

BUILD BUSINESS THAT WORKS - BRIAN TRACY

*We
develop a passion
for Teaching!*



INFINITY PODCASTS TOP

Number one reason for success is people focus on things that have high potential consequences number one reason for failure is people focus on things that have low or no potential consequences exactly what joe was saying earlier the famous drucker quote very worst use of time is to work entangling on something that need not be done at all i've dedicated my life to being a small and medium-sized entrepreneur and i've devoted the second half of my life to helping other people to be successful

small and medium-sized business owners and Carl Schramm of the Marion and Ewing Coffin Foundation, the preeminent foundation on entrepreneurship, wrote an article in the Wall Street Journal two days ago and what he said was that there have been very few empirical studies into what actually makes an is a successful business that most of what is taught in the entrepreneurship faculties of the universities is nonsense. In fact, if you he said that there's something at 1687 professors of entrepreneurship

and their primary focus is drinking their own bath water and telling that entrepreneurs have to have a business plan and if you have a business plan you'll be successful and they spent two years in their faculties teaching people how to set business plans and 49 out of 50 businesses are started without a business plan including some of the most successful businesses in the world today so we are now just starting to learn what we really need to do to build successful businesses and what joe is doing here is

absolutely marvelous because
it can save you years of hard
work and hundreds even
thousands of hours of hard
work to understand how to do
it much much faster to
shortcut we say there's always
a learning curve in anything
and what we want to do is
we're going to jump the
learning curve we don't want
to spend years and years
learning what we need to
learn to reach a certain level
of income and so i've majored
now in the last few years on
doing seminars and talking
and books and articles and

programs for owners and would-be owners of small and medium-sized businesses now i've got 45 minutes so i'm going to have to condense what sometimes i share in seminars for days but i understand you're some of the smartest people in the world so that you can take a lot of information in a short period of time is that true did anybody not understand the question so i'm going to try to bottom line several of the concepts one of the first concepts which i thought was interesting was a little story

that was in the papers uh recently warren buffett who is one of the richest men in the world and bill gates who is the richest man in the world and bill gates senior were at a dinner party and the three of them are good friends and they

were talking and uh a gentleman came up to him and said you know i was looking at you and you gentlemen are very successful what would you say is the most important quality of success and all three according to a bystander all

three broke off their conversation and turned and simultaneously said focus focus is the most important requirement for success in our fast moving world today if you can focus you can succeed and if you cannot you cannot it's almost a black and white thing well i thought that was interesting because the way joe and i met is i put together a program some years ago called the focal point program which basically brought in business owners like yourselves and taught them to focus and

we spent three years going through every single aspect of life get 82 exercises that dealt with family and business and marketing and product and service and competition and positioning and it was focus focus focus and my offer which is not as good as joe's but my offer was that you will double your income and double your time off within 12 months or there'll be no charge for this program and i never had to give a refund in fact many people doubled and tripled their income within 30 days just by learning to focus

and just by thinking in terms of focus so it's really really important i read an article about myself it was a very successful entrepreneur in new zealand and the article was sent to me last week i'm reading this article he said the turning point in his life was when he went to a brian tracy seminar and learned how to focus he was broke he was unemployed he had no money and he walked out of the seminar a completely different person and he had written goals he then looked

around and as it happens he saw an article on coffee shops and starbucks success in the united states and it said coffee shops are good business to be in because more and more people like the idea of a specialty coffee shop and if it has a wi-fi then they go there it becomes a social center and so on he knew nothing about coffee and before the dust had settled he

owned 80 coffee shops in australia and new zealand and then he says he got into a divorce and i had to sell it for 50 million dollars to share the

proceeds with his wife but he didn't share he did not sell off the worldwide rights to it so he's rebuilding anyway his point was at the end of the article they said well what would you say to aspiring entrepreneurs who want to be successful and he said just two things he said focus and fail fast focus and fail fast learn quickly try something new and i thought i'd just pass that on because it's sort of what i have discovered over the years is the faster you fail and learn the faster you succeed you

actually learn to succeed by
failing you know
thomas j watson's famous line
if you want to increase your
rate of success you must
double your rate of failure
because success lies on the far
side of failure well over the
years i've done a good deal of
reading and i came across a
concept that i want to share
with you and we were talking
about this a little bit earlier
and the concept is the
question is what is the most
valuable and highest paid
work that you do it's a really
interesting question because

when i heard the question i
didn't know what the answer
was what do you think the
highest paid and most
valuable work is that you do
and the answer is thinking
thinking is the most valuable
work now i am the best
selling author in the world in
time

management also on goals
also on some other subjects
but but i began studying time
management about 30 years
ago and i came across a word
in my studies and the word
was consequences and what it
basically said is that

