for a couple reasons. The first is that the only way you get better at the speaking side of things is to do it. The second reason is that typically they're small and so you're not going to do your self a lot of damage by being a shitty speaker at a tiny event
- And the best way to get many speaking engagements in the niche groups is to ensure the organizer that you're not going to be pitching your product or service part. That in fact, you will only be offering them the opportunity to receive a free gift. In this case of course, the three months into the Kennedy newsletter
- Referrals generally have to do with four areas:
- Conveying expectations: people do what they're told to do, people do what they see everybody else doing. People will generally behave in the way that they think is the standard for wherever they're at. So you want to make it clear to everybody that there is an expectation that they will

provide referrals, because that's how it's done around here.

- **Recognition: this is a big one. It's one that Kennedy uses a lot, because when you publicly recognize people who generated referrals then other people want that same recognition. So this has elements of reward and public recognition in it.**
- Reward: outright, blatant, promotional, bribing people to bring in other prospects. So you can do dinners for people who provide referrals providing extra services or products etc. Anybody who generates a referral gets a reward and other people see them get that reward.
- Fully utilizing the gift for referrals: those that you didn't do any work to get but that still come to you. In the Kennedy business its when the parent company feeds referrals to the local groups
- So the new, big lead generation offer that Glaser-Kennedy uses is what they're calling "the best offer ever" and for \$20 to cover shipping and handling people are getting eight CDs and three-months free in the newsletter. The CDs are Dan's customer appreciation seminar and two of the old plus interviews.
- Glaser says that this offer has a much higher conversion rate and has a 10% increase in retention after the third three-month is up.
- Subtle shift: it's better to say to somebody "I'm going to give you the most incredible free gift offer ever." And then tell them that it includes three free months of membership to the newsletter then to just say to them: "I'm going to give you three free months of the newsletter"
- **One of the big lessons so far is that the vast variety of tools to bring people into the funnel: different sales letters, oversized postcards, CDs, obviously all of Dan's books are just marketing tools. The lesson of course is that you need to be looking at all of the different ways to introduce people into your funnel and ask yourself what more you could be adding to that.**
- Bill's teleseminar funnel is to send out either faxes or e-mails or oversized postcards to the prospect list or the universe list. In each of the pieces he's offering them the greatest free gift ever just for

registering so the revelation here is that they are not using the teleseminars to sell the free offer, they're almost using the free offer to sell the teleseminar. Step 2 is the same postcard or e-mail or fax going out with a handwritten note where applicable that says "I know I said this before, but I wanted to call your attention to it again because there is only 18 spots left.

- So Bill starts his funnel two and half weeks out then the second one goes out a week later, and of course remember that you also need to think about the stick campaign once they've registered, because even at the best of times a 50% show up right is doing very well.
- Glaser says that the only way he lets people register for a call is to go online and register at a website and the reason for that is because for them to get the free offer right away, they need to be able to log on and get the stuff. And since the whole purpose of the teleseminar is to get the new member, he's willing to sacrifice a bit of response on the teleseminar to make it more likely that they will immediately register for their free offer
- When you're doing an online registration make sure that there are at least two places they can sign up for the teleseminar. One at the very top of the page so they don't have to scroll and one at the bottom where they can sign up after reading the page
- And of course keep in mind that you're sign up page has to resell them the benefits of registering. Don't assume that just because they're at the page they're going to register.
- So the teleseminar they're using is canned of course. They recommend having an intro and an outro, by the adviser and then once it's done of course, they make it available to download or listen to on the Internet and again just for deciding to listen to it you can get these incredible free gifts
- So once somebody signs up for a free offer there is a 90 day period where they basically get to decide whether or not they're going to opt out and so the goal of the business advisor in those first 90 days is to make sure that they listen to the material, that they read
- the newsletters, that they talk about any good ideas or strategies they've already come up with because the first major hurdle is that first lack of a

credit card at the start of month 4, once they have that happen the attrition rate is much lower and so obviously the goal is to get them past that with as little attrition as possible

