

87 *Rules You Must Know* **NOW**
to Prosper in the New Economy

**THE NEW
PROFIT
RULES**

CHARLIE COOK

Do you want more buyers contacting you?

Do you want to cut your advertising costs?

Do you want to close more sales?

Do you want to maximize your business growth?

Do you want to increase your profit margins?

Do you want to make more with less effort?

Then read on.

**But be prepared to alter the way you think about marketing
and your business.**

The New Profit Rules

8 Rules You Must Know to Prosper in the New Economy

by Charlie Cook

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You're responsible for the bottom line. You're the key decision maker, the person entrusted with plotting the course of your business. You're the one your employees count on to keep profits rolling in.

What should you do to make this your best year ever?

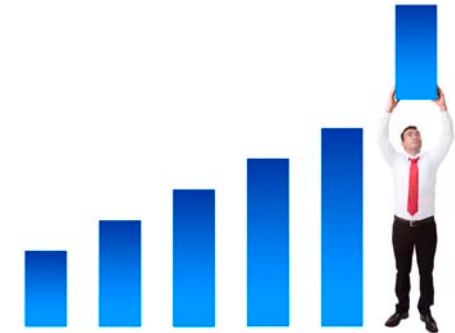
You could use the same growth strategy you used last year and the year before, but for most companies, that'd be a big mistake. Because over the last few years the rules of business have changed and what used to work doesn't work anymore.

The current economy has created a whole new set of obstacles. It's like navigating down a once smooth river that's now full of jagged boulders that are threatening to sink your business.

No company, no matter how smart and ambitious its leaders, will continue to grow as long as its strategy is based on outmoded business principles. That's why I've written this book. The profit rules have changed and no matter how smart you are or how hard you work, if you insist on navigating by the old profit rules your business is going to get hung up on the rocks and you could lose everything.

Take Kris Shaw. In early 2000, Kris launched a video production company, providing video services for corporate functions and small companies alike. He did what most small businesses did in the old days. He focused on providing top-quality service and didn't really have to market or advertise his business. Word-of-mouth advertising seemed to get him all the new clients he needed.

Kris's business grew steadily through 2007. But it stopped abruptly at the end of that year. His phone stopped ringing. He no longer saw a steady trickle in his inbox of new, interested prospects, inquiring about his services. The well had run dry. Faced with bankruptcy, Kris reluctantly had to let all of his staff of six go, with the exception of his wife.



adapt quickly or fall behind

He scrambled to begin marketing his services, but quickly discovered that spending money on the same kind of marketing that his competitors were doing didn't work. And even though Kris was an expert at building web sites, his own site wasn't bringing in any business. Kris faced the same problem that every small business owner faces — you included.

The rules have changed.

The rules that dictate how businesses attract clients and generate profits had changed for Kris. And they've changed for you too.

The boom years when most people had ready cash to spend are gone. Across all industries, from new businesses to hardy veterans, overall sales have dropped by 30 to 40%. Only a small handful of industry sectors like solar technology, for example, have seen across the board increases in sales.

This isn't just a temporary downturn, it's a fundamental shift from the crazy easy-money years, with lasting effects on the spending habits of people in the U.S. and abroad. Not only have assets withered, but those with money left to spend (those still holding jobs — the decision makers) are anxious, and often doing the work formerly done by two or more employees. The people who you want to buy from you are overwhelmed and overstressed.

But here's the real problem. Business owners face a morass of challenges and most are so busy attending to urgent, day-to-day demands that they have no time to focus on what's truly important for the growth of their businesses. Everyone seems to be plunging ahead, working themselves to the bone, without a clear, easy-to-follow roadmap of how to succeed.

How can you prosper in this economy?

Let's make a deal. If you'll invest 45 minutes of your time to think about the future of your business, I'll give you that roadmap — my guide to steering your company to success in the new economy. I'll explain my eight **New Profit Rules**, and how you can prosper by applying them to your business.

These are 8 simple principles that should guide your business, your marketing strategy, and your approach to accomplishing your goals. They're proven ways to get ahead that will give you an edge over your competitors.

**I'll give you a clear
course to follow to success**

In this ebook, I'll detail the new rules for profiting in a stagnant or (to be optimistic), slowly recovering economy — a new economy in which your prospects are buried in information every day, budgets are tight, and people are more skeptical than ever about being sold.

- You'll discover some harsh truths you may not want to believe — but nonetheless, you must adapt quickly or fall behind.
- You'll learn why what used to work doesn't work anymore.
- You'll discover new groundbreaking strategies that smart companies and fast-thinking entrepreneurs are already using to profit in this new economy, and how you can apply them to your business quickly for near-instant results.

the rules have changed



You'll discover **The New Profit Rules**: what works today to **attract more clients, make more sales and assure that you turn a profit** in this new economy.

Rule #1

FREE Is The New Business Model

That's right, FREE. Sound crazy? It's not — it's a proven strategy that some of the world's most successful companies have used. I've used it, too.

Back in 1999, before Google became synonymous with online search, many people struggled to find their way around the Internet and the various search options it offered. To help myself and others navigate this mess, I built a website called SearchIQ.com, on which I listed the available search engines and reviewed how well they worked (or in most cases, didn't).

I had no idea how the site was going to make me a dime. But I soon found that by investing a few hours a week giving information away for free, I was getting a lot of attention from people who found it helpful.

Within a few months, my site had a following. It was soon listed as one of the top 50 sites on the Internet, and I started getting calls from press. By the end of the year, it was receiving over 300,000 visits a month, a big deal in those days.

That's when I discovered the HUGE value of free. Late in 1999, I got an email from an editor at ZDNet wanting to know if I'd be interested in selling the site, and he was talking real money. ZDNet had a simple model of publishing reviews, pulling in massive amounts of traffic and making money on advertising revenue.

My timing certainly didn't hurt. I sold the site to ZDNet just before the Internet bubble popped. What happened to SearchIQ after I sold it? Google soon became the Internet's



dominant search engine, making my site essentially obsolete. (I'd like to think the glowing review I once gave Google contributed to its success. I wish they'd compensated me in stock.)

But I had learned that by providing a helpful service for free, I could make real profits.

Google knew this, too. The search giant didn't offer any ads when it got started, giving away its service for free without any revenue in return. In fact, it continues to give away its search services – along with a whole host of tools, email service (the widely popular Gmail), calendars, document storage, and more for FREE. Of course now, Google makes billions of dollars each year in advertising revenue.

Free isn't just online; it's everywhere. Cell phone providers give away cell phones, magazine publishers give away subscriptions, cable TV companies give away DVRs. The idea that there are huge profits in giving away something for free, or close to it, is no longer limited to special promotions or one-time offers.

It's the new model of doing business.