something is important if it
has big potential
consequences and something
is unimportant if it has low or
no potential consequences
number one reason for
success is people focus on
things that have high potential
consequences number one
reason for failure is people
focus on things that have low
or no potential consequences
exactly what joe was saying
earlier the the famous drucker
quote very worst use of time
is to work intently on
something that need not be
done at

all and one of the things that is holding back entrepreneurs business owners is killing them by the way and it's wiping out an entire generation it's this obsession with technology i see people that are walking with their phone it's almost like drug addicts that are mainline they cannot stop staring at their screen they cannot stop pushing their buttons i hate to say there are people in this room that had that problem but uh the fact is that this obsession with looking at the screen and staying connected

is killing people because it stops them from focusing you cannot focus if you are distracted like an attention deficit disorder dog so you're constantly ringing and responding to bells almost like a

crazy person in a in a toy factory and so so just as a quick aside if thinking is the most important thing you do because of the consequences of thinking determine the entire quality of your life then the quality of your thinking determines the quality of your life and so the more time that

you spend thinking and
thinking well and thinking
clearly the more successful
you are over the years i've
worked with some very
powerful people billionaires
and multi-billionaires people
who are on the forbes 400 list
repeatedly over and over and
i've had a chance to be with
them during crises and what
times where something was
happening that was serious it
was a it was a major
problem and i noticed that
they all had one quality in
common is they all went calm
it's just they went people

around them were angry and upset and worried about what happened and who did it and so on and they would just go calm almost like like like a pond would go gone and they knew and i learned later i didn't know why this was i admired it but i didn't know why it was is that when your mind is calm your your entire cerebellum the thinking and deciding brain functions at the highest level like turning up all the lights on a dimmer switch it's functioning like a christmas tree but when you get upset and angry what

happens is your thinking
reverts to your limbic or
emotional system and your
ability to think
clearly diminishes
dramatically and you make a
lot of mistakes that's why
when you are facing a
difficult situation you have to
use every skill trick game
whatever it is stay calm and
that's why they teach you to
meditate and they find that
meditators in business are far
more successful because they
they can automatically trigger
their mind into the calm of
meditation when they're

facing a crisis it enables them
to think with greater clarity
now a couple of years ago a
man named daniel kahneman
a very fine man from from
reading him uh who won a
nobel prize in psychology and
neuroscience uh wrote a book
called thinking fast and slow
and this book it was a very
esoteric book and i don't
recommend that you read it
it's 500 pages of hard slogging
i will give you the essence of i
will give you the essence i do
the reading pass it on i will
give you the essence of the
book he said that there are

two types of thinking there's
fast thinking and slow
thinking fast thinking is
intuitive it's instinctive it's
automatic it's reactionary it's i
think of it very much as how
you would drive through busy
traffic you're not giving a lot
of thought you're just
interacting he said the other
type of thinking is slow
thinking and slow thinking is
where you just slow down the
thinking and take time to
think through issues now if an
issue has little or no
consequences then you can
think quickly you know what

do you have for lunch what
do you pick up on your plate
from the buffet uh where do
you park your car these are
the the the consequences of
these decisions are almost
non-existent but if it's a major
issue then you say wait a
minute this requires slow
thinking here is his contention
that made the book a
bestseller is that the biggest
problem that people have is
that where they should use
slow thinking they use fast
thinking and entrepreneurs are
extremely guilty of that as we
make important decisions that

have long potential
consequences in turning
including affecting the lives
of people and costing money
and even leading to the
bankruptcy of a business we
make those decisions with
fast

thinking when in reality we
should be making them with
slow thinking now i'm a great
drucker fan as many people
are and mike was saying
something about hiring the
right people and hiring the
right people to work with you
is very important and the
biggest mistakes you make is

hiring fast you hire people
quickly the best the best
decisions you make are we
really take your time to hire
slowly and peter drucker said
that fast people decisions are
invariably wrong people
decisions hiring an important
person for an important job
has tremendous potential
consequences so therefore
you need to take a long time
one of the things i teach
which is in my book how to
hire and keep the best
people is a simple rule that
will increase your hiring
accuracy to 90 and i've taught

it to fortune 500 companies and they make it a rule within their companies to use brian's rule is to this is the you cannot hire except by doing this and i didn't invent it i just studied the hiring practices of the companies that hire the best people and keep them the longest and they all at the beginning have a certain process that they follow and they follow it religiously no exceptions and so their accuracy in hiring goes up to 90 or or better um because they think more then the interesting professor at the

university of san diego last
year wrote a book on sort of
not sort of thinking fast and
slow but it was on decision
making

what he said is the longer that
you take to make an important
decision the better the
decision will be the higher
quality decision and lord
acton once said when it is
necessary when it is not
necessary to decide it is
necessary not to decide in
other words he the professor
said buy as much time as you
can for a decision put it off if
you can put it off for a day a