- **The inherent flaw with the Kennedy model that he admits to is that the newsletters are written in a very personal tone. They're written assuming a lot of previous knowledge, which they have to be in order to keep the attrition rate so low. On the other hand that makes it hard for the new guy coming in, and that's why they bundle the newsletter with the "introduction to planet Dan" material. All of that stuff that talks about how powerful direct mail is, what a USP is, the difference between direct response and image marketing etc. so that the "101" stuff doesn't have to be in the newsletter every month.**
- Another word on the ascension model. It's just so important to have a very visible path for everybody who is a member. That they can see the path to climb. One of the things that Kennedy has started doing is referring to everybody by their level of ascension in the newsletter. So it's not "Billy Bob from Texas," it's "gold plus member Billy Bob from Texas." And in every newsletter Dan wants to get a spectrum of people and results and visibility for the ascension model.
- Shawn note: my guess is that he also wants to show more money and better results coming from those higher on the ascension ladder
- At the events he differentiates people buy ribbons and seating and name tag covers so that again is a very visible separation between the ascension levels and it's something that you will want to do
- A very good general note: having people attend a national event is one of those big triggers that makes it much less likely that you will lose them to attrition. So regardless of what your business is, ask yourself, how can I get my members to attend a large event, to go out of their way and surround themselves with like-minded people? By doing this you are helping them change the way they look at themselves and making it much more consistent for them to continue giving you money
- Kennedy is now talking about the importance of area chapter meetings. In other words getting together a bunch of people within the same city or town on a regular basis to talk about some of the concepts, and ideas and hear a speaker etc. These are like mini super conferences, it's easy

for people to get there and it can often be the first time that they're surrounded with like-minded people. It's a great fraternal experience for them, it's a bonding session and when you do that, when you offer that, when people come it's much more likely that you are going to keep them longer

- There is nothing that can quite replicate the live bonding experience of actually spending time with other people who have the same outlook. People who are a little ahead of you, people who are a little behind, people who are very far ahead. You can use it to have
- people learning how to best spend their money with you in order to get better results by seeing the example of those who have done it
- Another great reason for the chapter meetings is it gives you an excuse to have people come up and teach something, to share their experience, to get that podium effect where anybody who stands up and speaks gets the respect and admiration of the audience and if you do that, when people do this you will see that it can completely turn them around. And once they get that feeling, once they get that rush from being in front of a group and teaching something they'll never leave, they'll have identified with your group very heavily and it will be very rare that those people take off
- Participation in mastermind groups will be based on 4 general areas:
 1. It's going to be somebody who has more than a passing interest in doing better marketing, in doing better business, in using our kind of marketing and strategy in their own businesses.
 2. they will have a specific interest in Dan Kennedy.
 3. they will have an interest in the mastermind principle, which is why they're in the group and you can of course reinforce this by explaining and expanding on the mastermind principle.
 4. they will have an interest in coaching and being coached
- One of the tools that Dan uses to push people into coaching is an Arnold Palmer article that he wrote on "Why top performers need coaches."

- **There is a general lesson here, of course, any time you see any article or any interview or anything that supports what you're doing and what you're offering, you want to look to see how much it costs to get the reprint rights, use rights etc. so that you can be using it as a validation and social proof of what you've been saying and trying to sell them.**
- Remember that there are all kinds of reasons that people will sign up for a mastermind group like that at \$200 per month or more. Some of them really want the information, they're coming to find out new strategies and ideas that they can immediately use in their business. Others are coming for the social aspect, the ability to be around a lot of likeminded people. Others are coming for recognition, they want to get an "thatta boy" for marketing and strategies that would otherwise only earn them scorn. Others come for a group therapy aspect. They come to have a lot of people basically beat up on them and push them to do the things they know they should do. There's not just one right reason for anybody to come. Remember so long as they're paying their dues and not being disruptive then whatever reason they're there for is right.
- One of the most important elements of the mastermind group is that it has to be fun for just about everybody. Remember we are in the entertainment business, not just the information business. Now, you don't tell people that. You tell them that the only thing you care about is results. But remember if they're not having fun, they won't come back.
- Remember: people have very short memories for what you've done for them so expectation or gratitude for past results is a very poor business strategy. You need to document all of the results. If somebody tells you that what you did for them made them x dollars, get it in writing, get them to sign off on it and make sure that you're able to show them later exactly how much value they've got out of the little they've put in.
- **Remember that no matter what you do or what you offer or how much value you bring you're not going to avoid attrition. Some people will leave, some will leave for valid reasons, some will leave for stupid reasons, but the constant is that people will leave so you can't be satisfied once you have a full group that it will still be full. You need to be constantly filling up the waiting list or creating a second group rather than resting on your laurels**