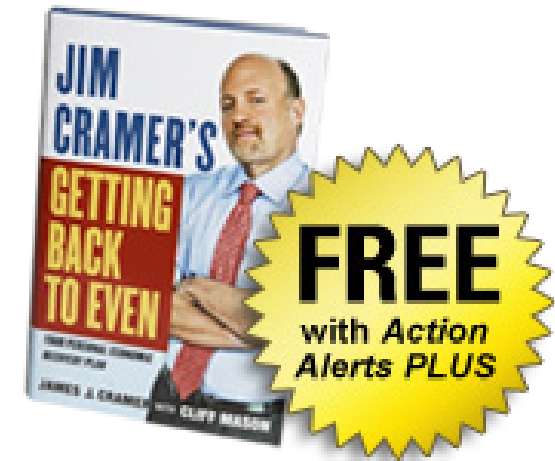
“But Charlie”, I can hear you asking, “how can I make money by giving stuff away for free?”

To put it simply, by attracting many, many more prospects.

Most business owners still try to extract as much money as they can from each customer up front, the first chance they get. They EXPECT the prospect to read their ad, respond to the ad, call them and buy all in ONE step. A few will. But there are a HUGE number of good prospects who will walk away, unready or unwilling to buy right away.

This “buy now or nothing” mentality doesn't work anymore. A whole generation has been raised on getting music, information and more for free online. And in a down economy, it's what more and more people want.

It's time for you to start leveraging the power of the FREE business model too. Here's how it works: when you offer something for free, you attract many more people who are interested in your product or service, much faster, and often at a far lower cost than that of traditional advertising.



Nearly every band does this on MySpace, giving away at least a few songs completely free. Some, like Radiohead, have had huge success giving away entire albums for free, giving fans the option of making a donation. In turn, they build a loyal following, people who then go on to buy music, concert tickets, and merchandise.

The principle remains consistent from the high-tech to the very low-tech. When I wanted to teach my five-year-old son to ski, Mad River Glen, a small ski area in northern Vermont, provided him with boots, skis, poles and a lift ticket free of charge. By the time he was six, he was a devotee of the sport and that particular mountain. And I was, too, in no small part because they were making it so easy for me to have fun on the slopes with my young son.

Almost FREE works, too.

Companies can attract countless new customers by making just one part of their product or service lineup cost next to nothing.

If you've purchased a computer in the past several years, there's a good chance at one time or another you've gotten a free or nearly free printer thrown in as part of your purchase. At our house, we have more than we know what to do with.

How can printer manufacturers afford to give their printers away at such a huge loss? They know that to keep your printer running, you'll need to buy ink cartridges. Charging high costs for the cartridges, the manufacturers make money not from the initial transaction, but from the purchases you make over the lifetime of the printer.

Budget airline RyanAir employs the same technique, selling tickets to fly from London to Barcelona for as low as \$20. That's less than the cost of two movie tickets here in Connecticut! They make their profits on ancillary fees, a share of related reservations, advertising and fees on credit card sales.

But be warned; "FREE" is just the first step. Giving a product or service away for free or at cost doesn't guarantee you'll ever earn a cent. For instance, Twitter's free service has a huge following, but they're still trying to figure out how to pay their bandwidth bills.

To monetize those freebies, you must follow up by enticing the user to pay for something. The key step lies in converting this positive attention into real cash flow.



**first step: free stuff
second step: fun**

third: make it profitable

How to use FREE to build any business

Case Studies

Online Business Example

Traffic Geysers sells software that distributes video content to various video and social media sites on the web. Note that instead of pitching the product right off the bat on their home page, they do something smart; they give away useful content for free.

"From Sofa To Success"

"How this unemployed Marine went from broke, homeless, on his best friend's mom's couch...to launching a profitable business in less than 45 days."

ENTER YOUR INFO BELOW TO INSTANTLY RECEIVE THE FREE VIDEOS

- You'll learn the secret spy technique for finding customers begging to buy your services in under 4 minutes
- Get the paint-by-numbers system for going from zero to \$4,600 profit in less than a month
- Learn how to launch a profitable business in under a week

First Name

E-Mail

TWEET THIS! facebook it SHARE

SEND ME THOSE SECRETS

give your prospects ideas for free to make them hungry to buy from you

They realize the average visitor to their site may not be ready to invest in their software immediately, so instead of going right for the sale, they offer useful information in exchange for email addresses, which they can use to follow-up. The free videos offer advice about issues related to video marketing: which cameras are best, how to deal with different computer formats, and so on. They don't directly discuss their product — instead, they offer helpful content that should be of interest to their target market.

Offline Business Example

Families moving into the 51101 zip code in Sioux City, Iowa this year can expect to receive an offer in the mail shortly after their arrival, guaranteeing a free oil change from the local Speedy Lube.

Why? Because Owner Chris Peterson has discovered a very powerful free marketing technique: “I have seen an 85% return rate on the customers that came in for the free oil change offer,” Chris reveals. “Many needed other services besides the free oil change coupon, and we have gained some very loyal customers.”

For this campaign, Chris uses a company called Moving Targets, which specializes in ‘New Mover’ mailings.

Les Schwab Tire Centers fixes flats for free, giving away over \$10 million in repairs a year. But as a result of their unusual dedication to meeting customers’ needs, this chain of 300 tire outlets earned an estimated revenue of \$1 billion in 2008.

Chris Peterson’s free oil changes and Les Schwab’s free repairs are ways of giving customers a free “test drive” of their services. A test drive gives you a chance to get to know a product and find out the different features and comforts it offers.

How does this rule apply to service professionals?

Service professionals typically sell intangibles — first and foremost, their expert knowledge. How can you help potential clients understand the value of your services? Find ways to give prospects a test drive.

Like many other financial services firms, T&A Capital Management in Stamford, Connecticut was hit hard in 2001 by a negative investment environment. The company began offering free workshops and educational programs for prospects and multiplied assets under management from \$5.5 million to \$15 million within a year.

These examples show you the three key elements of the **Free Business Model**:

1. Demonstrate value
2. Maintain visibility among prospects
3. Build long-term relationships



What can you give away to bring in more leads?

Action Steps

The goal of your business is to turn a profit. But in the end, HOW you turn that profit (as long as it's legal and ethical) has to be flexible. If you're still clinging to the idea that every product or service has to have a price, you're severely limiting yourself.

Using free as a marketing model is a tried-and-true technique being employed by small businesses and by some of the biggest, most successful companies in the world. Use it today to build more relationships, faster, with people interested in your product or service.

Step 1:

Ask yourself where you could use the FREE Business Model in your business. What are your prospects and clients looking for? Ideas, information, access, a test trial, or something almost free?

Step 2:

List at least 3 things (related to your product or service) you could give away for free or almost free to encourage prospects to contact you or try your products or services.

Step 3:

Once you've gotten a prospect or client to accept your free or almost free offer, what comes next? Map out the steps involved in guiding prospects from free to paid, and from paid to highly paid.





Rule #2

Your Customers Are In Charge, Not You

Who is the guiding force behind decisions about your marketing, your product development and your business in general?

I'll give you hint — it's not you. It's not anyone within your company, or rather, it shouldn't be. It's your customers! Customers' problems are the starting point for the development of every product or service. And it's their feedback which is essential to fine tuning or completely revamping your products and delivery processes.

Pretend your customers aren't in charge and you take the risk of being arrogant and committing business suicide as AOL did.

AOL used to be known as a marketing powerhouse, a company that aggressively marketed its services, and in the early days of the Internet signed up a large percentage of population. I'm sure you remember getting the dozens upon dozens of "1000 Hours Free" CD-ROMs that we used to receive unsolicited in the mail, tucked inside magazines, or saw on the counters of local stores and just about anywhere else AOL could get them in front of our eyeballs.