weekend a week a month put
it off some of the best
decisions that you make will
be decisions that you will
allow to steep for a while like
water and tea so thinking is
the most important thing you
do we call it thinking fast and
slow so remember anything
that is important that has
long-term consequences is a
candidate for
slow thinking discussing it
with other people sitting
quietly going for a walk
letting it ruminate in your
mind sleeping on it you know
they say if it's a big deal sleep

on it so there's three thinking tools i want to give you and then seven ideas so the three ways of thinking which i start off the first way i start off every seminar is what i call zero-based thinking and everybody who knows me for any period of time knows that i harp on this zero-based thinking is comes from zero-based accounting where you instead of increasing an expense in the next accounting period you ask should we be engaging in this expense at all now with zero-based thinking you look at

your entire world and you ask
this question

knowing what i now know is
there anything that i am doing
that i would not start up again
today if i had to do it over this
is one of the greatest thinking
tools i've ever learned because

in a time of turbulence you
always have an answer for
this question each person has
an answer some people have
multiple answers there's lots
of things that they're doing
today that knowing what they
now know they wouldn't get
into today they wouldn't start
them up products they

wouldn't offer people they
wouldn't hire investments
they wouldn't make and these
are the greatest drags in life
these are sort of like a sea
anchor you know that you
drop it and it drags it slows
down the boat well how do
you tell

if you have a zero-based
thinking situation and many
of you were asked to write
your problems challenged as
opportunities the answer is
stress is whenever you
experience chronic stress it's
something that buzzes around
when joe's talking or

somebody else is talking
you're busy thinking about
that you drive around and you
think about it keeps you
awake at night it's something
that pisses you off it's
something that irritates you
and angers you and frustrates
you whenever you have
chronic which means ongoing
continuous this is a candidate
for zero-based thinking so
you ask yourself the question
if i was not now in this
situation knowing what i now
know would i get into it again
today if the answer is no the
next question is how do i get

out and how fast how do i get
out and how fast if ever the
answer comes back that i
would not get into this again
today it's too late to resolve it
it's over the only question
now is how long do you
suffer how much how much
emotional suffering how
much financial suffering do
you make before you walk
and so the most important
requirement for practicing
zero-based thinking which a
lot of people don't like to
practice is courage i call it the
c word you need the c word
you need to have the courage

to look at every part of your life and say is there anything that i'm doing that knowing what i now know i wouldn't get into now the starting point of zero-based thinking is always with your relationships and those are both personal and business whenever i give in this talk by the way within a short period of time divorces take place all over that city people go home and say geez if i hadn't married this person i would never marry them again today and that's what's making me miserable and many people

are working their heads off on
the outside to achieve success
but inside they're frustrated
and unhappy because they're
in a situation that knowing
what they now know they
would never get into so i call
this a quick analysis and i'm
going to ask you to do this for
the rest of your life and to
help other people do it k-w-i-
n-k

knowing what i now know do
a quick analysis on everything
do a quick analysis in my
company what they we say is
we look at every single person
and on a regular basis and we

say if we had not hired this person and they walked in today to apply for their current job knowing what we now know would we hire them if the answer is no they're gone that day there's a little rule by the way that in one of my books it says the first the best time to fire a person is the first time it crosses your mind and because after that it's only pain and suffering and if the longer you keep them in place the more likely they are to sue you and the longer they sue you the more it's going to cost

so therefore if you if you find
that you've made a mistake
belly up to the bar have the
courage to admit i made a
mistake and cut your losses
there was a great book by um
an author called the zurich
axioms some years ago and it
was principles of success and
anybody who's in finance has
probably read the book
because a very successful new
york financier and he was
talking about the gnomes of
zurich zurich and whoever
they are and the rules that
they go by and he said the
number one rule for success

in in business personal lives
cut your losses when you
realize you made a mistake
bad investment bad hire bad
relationship cut your losses
quickly and what do they say
in las vegas you know cut
your losses let your
winnings ride so in life that's
what we do and the faster you
cut your losses fail fast the
faster you can start doing
things that are much more
productive the other the
second area has to do with
every part of your business
joel and i were talking about
what i think is a revolutionary

new field though it's not
revolutionary and it's not new
but it's business model
innovation and it's based on
the concept that whatever
business model you're using
today is probably obsolete uh
if you're in any kind of a
business that uses technology
to market especially an
information based business
knowledge based business
consulting services training
anything else chances are
your business is obsolete uh
the way
that you and and visit and the
business model is your

method your step-by-step
process of generating
profitability now there are
some companies that struggle
along struggle along struggle
on then find a new business
model and the next year their
business is up five or ten
times profits are just
overwhelming they're living
in big houses on the hill
driving cadillacs and flying
private jets and you say what
on earth did they do they
changed their business model
and if you don't change your
business model if it's the
wrong business model two

things are going to happen
your competitors are going to
come up with a new business
model and eat your lunch and
or you're going to go broke so
it