- In this type of group it's very useful to have them bring in a friend. Not only will they usually comply better and see better results, but it also basically forces them to stay and to be happy. After all, if they leave they have to admit to themselves and their friend and that they lead their friend astray and we know that most people don't like admitting they were wrong
- Kennedy maintains that a coaching group is one of the easiest sales to make because of the Cavett Roberts quote: "Most people are walking around with their umbilical cord in their hand looking for a new place to plug it in." People are looking for somebody to tell them what to do, to provide them with support, to give them a direction to go in.
- **That's why Kennedy maintains that it's easier to sell coaching than it is to sell information in a box or even toolkits. Now the factors that have to be in place for coaching is that they have to ascend from somewhere and you have to have some recognition and credibility with them. So getting people into the group is not too hard. It's holding the group together, that is a harder prospect.**
- Some notes about holding a coaching group together: you won't keep everybody and sometimes you will have people that need to go. If you come across this, you want to ask them to go as gently as possible, but as early as possible. And of course you want to do it privately and not publicly.
- **Tactics for keeping people in a coaching group, the biggest thing here is that the more vested they are in the group, the harder it is for them to leave. So how do you get people vested in a group? You get them to bring a friend, you get them to provide testimonials, you get it by having them agree to send out an endorsement letter to their circle of influence. Look for all of the different ways that you can get people vested in your group**
- One of the brilliant things the National Speakers Association does is to put a lot of its members on as speakers, all of the speakers are paying to attend the event. So if you are invited to speak you're very likely going, which means that you're guaranteeing you're going to pay to go there, but it's also a great tool to vest people in the event to get them feeling like the event is a great worthwhile experience and hence to keep going

- So the lesson for the coaching groups is that the more people participate, the more likely they are to keep coming so try in every meeting to structure it so that everybody gets at least a couple of minutes to participate to tell their story to talk about their results or their goals
- Remember one of the reasons that people join these groups is to get friendly, accountability and encouragement. Most people know that left on their own they will not meet the standards they set for themselves. But when there is some sort of accountability their likelihood of performance goes way up.
- An age-old copy and sales device is to create two lists: one of the smart, successful, ideal person and another of the stupid, lazy, ugly, malcontent, and then have some way for people to identify themselves as smart and of course the smart people use your program or service or product.
- We are now looking at the first six months of the Kennedy videos that lead off the coaching or masterminding sessions. For the most part they're basically rehashes of stuff we already know.
- **Something very important from it though is the phrase "most business owners think of their business in very different terms than their customers do, this is a mistake." Remember we have to think of our businesses in the same terms that our customers do. We have to find out what their problems are, we had to find out what opportunities there are and what they're really wanting from our business, what they are really getting from us for the money they pay and it's almost never the product or service itself. Remember "nobody wants to buy a drill they just want the whole"**
- Another oldie but goodie: what is the amount of time that your customers or clients can go between doing business with you? You should know the time during which they can be considered active and when they're likely to become inactive and begin doing things towards the end of that active period to bring them back to keep them, otherwise you're running the risk that your clients or customers are going to drift away. This type of focus on numbers and micromanagement is extremely important in cutting your attrition.
- **Kennedy says you're really in 5 businesses, not just the one you think you're in. Here are the five:**

- the business you think you are in
 - the marketing business.
 - the money business; that's what you're depositing in the bank and its your scorecard so you have to be in that business.
 - the information or education business; businesses that inform and educate their client bases have much better retention and do much more business than competitors who do not.
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- the entertainment business; you have to ensure that your clients don't get bored with you; people are always looking for new ways to be entertained. If you can provide that in the context of your business then you're way ahead of the game.
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- So notice what Kennedy has done very well with these intro videos. It's a few minutes of him at the start that sets the tone of the discussion for the rest of the meeting. It's a great way to add credibility to bring focus, it's a very well executed version of my previous idea of the meeting in a box; this is the mastermind session in a box. It's a simple idea, but it's a very powerful tool
 - Kennedy tells his advisers that the good news is that they're not running a seminar. They're not in the role of teacher and so they don't need to teach people which is a good thing. Instead, they're in the role of facilitator.
 - Kennedy says this whole process works a lot better when you're asking questions and not dispensing information and opinions.
 - When they feel that the discoveries and revelations are coming out of the mastermind process and that they're very much responsible for their own discoveries they have a much better opinion and feeling about the meetings then if you were just telling them what to do
 - So one of the activities that Kennedy has set up is basically a random quote or nugget discussion guide. So he has 2 sets of cards. One set has the quotes or wisdom nuggets on them and another set has some discussion notes and insightful points related to each nugget. You

scramble the cards around and have the people in your group pick one card per person. The facilitator has the chief notes with him and whenever anybody identifies the card they had, you begin a discussion about it: "how does this apply to your business?"