But AOL was so successful with their aggressive marketing and lost sight of their mission, to provide services their customers wanted. Instead they kept adding in more intrusive ads every time you logged on and other email providers like Gmail left them in the dust. And that was when AOL really blew it.

While nothing was easier than signing up for AOL, nothing was more difficult than cancelling it once you had it. When I and others tried to end the service. AOL ignored emails, and phone

have a system for getting customer feedback

so you can give customers what they want

calls. In our case we cancelled the credit card that AOL was charging, but AOL somehow reinstated the account with our new American Express card! And I wasn't the only one dealing with their arrogant tactics.

In 2005, in one of many lawsuits related to their slow-to-cancel policies, the New York Attorney General's office revealed an elaborate system under which AOL employees had been incentivized with tens of thousands of dollars in bonuses to "save" (read ignore) over half of those who called to cancel. AOL eventually agreed to pay \$1.25 million to the State of New York and agreed to revise its customer service procedures, but the damage had been done.

Where did customers get their newfound power?

Web 2.0: The AOL Killer

In the early days of the Internet, while AOL was enjoying dominant market share and over 30 million subscribers worldwide, unhappy users didn't have many great ways to express their concerns and warn other potential buyers. Online forums and Usenet Newsgroups were still the domain of a limited crowd of more advanced Internet users - not the average AOL user.

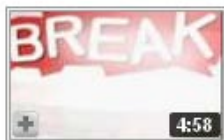
But by 2005, all that had changed - the Web 2.0 "Revolution" was in full swing. Not only could unhappy subscribers shoot off blog posts and post videos on YouTube bashing AOL, but others could also pile on in comment threads, sharing their own negative experiences. Some customers even recorded their phone conversations with argumentative AOL representatives and began posting them on the Internet for all to hear.



Cancel AOL

Just how much trouble can you go through to **cancel AOL**

★★★★★ 3 years ago 447,591 views [hellotoday](#)



How hard is it to **cancel AOL**?

An **AOL** user has difficulty cancelling **AOL** because of the customer service agent.

★★★★★ 3 years ago 91,057 views [Maximinimum](#)

It was a full-scale customer assault, and the chart below shows the dramatic effect this Web 2.0 “power shift” had on the sales of AOL:



**you don't want to be the last one
to know about customer complaints
or problems**

AOL got their start by providing a service people wanted: dial-up Internet access. To retain their customers, they offered an online community where users could interact. And the model worked, big time. AOL played a major role in helping everyday consumers get connected online in the 1990's.

But as competition for providing local Internet access grew at breakneck speed, AOL lost their way. Soon, the benefit of belonging to the AOL community wasn't enough to retain customers. They were no longer providing a leading edge product to their customers, who wanted more and better services.

To stay competitive, AOL could have chosen to put their customers first, to change with the times, innovate and react to their customers' needs. But instead, they chose to cling to revenue through trickery and fraud. And ironically, the Internet itself was the communication tool that sent AOL's market share into a downward, unrecoverable spiral.

Is your business about serving you or your customers?

Many businesses get started when their creator seizes an opportunity to fill an underserved want or need in the marketplace - as AOL initially saw a need for easily accessible dial-up Internet access. But problems arise when companies stop thinking about their customers' needs as soon as they've made the sale – big problems. Failing to follow through on the marketing promises you've made and live up to your customers' expectations can be a fatal mistake.

In the new economy, great marketing combined with bad customer service will put you out of business FAST. Social media sites like Facebook and Twitter can make mincemeat out of companies virtually overnight. The feelings of one angry customer venting his or her frustration can spread like wildfire, as a widening network of friends, followers, and eventually total strangers latch on to the juicy details.

Sites like RipOffReport.com, AngiesList.com, and Yelp.com give consumers space to grouse, and are indexed VERY high in Google's rankings. So if your name or the name of your company shows up on RipOffReport, this negative press could be listed on the first page of search results — right under your own website's listing! Google even allows people to make comments in their local listings area.

In a Web 2.0 world, the customer has the power, and AOL-style arrogance can be deadly for your business.

It works both ways.

Scared yet? Don't be. There are two sides to this coin. That is, if you truly deliver an outstanding product or service, the good news about your business can now travel FASTER than ever before. When satisfied customers— or better yet— thrilled customers sing your praises on social networks, their friends, families and business connections are instantly exposed to a positive impression of your business from a real live person they know and trust. Having a glowing review on Angie's List, Yelp, or Google's listings can be priceless for your business.

Thus Web 2.0 creates positive feedback loops as easily as negative ones - it provides you with the tools to put customers in charge of your marketing.

The best way to accomplish this positive presence is not with a flashy marketing campaign—it's to deliver on your customers' expectations. If you promise certain results, deliver those results. If a customer is dissatisfied, do your best to fix the problem or refund their money.

Here's the lesson; at the very least, give your customers what they're expecting. Even better, go BEYOND their expectations, and create a legion of raving fans. But how? How can you possibly hope to delight your customers every time (or close to it)?

Find out what your customers are thinking.

It sounds like a no-brainer, right? One of the easiest and fastest ways to get customer feedback is simply to ask. But 97% of businesses I've worked with never do it. Rather than ask their customers what they want, too many business leaders assume that as owners, they know best what direction their marketing and product development should take.

In the mid-1990s I worked with a company called Wiremold, a manufacturer of wire and cable management solutions. Each year, they'd send a handful of company engineers and designers out into the field to observe and talk to the contractors who installed their products and the maintenance people who used them. It was and is a simple and brilliant strategy.

Not all business can physically go out into the field to meet their customers, but you should develop a proactive way of putting your customers in charge. And, thanks to the web, there are lots of easy ways to do this. In past years, getting these answers could easily have meant handing tens of thousands of dollars to a market research firm. Now it's easy to do yourself.

How can you manage the conversation with your customers?

Action Steps

Step 1

Write down five questions to ask your prospects and customers that will help you identify their needs, and in turn the product or service that would be the ultimate solution.

Step 2

Pick up the phone and call your prospects and customers and talk to them. Use your open-ended questions to get them talking.



**it's not knowing what your
customers are thinking that should
worry you**

Step 3

Put together a survey and email it to your customer list, or better yet, integrate it into your new customer follow-up email sequence. Services like SurveyMonkey and Zoomerang make this easy and will also tabulate the results for you.

Step 4

Use the retweet button on your blog to see which topics your target market is retweeting with the highest frequency. And then design your products to match their interests.

Step 5

Read the comments on your blog to see what people like and what they are looking for.

Step 6

Periodically check out the complaint sites to see whether your company is mentioned. If not, check whether your competitors are mentioned and find out what customers are complaining about.

Step 7

Use this customer input to adjust your marketing strategy. You'll be amazed at how much more money you can make by giving people what they want and meeting their expectations rather than your own.

Rule #3

Personal Marketing Trumps Mass Marketing

You're busy working at your desk when you're interrupted by a phone call. The caller ID reads "Harpo Productions." It's an unfamiliar company name, so chances are you let the call go to your voicemail.