doesn't mean that your
business model is wrong it
just means that you must be
open to the possibility that
your business model is
obsolete and that just means
that there is a better business
model there's a superior
business model and your job
is to find it and uh again
there's no fixed answer to it
but i think that this is a great

area of thought i think this is a
great area and it's sort of like
a tool for you to have i
wonder if i need to change my
business model which is your
way of generating sales
producing and delivering
products and services getting
payments and achieving
profitability well so coming
back to the second is look at
anything in your business
look at your products look at
your services
look at your people look at
the way that you advertise
market and ask is there
anything that you're doing

today that knowing what you
now know you wouldn't start
up again today and the only
question that you ever ask is
does it work does it work
does it work if it's not
working and you and you can
tweak it then that's fine if it's
not working have the courage
to admit this isn't working and
abandon it now the third area
has to do with investments in
zero based thinking
investments of time which
people hate to lose someone
said earlier that people hate to
lose it's one of the greatest
emotions we hate to lose time

if we've invested a lot of time
in a course of action a project
a business a relationship the

second

is is emotion if we put a lot of
emotion into a course of
action a product course of

study a relationship or money
we hate to admit that we

made a mistake and that what
seemed like a good idea at the
time has turned out not to be a
good idea and knowing what i

now know i wouldn't get into
it and have the courage to cut
your losses and run now the

reason i teach this first is
because you can't make any

progress unless you clear the
decks unless you get this 800
pound gorilla that's holding
you back out of your life and
then many companies that i've
worked with literally
transformed became multi-
million dollar companies
when everybody said all right
we're going to go through and
do a quick
analysis on this whole
company and realize that half
the things we're doing and
half the people working here
are not the right people for us
at this time and half the
products that we're offering

aren't selling and never will
they've been replaced by
better cheaper faster products
in the marketplace so cut your
losses what happens when a
big big company gets into
trouble they bring in a quick
analysis man and he comes in
with a chainsaw and he shuts
down all the factories and all
the stores that are not
profitable and the company
goes from profits to losses in
one year anyway the second
thinking tool that i teach
people is a wpo thinking
which is worst possible
outcome in everything that

you're
doing always ask yourself
what is the worst possible
outcome of this course of
action and what and can i
survive it if it were to occur
and uh if not what could i do
to make sure it doesn't happen
one of the number one
reasons that we worry about
anything in life is because of
fear and when you ask
yourself what is the worst
thing that could happen in this
particular situation and then if
you could say all right if that
happens i'll live with it then
your worry goes away and

your mind goes clear and calm and now you say now what can i make do to make sure that the worst does not happen and then you become proactive and you take charge of your life the third thinking tool i hope i'm not going too fast for it

the third thinking tool is called the principle of constraints and it's one of the most important thinking tools ever discovered it says between you and anything that you want to accomplish there is always a constraint a limiting factor or a choke

point that sets the speed at which you accomplish your goal so and i was just talking doing a teleconference and a few minutes ago so the question i said is let's always set the goal of doubling our income i'm going to double your income okay want to double your income then why isn't your income already twice as high now in business we don't think of doubling our income we think of doubling our profitability what we're concerned with is net cash flow we're going to concern with

the amount that we take home to our family at the end of the day not the gross but the triple net so we say if i want to earn twice as much and everybody in here can and can and will earn two three four five times as much sometime in the future if i wonder twice as much why aren't i already earning twice as much and the number one reason for for most people is distraction so uh they're so distracted they're doing things of low or no consequences but we found the 80 20 rule applies to constraints 80 of the

constraints that are holding you back from achieving your financial goals are within yourself and within your business they are not on the outside they are not the competition they are not the market they are not the people in washington or the taxes or regulation 80 are within yourself so the mark of the superior person is whenever they have a problem they say what is it in me that's causing this problem mike and i know this very very clearly what is it in me that's causing this problem uh

in in illness by the way 85
percent of illness is
psychosomatic as dennis
waitley said it's not what
you're eating it's what's eating
you it's causing the problem
uh and so the starting point
and the first thing a doctor
will tell you or a psychologist
is what is it that you're not
dealing with and you go back
to zero-based thinking what is
it that you have in your life
that that you if you that if you
had to do
over you wouldn't do it so ask
yourself what's holding you
back and usually it's the

quality of self-discipline or
it's a skill now one of the
things that changed my life
forever was when i learned
that all business skills are
learnable you don't have to be
a genius to learn any business
skill you can learn any form
of technologies mike has
proven that with with his
products you can take a
person who's basically
shoveling shoe polish in
chibokan and teach them how
to be technologically
sufficient superior enough to
earn a living from it every
business skill is learnable and

so i say what one skill if you
are absolutely excellent at it
in your business would help
you the most to double your
income what