- Now, you can set time limits for the discussion of each nugget, you can do a lightning round, you can do basically whatever you like with it to ensure that people are getting value from the discussion
- So this is a great exercise regardless of whether or not you lead a facilitation group. When ever you see a new quote or idea, write it down and make some notes on how it's applicable in other businesses and to yourself or the people you work with.
- **This is a great game for everybody. The participants get to show off and show how smart they are, you get to look smart because you have the notes and everybody gets a lot out of it.**
- Now Kennedy's Powerpoint is a great resource to get topics to discuss some notes on them and you can pretty much populate that game for a very long time just with the Powerpoint.
- So the timing question is a good one. How long does Kennedy recommend these meetings last? He recommends between six and eight hours per month for meetings with a 15 person group so that everybody has a chance to get a few minutes in the sun and discuss a lot of the topics and ideas
- So you can decide whether you want to do a full day of meeting, two half days, four twohour sessions etc. You can basically sell whatever you want. Kennedy reminds us though that the one thing it is not is a democracy. You want to live in a democracy but you don't want to govern one so don't let the inmates run the asylum
- So Kennedy is recommending \$200-\$300 per month per member, which means that 10 members is \$24-\$36000 per year, plus your affiliate cut of product sales and seminar registration fees and such but it very quickly becomes apparent that you would need multiple groups to even make this worthwhile

- Dan suggests that you will want some audiovisual supplements. The two he recommends are to have DVDs or audio that people can listen to for a period of time to stimulate discussion. Again, the point here is not to bring people together to watch TV all day but these supplements can bring a lot to the table in terms of idea stimulation and generation as well as introducing people to the idea of using audio and video courses as resources to build their business.
- Dan also recommends that in any larger function say with more than 12 to 15 people you will probably want some sort of speakers or mic so that you're not throwing your voice out and so that everybody can hear you.
- You want to identify before the meetings the people who have something really good to share. Maybe it's great ads, maybe it's great results but you want them up mainly as a testimonial but also to get them involved and to have everybody else seeing that it's possible to be doing incredibly well.
- The ideal here is to have the people in your groups providing the content. Let them teach modules, let them talk about what's helped. Now you have to introduce it and facilitate it but in the best of all worlds your people are providing their own content and giving you money to do it.
- Networking and cross promotion is one of the big reasons to be in a group like this, but you don't want everybody to only be speaking in pitches. You don't want every time that somebody talks to be asking for money from the group.
- You want to reinforce your rules by very pleasantly and very nicely reinforcing and restating your rule set from the front of the room whenever you think it's necessary.
- If that doesn't work, then you need to take people aside privately and explain to them what's going on.
- Kennedy recommends speaking to groups to get members in clumps. So rather than doing the direct mail or trying to pick people up one at a time, speak to as many groups as possible and try to bring people in knowing that in any group there is a certain percentage who will want what you're offering.

- Kennedy is very clear with his advisers: "don't beat them over the head trying to get them to buy all of the product"
- He advises them to sprinkle into the conversation and the meetings the different products so that people will come to them and ask to hear more about them, not standing up and pitching for any length of time.
- Kennedy's got Ron Ipaq from AMS speaking about using automated systems for your marketing and helping the members to use automated systems in their marketing. One of the things that he mentions is that you've got a fairly small window of time to get people from being interested in you or signing up with you until they see results and so your goal is to get them doing something at the start to see results. Once that happens it's much easier to keep them for a much longer period of time.
- So, because he's selling his automated system to them he's talking about the benefits of setting up a toll-free hot line, setting up websites in a direct response fashion, setting up the ability to test and track and put prospects into a proper sequence.
- Very interesting voice broadcast strategy: "Have the broadcast go out. If it hits a live person have it hangup. Often, what will happen is people will check the caller ID and call back. The script is "Yes, we just called you, and unfortunately a business emergency came up, and I had to run. The reason I was calling was..."
- Alternately, of course, you can talk about a glitch with the phone or anything like that. But it's a brilliant tool.
- **This is interesting Ipaq's system sells for \$400 per month. He includes voice broadcast, fax, email, the ability to set sequence etc. Now, you have to go in and set up what you want, what order you want things in, record your voice broadcast, plug in your marketing etc. So what he doesn't give them is the marketing material. But once they plug something in, then he's charging \$400 per month for them to run basically any sequence of campaigns.**
- He also takes care of website information harvesting so that when people put information into the website it's automatically taking care of and entered into a sequence.