Now imagine instead that the caller ID reads "Oprah Winfrey." This time your reaction is different. Is it a prank? Oprah herself? Either way, it's got your attention and you grab the phone. But the fact is, either phone call could have been the exact same person. Why? Because Harpo Productions is Oprah's production company (that's right, Oprah spelled backwards). But only one of these is a recognizable brand.

People prefer to do business with people, not companies.

I discovered this simple truth first-hand with my own business, Marketing for Success. In the early days, my then assistant Ros would call customers who purchased my how-to marketing guides to get their feedback. Initially, she would open these calls by saying, "Hi, this is Ros from Marketing for Success." After an awkward silence, the usual response would be "who??"

After a few of these reactions, she changed her greeting to, "Hi, my name is Ros. Charlie Cook from Marketing for Success asked me to call you." This time, most reacted with immediate recognition: "Oh yeah, I get Charlie's newsletter!" or "Right, I just bought Charlie's marketing course."

In my customers' minds, they were buying from Charlie Cook, not a company, or a website called MarketingforSuccess.com. My personality, my marketing expertise and my ideas are the



**competitive advantage:
there's only one you**

substance behind my site and my products. My company is called Marketing for Success, but my brand is Charlie Cook.

You can't build your brand like the big guys do.

Many small business owners fall into the trap of attempting to imitate the brand strategies of big national companies like McDonalds, Best Buy, Nabisco, and Starbucks. These companies have multi-million dollar advertising budgets (and in the case of McDonalds, a billion-dollar ad budget!) to build their corporate brands.

Instead of having a recognizable name or face attached to their companies, they use slogans (i.e, "I'm lovin' it" or "Thousands of Possibilities") and brand logos.

These mega-corporations can use this 'Branding' strategy because they have hundreds of millions of dollars to spend on advertising. They can afford multimillion dollar TV campaigns or put their message on thousands of billboards overnight, advertize online and fill your mail box at your home with direct mail or all of the above.

Focusing on a brand or company name is important for multinationals like Coke or Nike, but without a huge advertising budget, this approach won't work for you.

As a small business owner, trying to copy this approach is marketing suicide. Unfortunately, there are local ad agencies that will gladly take your money and try to sell you into this exact approach. They often talk about "building your brand through repeated exposure," which essentially translates to YOU spending tens of thousands of dollars you can't afford on advertising that doesn't get measurable results!

Does this mean as a small business owner you shouldn't focus on building a brand? Of course not. But rather than a corporate brand, you should focus on building a personal brand. Why?

Personal branding gives you an unfair advantage.

In your industry, you may have a few competitors or thousands. But as a personal brand, there's only one YOU. By putting your unique personality into your marketing, you give yourself an advantage your competitors can NEVER have.



customers are buying you as a person — your knowledge and credibility — when they buy your products

Jim Cramer's franchise is a great example of personal branding in action. Cramer is the host of CNBC's "Mad Money" and a best-selling author of books about the stock market and investing. He's most famous for his over-the-top TV persona, ranting-and-raving in his commitment to his ideas, wearing silly outfits and performing ridiculous stunts.

The investing advice Cramer shares is really no different than you might get from your local stockbroker (in fact, his tips have sometimes been panned by critics). But Cramer's multi-million dollar media franchise doesn't stem from superior intellect or Warren Buffet-like wisdom. Cramer's success comes from the power of building a strong, unique personal brand.

And you don't need your own TV show to build a strong personal brand.

Bruce came to me for help in building a management consulting business. A former pastor, he was a natural in front of an audience. With my encouragement, he revived his career as a speaker and started scheduling speeches for Chambers of Commerce in his county.

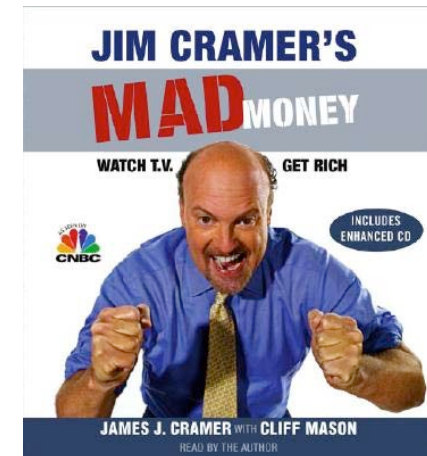
Sure, there are other management consultants competing in Bruce's market. But when Bruce is speaking in front of an audience, he has the unique opportunity to make a personal connection and establish himself as the go-to expert.

By the end of his talks, other management consultants in that market might as well not exist. And this personal branding strategy is working. Six months after putting it into action, he's increased his income from \$12,500 to over \$20,000 a month.

Create an image your prospects can relate to.

Personal branding should convey a clear and unique message that distinguishes you from your competitors. Whether you use your own name or a company name, decide what you want your prospects to associate with that name. For instance, Charles Schwab has cultivated the image of a friendly, trustworthy expert. Jim Cramer exudes controversy, entertainment and passion. Both brands effectively appeal to their intended audiences.

Whether you sell to individuals or large companies, your buyer is a human being too, with his or her own quirks, interests, and emotions. When they get to know you and your own ideas, expertise and passions, they'll be able to relate to you and be more comfortable doing business with you.



**just by applying this one rule you
can double your business**

I share information about my personal life on my web site and in my newsletter to help people understand a few things about me in addition to my marketing expertise. And it pays off.

If you're a regular subscriber to my newsletter, chances are you know at least one personal fact about Charlie Cook. You may know that I'm obsessed with skiing, that I spend much of my winter in Vermont, or that during the rest of the year I bike or kayak daily. And this helps you connect with me as a real person, rather than a contrived corporate image.

How can you build your personal brand?

Action Steps

Step 1

Define your personal brand:

- Who is your target audience?
- What are your areas of expertise?
- What do you do better or differently than your competitors?
- What personal characteristics do you want to be known for?

Step 2

Determine how you want prospects to see you as a person:

- What are your interests outside work? Sports? Hobbies? Charities?
- Do you have interesting stories about your past? About your family members? Your pets?
- How can you allow your target audience access into your personal life (up to a point, of course)?

Rule #4

Old-School Selling Is Dead

Most businesses are still using what I call the “pitch and get lucky” approach to sales. To illustrate just how unfortunate this tactic is, let me tell you about Jean, who used this strategy with, well, a different goal in mind.

One Friday evening in the summer of 1969, at age 16, I was in the passenger seat of a Jeep driving around Montreal with Jean as he went into his sales pitch. He’d pull up next to an attractive woman, ask them for a light and then politely ask them if they wanted to have sex.

I put up with Jean’s antics because I’d just spent the afternoon hitch hiking up from Vermont where I had a summer job as a carpenter’s apprentice. I’d spent a few hours wandering around the city and was dog-tired. I’d just met Jean and he’d offered to put me up for the night. I couldn’t wait to get to sleep but Jean had hopes.

Jean seemed harmless enough, though he redefined the term politically incorrect. After he got turned down a couple of times, I asked him, “Does that ever work?” Jean swore that if he asked enough women, he’d “get lucky”. Remember this was the late sixties, and people in Canada are incredibly nice, so maybe his approach paid off once in a while.