one business skill if you could
wave a magic wand and wake
up tomorrow morning superb
in this area what skill would it
be and you know when you
ask that question everybody
knows the answer they know
what it is but here's the
challenge you don't like the
skill because it involves it
rejection embarrassment ego
potential failure loss you've
tried it in the past you haven't

been good at it but nobody asked you what would be an easy skill to learn they just asked you what skill would help you the most to double your income and here's what we have found is that most of us are only one skill away from doubling our income and all business skills are learnable and if you study the people who go from the top to the bottom in the fortune 500 or fortune 1000 they found in 25 years of research these people learn one skill at a time like climbing the ladder of success on the ladder of

income like sniper one shot
one kill they don't try to learn
50 skills they learn the one
skill focus the most important
skill and they get their
company focusing on the one
skill that can help you the
most to generate sales and
profitability i talk about what
i call the greats the seven
greats in business the the their
and actually my three-day
seminar has the ten grades but
the seven the seven greats in
business i'll give you briefly
first of all successful
companies have great
leadership and leadership is

the
ability to get results but it's
also the ability to allocate
resources which means it's the
ability to make decisions and
to make hard decisions
because if it were easy
decisions everybody be a
leader and everybody to be
rich so making decisions
using thinking slow thinking
using long-term thinking is
the critical job of the leader
drucker says the first job of
the leader is to ask what
results are expected of me and
then i add to that of all the
results that are expected of

you as a leader what is the most important result that you need to get to achieve the sales and profitability for which you are responsible one of the rules what we learn in business we never complain about anybody or anything in our business because we're the boss we're the ones who decided this we don't complain about your staff because you hire the person if you don't like the person get rid of them don't complain about them you just sound like an idiot you know it's it's it's like or it's like

picking up food from the buffet down there and saying i don't like this food well i never have liked this food i've always hated this food well why did you pick it up well i don't know the fact is you never complain about something in your business if you're in charge of it if you don't like it change it if you don't want to change it shut up [Laughter] now which which allows me to jump actually forward is is one of the marks of superior entrepreneurs is that they're intensely solution

oriented is whenever something goes wrong they immediately go calm and they say all right what's the solution what's our next action what mediocre people do is they say who did it and who's to blame how did this happen they're going to witch hunt and of course that makes them become angry and frustrated but superior executives when something goes wrong problem with a customer problem with money problem with bills problem with product delivery or defects they say okay all

right how do we solve this
what's the solution now here's
a wonderful thing is your
success in life will be
determined by your ability to
solve problems my friend
colin powell said leadership is
the ability to solve problems
success is the ability to solve
problems and how do you
become really excellent at
problem solving i just
finished a book by the way
called creativity and problem
solving that amicom is
publishing in new york at the
end of this year it's because i
did years of research on the

subject here's the point is the way that you solve problems is simply to think about solutions what are all the possible solutions be intensely solution oriented don't go allow yourself to get bogged down negative upset unhappy about the problem and who did it focus on the solution and the actions that you can take and when you start to think about the solutions remember helen keller's wonderful line when you turn toward the sunshine the shadows fall behind you when you start thinking about

solutions we could do this
look at that and you could do
this and i could do that we
could do when you start
thinking about solutions your
mind goes calm your
creativity turns on uh like
lights you start to have more
energy you start to feel more
confident and so on are you
with me so far thinking about
problems makes you negative
and shuts down your brain
thinking about who's to blame
is even worse but thinking
about what you can do and
the actions you can take put
you back in charge well the

second

principle and i talked about the second the second grade is having a great product or service and this to me was wasn't is a revelation and it's so simple it stares you in the face but 90 of your success will be in business will be to have a great product in the first place and this is something that many people miss they think if i have a good product and i when i pay thousands of dollars and go to uh really clever seminars they'll teach me some marketing gimmicks and

tricks so i can con people into
buying it and they and they
spend enormous amounts of
time and money trying to
advertise or market what is a
mediocre product and i had a
good friend mitch and mitch
owned three first-class
restaurants and he
did no advertising for the
restaurants and the restaurants
were always full and when
people said where do you
want to go for dinner let's see
if we can get into one of those
restaurants and so i asked him
i knew him very well because
we worked in the same

organization dr allard my
mentor owned the three
restaurants and and mitch was
a part owner and he ran them
and he could just start an
excellent restaurant i said
what is your secret to
promotion how come these
restaurants are always full and
he said we always put it on
the plate i said how do you
mean he said we put superb
food at good prices on the
plate and just stand back and
the restaurants are full all
seven days a week and i
always
thought that's the key to

success in business put it on
the plate put it on the plate put
the quality put everything into
the product or service now the
ink magazine does a story on
the inc 500 the 500 fastest
growing companies in
america taken over a three-
year period and every year
they update it the last uh
edition which came out a
couple of months ago was
showed that the number one
fastest growing company was
it grew forty two thousand
five hundred percent forty
two thousand five hundred
percent unbelievable it grew