- So basically what Kennedy has done is created an off-line affiliate business. People get a percentage of everything they sell and every thing that continues to be sold for life. The AMS system people get 20% per member all the time. So they've really created almost an MLM mixed with a coaching group mixed with an affiliate scheme.
- This is interesting, the basic Rory Fat customer appreciation or customer rewards program is that every dollar they spend they get a point. Then, at certain levels they are triggered to get a gift certificate for 5% of their point value. So, \$200 spent, a gift certificate for \$10 goes out. Now obviously, you can tweak your trigger points and the ratio of reward to points accumulated
- Interestingly, Rory Fat offers a completely free 90 day trial. He sets the system up for them even pays the postage on all of the mailings for the first 90 days. Now here's the genius of it: once you have a couple hundred people signed up in that first 90 days it's much harder to back away from it and tell them, "Oh no, we're not doing that anymore."
- Now that strategy leads to a lot of great promotional ideas. For example, the double points until strategy where for a month you tell people that they will accumulate double points. Makes it much more likely that they're going to come in and spend more. The key to these types of strategies are to initiate the rewards for them. Don't make them ask if they can use their points; instead send them out a gift certificate as soon as they reach the level, otherwise you get to the point where people are being completely backed up with the points they have and forgetting about it
- This would be a perfect program to institute for the massage functions especially in those people who have no or only partial coverage for their massage.
- Dan and Bill have generated this program in conjunction with a joke of the week program. So a non-invasive weekly contact and at the bottom of the joke of the week, they tell them how many points they are away from their next reward
- Great idea, one of Bill's partners does new mover campaigns and at some point in the mailing he has a map of how to get to the place

- When Bill sends out postcards he makes sure that there is a personalized offer on both sides simply because you don't know which way the postman is going to place it in the box. So rather than risk them just tossing it the personalized offer on both sides ensures that they will see their name and have a better chance of reading it.
- **Kennedy is talking now about his consulting days. He charges \$9,800 for a day. Spends the first half of the day doing the diagnostic and he runs through a bunch of questions, has the business owner tell him how the business works, and of course makes sure to ask a few questions that are guaranteed to stump him so he feels willfully inadequate.**
- Of course, you will usually see a large list of things that they're not doing or not optimizing and so that's the second half of the day, is to go through and show them the list of things that they're not doing or not doing well and have them pick the one or two they want to work on right away. That will dramatically increase their business.
- Obviously the process is set up to encourage the question at the end of the day: "how much for you to do it for me?"
- Kennedy asks a good mix of open and closed questions. He says in the open questions, what you're looking for are the things they're frustrated with. So if you ask them "why did you get into the business?" you want to listen to their story but what you really want to listen for are the things that they thought, the things that they hoped for that aren't currently happening because he wants to show them how that can become a reality.
- One of the most important questions that you can ask is what they want their business to look like 2 years or 5 years or 10 years down the road. Get them to draw you a detailed picture of their business life, of the hours they are working, the income they're making, the processes in place etc.
- A great inadequacy question to ask them is to list the top seven features and benefits of what they're offering. Most people can't list even two or three benefits even after you explain to them the difference.
- Another great question in this category is "what types of proof are you

employing?" Then go through the list: testimonials, celebrity testimonials, reference articles that are like what you're offering, pictorial proof etc.

- So often people buy consulting for the same reason they buy coaching and that is that there is a confusing array of options and possibilities and they want direction, they want guidance and they want someone to say here are the two things that you need to do and you need to get them done in the next two weeks. Once you've done those, then I'll give you the next pieces. It brings focus.
- You sell consulting by making them aware of their inadequacies. In other words, recognition of a need or opportunity that they won't do on their own.
- They also need to see you as a place to plug in from the umbilical cord reference.
- **You sell consulting by making them get things done they otherwise wouldn't and ofcourse, whatever your fees, whatever you charge, you need to be able to justify that to them with "it's really free." In other words show them how the value you're bringing more than justifies the cost that you are asking.**
- Kennedy mentions one of his students who mystery shops all of the competition once a year. He uses a fake name and has them pitch to him. He has audio and video hidden and setup so that he can review it later and pays attention for any thing smart that they're doing that he could capitalize on. Just about every business owner should be doing this. But how many are? Probably somewhere in the neighborhood of none, so it's a valuable consulting service that you could offer.
- Additional note: it's a great coaching group exercise to have everybody mystery shop the other members to see how the phone handling and customer service and in store personnel sales and all of that are actually being handled
- So Bill suggests about \$20 per month for the chapter meeting and it would be interesting to see the differentiation between the chapter meeting and the mastermind group meetings which are going at \$3-400 per month or

\$2-\$400 per month. So obviously the ascension is from nothing to chapter meeting into the Gold newsletter into gold plus and/or into mastermind meetings.

- And that concludes the Dan Kennedy independent business advisor training program.