That night Jean tried his sales pitch on 8 or 10 women and then gave up. He had struck out. We went back to his house and I got to put my head down.

You may be offended by the above story. If you’re a man, hopefully you’ve never considered such an offensive way to “get lucky” (or at least you’d never admit it). But that’s exactly what

are you killing sales by pitching the old way?



most business owners still do — they indiscriminately try to “get lucky” by pitching everyone they can.

Pitching and peddling are a waste of time and annoy your prospects.

When I was a kid, the Fuller Brush man and the Electrolux vacuum salesman sold their products by going door to door, calling on every woman they could, and pitching their wares. They’d run through a rehearsed presentation and try to convince my mother that she needed another brush, mop, broom or the latest vacuum cleaner. At least some of the time, it worked.

40 years later, many salespeople are still practicing some variation of this same old-school sales method. Unfortunately, it keeps many busy from dawn to dusk, but doesn’t do much to help their sales numbers.

The typical salesperson spends 70% of their time trying to identify leads, tracking those leads down and trying to get a foot in the door — a whole lot of work for meager returns.

What’s more, new technology and standards have made the “pitch and peddle” sales approach harder and less effective than ever — spam filters, caller IDs, no-call lists, and other modern innovations make it easy for prospects to avoid “pushy” sales tactics.

Who would you buy from?

Your prospects don’t like being shouted at, interrupted, or harassed by salespeople any more than you or I do.

A tax accountant who makes cold calls, for example, is unlikely to get positive results. Most people don’t enjoyed being cold-called in the first place, and no one likes to think about filing tax returns. How is this accountant going to turn these into pleasant phone calls?

Instead, she could send a postcard offering a free report on the five biggest tax filing mistakes, how to avoid them and save yourself thousands of dollars every year. Which approach is going to get your interest and make you want to follow up?

The same is true online — prospects don’t appreciate being sold with overtly pushy sales messages in their inboxes, on Facebook, or any other online spaces they frequent.

are you busy selling or are you busy making sales?



If you continue to keep trying to sell the way you have been, using old-school “pushy” strategies, you’ll struggle to keep your business alive.

What’s the alternative?

One of the biggest mistakes people make in marketing their services is to simply PUSH information about their services (peddle their wares) and themselves out to prospects and hope that this will result in attracting prospects. Unless you are already a household name and in such demand that your phone is ringing off the hook, this approach rarely attracts the numbers of new clients you want.

An alternative to the typical push, peddle and hope approach to marketing is to ATTRACT prospects and then in the context of a growing relationship, provide them with useful information. Generate interest by focusing on what your potential clients want and the problems they need solved.

pull people in with your helpful ideas

What works in this economy to attract buyers?

Brian Tracy, one of my longtime marketing partners, isn’t a new kid on the block, but he understands new-school selling as well as any twenty-something Internet guru.

The screenshot shows the Brian Tracy International website. At the top, there's a navigation bar with links for Home, Books, CDs & MP3s, DVDs, Free Stuff, Blog, Business Growth Strategies, BT University, Speaking, and About. Below the navigation bar is a video player featuring Brian Tracy. To the right of the video player is a promotional banner for a free e-book titled "YOURS FREE GOALS! eBOOK" with the subtitle "HOW TO GET EVERYTHING YOU WANT -- FASTER THAN YOU EVER THOUGHT POSSIBLE". Below the video player is another banner for a "FREE BUSINESS PROFITABILITY ASSESSMENT" with the text "TAKE YOUR FREE BUSINESS PROFITABILITY ASSESSMENT" and "INCREASE YOUR SALES AND PROFITABILITY IMMEDIATELY!".

Brian knows that the best way to sell isn't to pitch and peddle, but first to attract potential customers with his ideas. Take a look at his website. He's got tons of content-driven videos, a handful of free reports and a selection of free newsletters. As prospects watch his videos, read his free reports, and keep coming back to articles, he becomes a trusted advisor to those with whom he wants to build relationships.

Brian understands that education and on-going communication are what builds a relationship and helps prospects become buyers. And as someone who deals with a lot of Brian Tracy's customers he sends my way, I can tell you Brian has some of the most loyal customers I've found anywhere. And his popularity and profits continue to grow.

What you need to know about selling in this economy:

You're Selling Yourself

People like to buy from other people. Whether you're selling a seminar, a book, a DVD set, legal services, investment advice or any other kind of service, ultimately it's your brand they're buying. They're buying your expertise, your credibility and your ideas and solutions.

One-Stop Selling Doesn't Get You Far

If you're looking for consistent, long-term profits, you need a marketing strategy that builds relationships. Every smart entrepreneur or business owner I've worked with is learning this. They know that real profits come not just from a quick sale, but from securing a customer for years to come.

Positioning is Everything

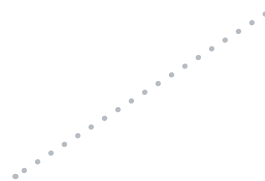
Your prospects will see you as you present yourself. If you think that pitching and peddling is your role, that's how they'll see you, too. If you want prospects to see you as a trusted advisor and a respected expert they can count on, then position yourself accordingly.

Trust Is Earned

Respect your prospects. They're smart people, and most apply a healthy skepticism to sales pitches. If you want them to trust you, you need to help them get to know you and demonstrate that you're someone who can help them solve their problems.

To earn prospects' trust, provide value. Share ideas, educate your prospects and give them plenty of reasons to have confidence in you, your products and your services.

**build the strength and number
of your relationships
and build competitive advantage**



The Internet Makes It Easy

Thanks to online communication, there are low-cost ways for you to share your ideas, attract prospects and build relationships. Websites, email, and social media make it easy for people to discover you and access your information 24/7.

New School vs. Old-School: 13 Key Differences

Old-School

- Primary goal is to contact the largest quantity of prospects.
- Focused on company and products.
- A product or service needs to be new and different, such as "New Coke" to sell and to dominate the market.
- Takes years to perfect product before launch. Development comes first, then marketing.
- Having a solid business plan is the foundation of a profitable business.
- It's about getting the message out to prospects.
- To sell, you need a compelling story, even if it's fiction
- Spends lots on advertising in hopes of attracting first time and repeat buyers.
- The more you spend, the more you'll make.
- Employs PR specialists to (hopefully) push the message into the news.
- Buys lists.
- Cold-calls lists of prospects, asking for appointments. If appointment is made, gives canned sales pitch to semi-interested prospects.
- Focus is on getting the immediate sale; on making the transaction.

New School

- More concerned with the quality of prospects than with the quantity of prospects.
- Focused on prospects' problems.
- Even if there are hundreds of other similar services, success depends on execution and on how well your product works.
- Beta launches products using customer feedback to perfect. Marketing and development are intertwined.
- Having an idea and getting out there and trying it is what counts.
- It's about starting a dialogue with prospects.
- To sell, the story must be both compelling and authentic.
- Uses websites and blogs to attract a target audience by providing valuable information.
- The more you teach, the more you'll make.
- Provides free content, and spreads the word through other bloggers, online networks.
- Uses a free offer to get qualified prospects to put them-; selves on your own list.
- Hosts pre-recorded teleseminars/webinars so interested prospects can listen in.
- Sells through building strong relationships via education and the power of automated follow-up.