so fast uh others grew 5 10 15
20 30 50 times in two or three
years all new companies are
reasonably new companies all
companies started by people
like

the people in this room and
they grew 5 10 50 20 100
times wow what was the key
so they went back and they
did had outside researchers
analyze it and you know what
they found is all the
companies put it on the plate
is every one of them was
obsessed with quality and
obsessed with quality as their
customers defined it and they

were close to the customer
they were they were they're
locked tight to the customer
as i i was sharing um uh uh
his um idea about um what
was it called what was your
wtc what did you say about
customers well joel yeah
think like a customer sharing
that on my conference today
think like a customer the very
best companies think like a
customer what do
customers want what
customers need and you know
the key to success is make
your customers happy and
then make them happier than

your competitors and then every single day wake up and think how can i make my customers happier and they went and they interviewed the ceos of the four of the 500 fastest growing companies and every one of them was obsessed with customers they thought about customers they talked about they visited customers they called customers they went and saw customers they personally responded to customer complaints they were just obsessed with it which again repeats that 90 of your

success will be the quality of
your product or service now
how can

you tell if you have a great
product or service well it's a
very simple test and this is the
test that predicts your future
more than any other test for
the rest of your business
career how often how many
people after they have used
your product or service turn to
another person and say geez
that's a great product jesus a
great service geez that's a
great company jesus are great
people and how many people
say this is a great product

what percentage 50 percent
40 percent average in america
is about 30 percent 35 percent
top companies that companies
like apple that come out with
an ipod and iphone and an
ipad people consume the
product the next time they
come out with an iphone they
sleep on
the sidewalks in rows of
hundreds to be the first
purchasers they come out
with an ipad they sleep
hundreds are sleeping on the
sidewalks to buy it and pay
outrageous amounts and then
they start showing everybody

else isn't this a great product and then they have apps look at this ah look what you could do with this app how many people have an ipod 5 an iphone 5. okay how many of you showed other people the panoramic thing how you can take panoramic pictures isn't that a great concept you know it used to cost thousands of dollars to have panoramic cameras that could take a panorama and now you've got it in your iphone as one of a 100 or a thousand different things you can do so people who buy their

products become their
preeminent sales people
they're running around
grabbing people and
bothering them and showing
them the product or bragging
about the product in a movie
by the way the movies
companies only have enough
advertising for the one
weekend they could take big
ads for one weekend to get
people into the theater quickly
after that the movie will either
grow or die by word of mouth
and your movies that are
successful by word of mouth
everybody's talking have you

seen that movie if you said
you got to see that movie
honey i just heard about this
movie at work let's go tonight
you weren't even planning to
go to a movie and you
go there on tuesday night the
theater is full have you had
this experience you say and
everybody's talking about it
the most important key to our
success so go back to the ink
study and i'm looking for
corroborations in the ink
study they did had researchers
say what is the very best place
for a company to invest if
they want to increase their

sales and profitability and the answer came back after looking at everything else is invest in improving the quality of your product invest in improving the quality of your product make the product better and better and better make your customers happier and happier make your customers so happy i say that the key to success is to get your customers to buy from you first rather than from your competitor to buy again because they are so happy and to bring their friends and if

that becomes your operating theme we could talk about this all day is get them to buy from you buy again and tell their friends then you're going to be successful you're going to be wealthy you're going to be respected and more than anything else you're going to be just as happy as you can be as nothing gives us greater joy than to make our customers happy number one is is become a great leader which means set clear goals be decisive take responsibility for results number two is offer a great product and never be

satisfied with the
quality of the product it's
constantly strive to make it
better in the eyes of your
customers and here's one of
the great revolutions in
marketing which i think is so
important is the very best
companies the four stages of
the epiphany the lean startup
are going to their customers
and saying how do you define
a great product would you
buy this would you pay for it
do what you want more of
what would you want less of
what can we do to improve it
they're even doing this with

what they call the minimum viable product idea is they take a product idea to a customer before they even make the product and they work with the customer shoulder to shoulder to develop the product so the customer says this is a great product then they produce and market the product so number three is you want to have a great business plan but a great business plan simply requires that you think through on paper the critical aspects of your business and especially you analyze what it's going to

cost what you can sell it for
what kind of profits you can
make who are the people that
you will need uh there's a
there's a great story of
napoleon's generals all around
this large table with maps of
europe spread out and this is
when his the french armies
were conquering everywhere
and they were talking about
what cities are what what uh
municipalities what duchies
that they were going to
attack with the army uh next
time and napoleon would
come in from his office which
was nearby and he'd say what