How can you use New School techniques to grow your business?

Action Steps

Step 1: Identify your target market's concerns

Remember, people generally buy products and services to solve problems. What keeps your prospects up at night? Define the top emotional reasons people purchase your product.

For instance, if you're a house painter, you might discover that in a good economy, most people employ your services to spruce up their homes and impress the neighbors. But in a bad economy, you might find that more of them are hoping that a new paint job will help them sell the house. Pay attention and appeal to those concerns.

Step 2: Attract prospects with valuable information

What valuable secrets do you know about your industry that your potential prospects might like to learn prior to making a purchase?

Put these secrets together in a free report and give it away on your website or on other platforms. Ideas like "The 7 Biggest Mistakes First-Time Homebuyers Make," or "The 5 Classic Shipping Service Rip-Offs That Are Costing You Thousands."

Step 3: Position yourself as the go-to expert

Become a published author. A sure-fire way to achieve "instant expert" status is to author and publish a book demonstrating your expertise. Fortunately, self-publishing and print-on-demand have become very affordable in recent years. Practically ANYONE can afford to author a book and get it listed on Amazon.com, giving you an instant advantage over your competitors.

Step 4: Build relationships

Create raving fans of potential clients by offering free articles, instructional videos, webinars, or teleseminars that highlight your knowledge and expertise.

Step 5: Manipulate supply and demand to increase sales

Consultants: Limit your hours of availability by dictating the times that you make available to clients — not the other way around. "Mr. Jones has 30 minutes available starting at 1:45pm on Tuesday the 2nd. He's not available again until the 21st. Shall I mark you down for the 2nd?"

Retailers: Create a membership or loyalty club program with special members-only perks. “Diamond-Plus Members get 2-hour head-start privileges on all sale events, and can attend our annual Christmas and 4th of July Diamond Member events”.

Service Providers: Create a limited-availability membership program to gain greater access to services. “From now until November 30, only 17 clients will be accepted to join our Massage-Lovers Club, where they will get front-of-the-line preference for appointment times and up to 2 massages per week for one flat rate”.

Step 6: Leverage the Internet

Use technology to make better use of your time, and follow up with prospects automatically. Create a series of follow-up email messages to be sent to interested prospects and add them to an email autoresponder program.

Rule #5

Small Bumps Result In Big Profits

Almost every entrepreneur or small business I talk to tells me their biggest problem is they don't have enough clients. And they want to know how to attract more new clients.

Big mistake! Attracting new clients takes the most effort time and money. And in most cases your existing clients represent a goldmine waiting to be tapped.

What Happened

My wife and I enjoy eating out, particularly when we're vacationing in Vermont. One chilly winter night we tried out a restaurant that had recently changed management. There were only three couples ahead of us, but the wait was over 30 minutes.

By the time we sat down, we were so hungry that we skipped over the first course and ordered our entrées. They were great, but the business had already missed a sales opportunity. Next, I would have liked a dessert, but after trying to flag a waitress down for another 15 minutes, I gave up and got the check. Our total bill was \$39.

I didn't necessarily mind the wait, but I couldn't believe their apparent lack of interest in selling me anything. Particularly when we had come there with the intention of buying!

What should have happened:

I didn't mind waiting for dinner all that much. I figured since they were crowded, the food must be good and worth the wait — and so it was. But what irked me was their apparent LACK of interest in selling me anything else! Like most people, I actually WANT TO BUY.



- While we were standing in line, no one asked, “Can I get you a drink while you wait?” Sales lost: \$15 to \$20.
- When we were seated, no one asked, “Would you like to try an appetizer, salad or soup to start?” Sales lost: \$7 to \$20.
- When finished our entrées, no one asked, “Can I interest you in a dessert tonight?” Sales lost: \$7.50 to \$15.

We’re hardly extravagant diners, but it’s not uncommon to pay close to \$100 for a good meal. In this case, the restaurant could have more than doubled their profits with a bit of smart selling.

Most savvy restaurant owners know better. Restaurants that just sell entrées barely break even. The more successful ones do their best to sell you as much food and drink as will allow you to leave on your own two feet. It’s these additional items — the bumps — where the profits are made.

Most businesses can profit the same way. And it’s much easier to bump up an existing client to a larger, more costly purchase than to attract a new one.

A real business offers more than one product.

Just as a restaurant offering only one item would be shooting itself in the foot (imagine McDonalds selling just cheeseburgers - no fries, no coke, and no yummy apple pie desserts), your business won’t be viable without a system for bumping clients up to more services, more products or more expensive products.

If you only have one product and you don’t have a system for bumping clients up to more services, more products or more expensive products, you don’t have a business — you have a hobby.

Here’s what you should know if you want to have a viable, profitable business:

- Don’t focus on selling just one primary front-end product. The money is in the back-end sale.
- It’s many times easier to sell to someone who has already decided to make a purchase from you or has bought from you in the past.



people like to buy – help them get what they want

- The biggest profits can be made from repeat buyers (usually the most neglected target market in any business).
- Give your buyers more chances to buy and they'll spend more.
- You'll make 5 to 10 times more if you offer a range of complementary services and products with a clear price progression.

Mining your gold: sell more to clients you already have.

Getting clients to know and trust you is the hard part. Once that's over, all you need to do is help them see how you can give them MORE of what they want. That's where these "back end bumps" come in.

There are three powerful, proven back-end bumps that virtually any business can use to bring in new revenue from existing clients; cross-selling, up-selling and repeat sales.

Cross-sell to increase profits by 30%.

"Do you want fries with that?" That single question, which adds just \$1 to each order, brings in millions of dollars in profit for McDonalds each year.

I bought my sailboat, a trimaran, from a dealer who knows the power of cross-selling. He gave me a great deal — but I then needed to buy sails, an outboard motor, a trailer and a whole host of other gear. No single item was too costly, but by the time I had everything I needed, I'd spent at least 50% more than the original purchase, and he'd pulled in a healthy profit.

You've probably been cross-sold too. Have you ever bought a digital camera? You may have picked one out that's reasonably affordable - say \$150, but after adding in the spare battery, memory card, and case, you ended up spending \$200. And most of us have taken a car in to get an oil change, but ended up getting a muffler or another part repaired as well.

Why does this simple strategy work so incredibly well?

Most people hardly hesitate in situations like this. They're already there (whether "there" is an auto shop, an online store, or a restaurant) to buy something, so buying more is an easy next step. Once a prospect has made the decision to make a purchase, he or she is in "buying mode." They've got their wallet out and are looking to solve a problem or satisfy a need.



small sales add up to big profits

You can— and should— make use of bumps to make more from each client. Offer your prospects a related product or service when they make a purchase. When you offer them a better or more complete solution, about 30% will seize the opportunity each time.

But here's the stunner. Almost 90% of businesses don't use this simple strategy. If your business brings in \$100,000 a year, you could be losing \$30,000 in revenue. If you made \$1.5 million last year, you could have made \$500,000 more.

Where are the cross-sell opportunities in your business?

Action Steps

Step 1

Identify where your customer goes **before** he or she buys your product or service and offer complimentary products and services your customer is likely to buy anyway.

For example, let's say your primary service is web design. Before a customer comes to you, they probably need to have a web domain registered and a logo created. So consider offering logo creation and domain registration as part of your list of services.

Step 2

Find out where customers go or what they need **after** they buy your product or sign up for your service. Using the website business example, for instance, once you have created a website for a customer, they may need to find hosting, an e-commerce platform, or an email marketing service. They're going to get these services somewhere — why not get them from you?

Your expertise may not extend into these related areas, but you can easily find and partner with good providers who do offer these services. Point your clients to a partner in exchange for a commission, or work with the provider yourself on behalf of the client and mark up the services.

Up-sell to increase profits by 28%.

If adding fries to an order is a great cross-sell, McDonald's famous "Would you like to Supersize that?" offer is a classic example of an up-sell (although one that McDonald's no longer uses, due to complaints the practice was supersizing their customers). Simply asking

people if they want a greater quantity of what they've already decided to buy is a smart sales move.

Why? Because every customer is different. Some fast-food customers are big eaters, and some aren't. Some housing contractors are extra-cautious, and might be happier to have 1.5 times the cement they need for the job, just in case. And some clothes-shoppers may realize that an extra pair of jeans couldn't hurt, after all.

But you can up-sell a customer on more than just the size of a purchase — the quality of a product can be up-sold as well.

For example, when a customer orders a Margarita, the bartender might ask something like this: "Would you like that with our house tequila, or with Cuervo 1800?" While it probably hadn't occurred to the customer beforehand, given the option, many will go with the higher quality, pricier brand. For many, the offer of a "premium" product makes their initial choice seem inferior.

But it's not just because the pricier may work better or taste better — it offers prestige. Even someone indifferent to taste may opt for the top shelf liquor to impress his companions. Some people, often affluent people or those who would like to project an image of being affluent, will always buy what they perceive to be the "best" version of everything. And you'd be foolish not to give it to them (and put a lot more PROFIT in your pocket with little additional work).

Bundling

Bundling or packaging is a form of upselling in which you can offer the desired item in a package of complementary products for a greater overall value. If you're at Best Buy looking at a new HDTV, for example, the sales rep might point out that you can get that same HDTV as part of a "Home Theater Deluxe Package," including a surround sound system, entertainment center, and extended warranty for only \$3000. It's \$3900 if purchased separately— and you save \$900.

In this case, you may have had no intention of spending more than \$2000 on a new HDTV. But when the bundle is presented to you as a bargain, spending \$1000 more than you originally planned can suddenly seem like the obvious choice.



up-sell on quantity or quality

Where are the up-sell opportunities in Your business?

Action Steps

The easiest way to upsell buyers is to create a logical path for prospects and lead them down the path.

Step 1

If they are ready to buy Product A, make the more expensive Product B have a greater perceived value and a better deal. One scoop of ice cream for \$1, 3 scoops for \$2 if they act right away. Or, instead of the basic Ford Focus, if they buy a fully-loaded Taurus, you'll throw in a set of snow tires for free.

Step 2

Create premium versions of your products or services. Add a one-hour consultation or a free service. When I bought my Audi wagon, I got free tuneups for the first 50,000 miles.

Step 3

Bundle your products or services with complementary items to create an irresistible offer. When my mentoring clients sign up with me, they get unlimited access to thousands of dollars of my manuals, lifetime access to my member site and I ship them an expert interview on CD each month.

Repeat sales can increase profits by 22%.

Sitting on my desk right now is a little postcard from my dentist reminding me to schedule my next appointment for my regular teeth-cleaning. I don't know about you, but if left to my own devices I'd probably get my teeth cleaned at most once a year. Members of my family have put off this chore for years.

But instead of making just \$125 each year from my teeth, my dentist pulls in three times that from each of his patients. Because he regularly sends out these postcards, effectively increasing his profits by 300%.

Repeat Sales of the Same Product or Service

What my dentist is doing is trying to do is prompt me, his existing client, to buy the same

product more often. He's tapping into his client base to look for more frequent business. Like my dentist, if you provide a product or service people need regularly, you can sell it again and again. Do so more often, and you could instantly boost your profits by 7% to 22%.

Selling Different Products to the Same Customers

Once someone has bought one of your products or services, it's much easier to sell them another product — even if the original purchase was years ago.

For example, my wife and I bought our dishwasher seven years ago, but I still remember we got a deal on it, and I know that it still works well. So where did I go when my son needed an air conditioner for his first Brooklyn apartment? Back to the same appliance store.

If you met a customer's needs with the first sale, you've already established a degree of loyalty. All you need to do is transform this existing loyalty into more sales. Easy, right?

Here's the shocker; very few small business owners have any kind of follow-up system. Some people send out postcards periodically, but most are lacking a systematic way to get their best customers to buy more often. Make sure you're taking action to seize this low-hanging fruit.

Where are the repeat sales opportunities in your business?

Action Steps

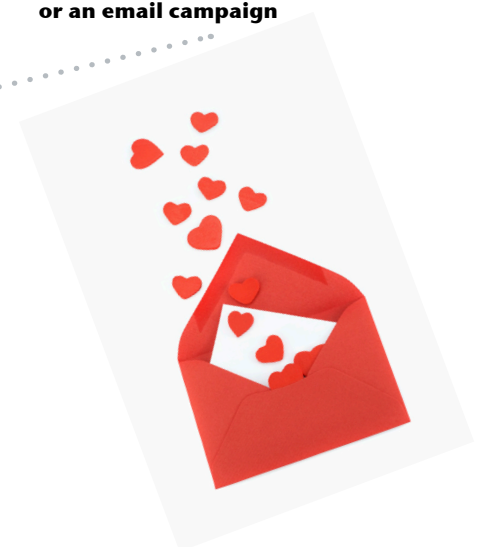
Step 1

Develop a simple 12-month reminder postcard campaign. For theme ideas, think of various holidays and seasons throughout the year and tie those into your postcard (Valentine's Day, Spring Cleaning, April Fool's Day, Mother's and Father's Days, graduations, etc.).

Step 2

What products or services do you sell that your clients may not know about, or haven't considered purchasing from you in the past? Create a marketing campaign containing a great offer on that product or service and promote it to your clients.

or an email campaign



Rule #6

Marketing Partners Make You Rich



We're all aware of a handful of overnight success stories involving online businesses — YouTube's sale to Google for \$1.65 billion after only 2 years in existence, for example, or the meteoric rise of Facebook — from creator Mark Zuckerberg hacking into Harvard's computer network to copy student ID images in 2003, to its status as one of the world's most popular social networks, with a valuation of \$9.5 billion, in 2009.

But success doesn't come quite that quickly for most online business. Over a period of years, I've grown my business, slowly but surely, through testing and tracking various marketing strategies. Some ads or marketing campaigns would bump sales by 5%-10% or more, and some wouldn't have any impact at all. It wasn't glamorous. It was hard work, but eventually my persistence began to pay off and my site began generating a good monthly income.