are you doing he said we're talking about we're going to move the army from here we're going to move it to there and so on and he'd say well gentlemen he said i'm afraid that we can't do it we don't have the horses and you've heard the expression we don't have the horses it comes from napoleon and what he was saying was that the entire army was driven by horses cavalry and horses to pull the wagons with the supplies and everything else and they could get more men by recruiting on the march as

they did they recruited as they
went through a village they
recruited people join the army
see

the world that sort of thing
during the arm you see the
cannons but the horses those
were scarce and so the whole
success of the army was was
determined could they get the
horses that's why when when
mike talks about getting the
right people is where do we
get the horses we got the
ideas we've we know what
needs to be done but where do
we get the horses so these are
the things that you think

through in a business plan
what kind of technology will
you require and what will it
cost to set it up and who's
going to run it and operate it
what kind of advertising
publicity promotion will you
require how much will it cost
what kind of returns will you
get so a business plan and
there's many people i'm
sure you have lots of business
plan models that are quite
common is a business plan
forces you to think long term
and to think slowly and you'll
always make better business
decisions if you think long

term and you think slowly the fourth area has to do with having a great marketing plan and a great marketing plan is what you talk about all the time but there's a rule in advertising i used to work for a large advertising agency and the rule is the fastest way to kill a product a bad product is to advertise it or to market it is to find because if you market it what happens more people use it more people use it and are angry about it then they tell more people and the product dies so the fastest way to

kill a bad product is to promote it and many people think oh no the way i can get my money back is i can sell it to people before they enough people know how bad it is no do we have confu we have the internet today everybody in the world can know how many troops appeared on the streets of the crimean with the balaclava mask on their face and they know that in three seconds i was just in russia where in russia they control all the media and they tell people that they that they were attacking the ukrainians

backed by the cia are behind
all the problems in the ukraine
and the russian poor russian
people just are are being
sacrificed so i'm just sending
in some of my troops to help
protect

our i said to my friend sergey
i said sergey it's nonsense not
a word of what you're saying
is true it's totally false the
only people in the world who
believe what you're saying are
people within russia who have
no access to news on the
outside anyway so i'm getting
off track my point is that
marketing means how do you

attract people uh to your product or service there's a difference between marketing and sales you know what it is imagine that i were to say to you at midday this group i say is is anybody here hungry raise your hand all right that's marketing i'm interested in your product or service i'm interested in the product or service generally but anybody here like to save money make money lose weight be happy pick up girls you know whatever it happens to be then the second part is now i have a restaurant let me tell you

why you should come to my restaurant to satisfy your hunger rather than to go to the competitors so those are the two it's the marketing is to attract people who raise their hand who are interested in the benefit that your product or service offers and selling the conversion is to get them to buy from you rather than from your competitors so they are very different functions you can't sell if you can't attract interested prospects so marketing is a very complex process and you guys talk about it all the time so you

need a great marketing plan
how can you
tell if you have a great
marketing plan the answer is
you have a steady stream of
interested prospects who are
calling you emailing you
coming in your door sleeping
on the street in front of your
business each night to get to
be the first ones to come in in
the data number five is you
need a great sales plan and a
great sales plan of course is a
sale that consistently and
predictably converts
customers or converts
interested people into

customers now here's the rule
if you have a professional
sales process and all 100 of
all successful companies have
a professional sales process if
you speak to the salesperson
and working with an
international company that
has a branch in
warsaw and if you speak to
the
sales person in warsaw or the
salesperson in los angeles or
the
sales person in johannesburg
100
of them use exactly the same
sales

process the first contact will
be a
telephone contact to offer you
a
benefit and to try to set up an
appointment and the words
will be
word for word the reason this
company did this is almost
went
broke because everybody was
selling their own damn way
they
would say whatever fell out of
their mouths whenever they
ran
across a prospect and they
realize

that without a sales process
we
have a great product which
they do
that's killing them so they
systematize the sales process
their
sales went up thousand
percent if
it's been proven that if you go
from
random selling to a proven
sales
process and of course you
have to
debug it you increase your
sales
500 with the same number of

prospects i've seen people get
their
closing rates from 1 out of 10
to 9
out of 10 by simply
improving the
sales process and so selling is
really important it's one of the
things we focus on now
there's two
more points that i want to talk
about in terms of grace one is
generate great numbers and
this is
one of the most important
parts of
business all business activities
and

results can be expressed in
numerical form everything
right
down to the number of
telephone
rings or number of seconds it
takes
for a person phony to make
connection with a person who
can
help them jeff bezos who as
you
see got best entrepreneur
businessman of the year both
forbes and fortune they're
obsessed
with measuring every single
activity and they look at the

seconds the number of
seconds that
it takes when we first bought
from
amazon they would advertise
five
to seven days ups today they
offer
one to two days max in cities
like
san diego where they have
warehouses you can order in
the
morning it's delivered in the
afternoon books tapes courses
clothes it's zappos overnight
they
can deliver overnight because

why
is because they're obsessed
with
shortening the amount of time
it
takes to make customers
happy and
the short of the time
customers
really value speed and they'll
pay
top dollar for someone who'll
make
them happy faster it's just a
they've
they've determined that so
look at
the numbers what are the and

the
question is what are the most
important numbers in your
business what we teach in our
longer courses about 35
numbers in
any business some of them
are
unimportant some of them are
extremely important and
there's
five to seven of those 35
numbers
that are the a numbers and
then
there's one number that's the
most
important number of all and

we
call this or jim collins who
wrote
good to great calls it the
economic
denominator and when i
started
doing my coaching programs
with
entrepreneurs one of the first
things
we taught was to identify your
number what is the most
important
number in your business the
number that most accurately
predicts your success and
your

future and most people get
that get
it wrong the first three to five
times
what is your number what is
your
most important number the
number
that you just basically obsess
with
all the time and uh one one uh
company went from for
whatever
struggle written up in in in
entrepreneur magazine went
from
struggling to bankruptcy and
then a

friend of his asked him what
was
your number what was the
number
you were focused on well we
weren't focused on any
number in
particular we didn't even
hardly
keep track so they were just
selling
by gosh and by golly and at
the end
of the day they were bust he
had to
go home and live with his
mother
the age of 26. so he said no

you
have to pick a number so he
sat
down and he said hmm and he
picked a number and it's
called net
contribution margin in other
words
exactly how many net dollars
and
cents do we make from each
sale
and then we compare those
sales
that's after 100 of every
expense of
cost of customer acquisition
and

lead generation and and
delivery
and everything else and then
they
compare those against the
others
and they re-emphasize in
other
words net contribution margin
at
this year they'll hit 100
million
dollars in business and he's
laughing he said changed our
whole life to finally figure out
what our number was so
question i
always ask people what is

your
number do you know do you
know
the most important number do
you
know what most
entrepreneurs say
sales sales everybody knows
that
just sales really what if you're
losing money on every sale
then
the more sales you make the
faster
you go bust and you know
that
many companies are losing
money

on every sale because they
don't
they don't add in all the costs
of the
sale they leave out their own
labor
they leave out rent they leave
out
utilities they leave on delivery
costs they leave out defects
they
think about packaging theft
and so
there's boy are we selling a lot
yeah well how come you're
losing
more money every month did
you

see these companies by the
way
um that's announced they had
11
billion in sales last year they
lost 3
billion and you see them all
the
time it's how could you how
could
you lose 3 billion if you sold
11
billion do you know why it's
because they don't know the
numbers and what they're
doing is
they're probably working
harder

and harder to sell more and
more
products at which they're
losing
more and more money and
nobody
sat down and done the
attributable
cost okay the last of the seven
and
this is the one i love and this
is the
future by the way the front
end of
business the first bookend is
having a great product or
service to
start with the last is to have a

great
customer service experience
and i
cannot tell you how important
this
is this is what joel and i have
worked on all of our lives
make
our customers so happy at the
beginning and so happy with
the
product and happy afterwards
it's
the key to repeat business it's
the
key to rapid growth every
successful company without
exception is obsessed with

taking
good care of their customers
once
they get them and if they have
a
customer complaint the head
of the
company doesn't sleep at
night
they are so so upset about
customer
complaints they'll go out and
personally visit them because
the
company president will phone
an
unhappy customer and talk to
them

because they consider
customer
happiness like tony shea to be
the
most important thing in the
world
what tony says is that we're
not in
the shoe business we're in the
customer happiness business
we
just happen to sell shoes and
if we
were selling something else
we'd
still be in the customer
happiness
business what was that worth

to
tony sold it for his idea
translated
into zappos sold it for 1.2
billion
dollars and took home 350
million
not a bad idea make your
customers happy does it work
yes
how often does it work 100 of
the
time so you'll find that the
very
best companies the ones that
you
really like and want to go
back to

are the companies that make
you
feel happy they make you feel
good as a result of having
done
business with them they take
good
care of you and as a result you
go
back over and over again and
you
bring your friends so those are
the
seven greats that we talk
about
here great leadership great
product
or service great marketing

plan
great sales plan great numbers
great business plan and a
great
customer service plan and if
you
have those here's the
interesting
thing is if you're missing one
of
them it's like dialing a seven-
digit
number if you miss one of
them
your company go broke miss
any
one of them you get or get
them

wrong get the wrong answer
or
miss it completely then your
company goes broke so now
we
know scientifically basically
more
and more of exactly what you
have
to do to build a high profit
business
and the wonderful thing is it's
all
learnable you can learn any
one of
these skills anything i just
explained to you is as simple
as

ditch water all you have to do
is
just say ah and what is it you
think
like yeah i could do that i
could do
more of that i could improve
that.

GLOBAL ENGLISH
PODCASTS