So for years, I thought that this slow-and-steady route was the only way I could grow my business. But thankfully, I proved myself wrong! A few years ago, I signed on a handful of super-affiliates (partners) to promote my products to the huge lists of opt-in email subscribers they communicated with on a regular basis. The result?

In 90 days my sales **DOUBLED**. All that time and money I spent getting traffic to my site, testing and tweaking to convert that traffic to paying clients — it took me **YEARS** to double my sales while working on my own. But I doubled sales again in three months, by developing a few key relationships. My business (and my life) changed completely!

**double your business in months
instead of years**

How can you multiply your sales virtually overnight?

Joint Ventures (JVs) are a way to explode your sales by leveraging someone else's center of influence. However, most entrepreneurs are either utterly unfamiliar with the concept, or don't see how it applies to their business.

For some reason, most entrepreneurs and business owners are stuck in a "go it alone" mindset. They believe that the only way to grow is by the sweat of their own brows and money out of their own pockets. So they place ads, build traffic to websites or physical locations, and close sales one new client at a time.

JVs not only offer a much FASTER way to grow, they make it much EASIER to grow. How?

Here's a sample scenario:

You've created a new DVD revealing "A New Putting Method That Will Cut 5 Strokes Off Your Golf Game in 7 Days or Less – Guaranteed." To market the product, you might contact a list broker who will gladly rent you a list of, say, 20,000 golf enthusiasts. You could send them a direct mail package, and you'll likely make some sales.

But your chances of doing any better than breaking even aren't good. Because direct mailing to a list of cold leads is a very tough game.

But imagine that you meet a Golf Training Guru by the name of Bob. Bob's been building an email list of 20,000 golf enthusiasts for over 7 years. These are readers who've signed up to receive the advice Bob sends out weekly and have come to respect him.

Bob agrees to watch your video and put your new putting method to the test. When he discovers that your product really works, he agrees to write a shining review of your DVD and send it to his list of 20,000 in exchange for a percentage of the sales.

Which do you think would bring you more new customers? Which do you think would bring you more sales FASTER? That's right – Bob's list will win EVERY time. Because Bob has a RELATIONSHIP with his list – and his endorsement of your product is worth more than countless cold-calls. You're no longer a stranger promoting an unknown product — you've got the backing of someone whose ideas your targets respect.



**your JV partners' endorsement
will help you sell more; their
customers already trust them**

You can do joint ventures on a local basis.

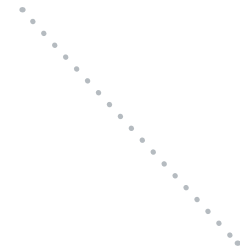
Okay, but you have a local bricks-and-mortar business. How does this JV strategy apply to you? With a little creativity, anyone could employ this simple strategy to make huge sales with at little or no cost.

How? Here are a few simple examples.

A local athletic trainer can easily partner with someone who provides a related service, such as sports massage or nutrition counseling. If the two businesses simply exchange referrals, both could double their clientele at no cost. An accountant, in turn, could partner with a tax lawyer, giving clients access to the full range of services they need.

There are untold opportunities for small businesses to invent creative partner programs. Let's say you own a day spa and hair salon. You might try partnering with a local fitness center to promote a "Total Beauty Transformation Contest." Participants are given a chance to transform their bodies over a 12-week period at the gym, then each is given a new hairstyle and makeover at your spa. The transformation results are posted online, and the "most improved" contestant could be named by judges or online voting. Thus your spa and the fitness center alike receive massive exposure to the other's customer base, practically for free.

Joint Ventures can bring you a huge number of new prospects, clients and sales in a very short time. You may have to pay your partners (sometimes as much as 35%), but ultimately, your return is likely to be much greater than that of any other marketing method.



**more joint ventures= more clients=
more profits**

How can you grow your business with joint ventures?

Action Steps

Step 1

Identify non-competing businesses that would likely be good sources for potential joint venture partners. Choose businesses that complement, but don't replace, your services. For instance, if you own a health food store, your list might include local nutritionists, chiropractors, fitness centers, day spas, and weight loss centers. Ask around to see if anyone you know has a connection at these businesses and can introduce you. If not, approach them directly.

Step 2

When you find a willing JV partner, have them distribute an email or direct mail letter to their customers with an informative article explaining how your product or service met a client's (or their own) needs, along with a special offer just for their customers.

Rule #7

The Less You Do, The More You'll Make

Almost universally, small business owners struggle with the same problem – one that I myself and nearly every client I work with has experienced. We overwork ourselves, but still find our businesses struggling.

A few years ago, I stepped back and took a look at my business. By all accounts it was a success. I had a fast-growing website, increasing book sales, and a handful of good clients. But there was just too much that had to be done to keep the business growing. It wasn't the picture of success I had imagined.

The problem was, I was wearing too many hats. I was writing copy, coaching clients, designing my website, doing SEO, fulfilling orders, setting up email broadcasts, keeping the books ... you get the idea. I was overwhelmed.

And I bet this sounds familiar.

It happens to every entrepreneur and small business owner. It's the nature of growing your own business from scratch. You start out doing everything yourself, and as the business grows, it stays that way. Because we worry that no one else can perform these tasks as well as we can.

Are you up to your eyeballs in work? Are you spending all day, every day on marketing, administration and fulfillment? Chances are, you're wearing a few too many hats, and it's time to relinquish most of them.



delegate more to achieve more

I'm reminded of an article I read in the business section of The New York Times some years ago about the work habits of managers. Although the story is pre-laptop, the lesson still applies.

An industrial psychologist shadowed a busy executive at work for two days. Each night this executive left his office late, carrying two briefcases stuffed full of paperwork he intended to finish at home. Early each morning he returned to the office with the same two briefcases — unopened.

During the 10 or 12 hours the executive was at the office, he worked like a dog, constantly on the phone and checking on his staff. But no matter how hard he worked, he never got to the papers in his briefcases. In a manner of speaking, he was running on a treadmill.

When the industrial psychologist analyzed this executive's daily routine in detail, he found that over 80% of the tasks that were keeping the executive so busy during each day could have been done, and possibly done better, by a subordinate.

This is true among managers in big corporations as well. Highly paid managers spend over 30% of their time doing clerical activities. Among small business owners, that number is at least 50% and for most, closer to 75%.

Are you spending valuable time each day doing work that could be better delegated to an employee or outside contractor?

Are you focused on the day-to-day grind — or on growing your business?

You can be the business or you can run your business, but not both. Especially as your business expands.

I'm sure you've realized this at one point or another, but it can be difficult to let go of the details or to relinquish control over any process. One of the reasons we entrepreneurs started our businesses is so we could be in control, after all. Or maybe you're worried about how much it will cost. I had these same concerns until I got a whack on the side of my head from my wife. She didn't actually hit me, but what she said had the desired effect.

One October weekend we were in Vermont enjoying the fall foliage, and I mentioned my

**time itself isn't the problem — it's
what you do with it**

frustration at not being able to get more skiing in each winter. I don't mind working hard and I want my work to be challenging, but I like to balance it out by playing hard, too. I enjoy — and need to — get out of the office into the outdoors. It had always been my goal to get in 30 or more days of skiing each winter, rather than the handful I was getting.

But I was working too hard and putting in way too many hours. My wife asked me, “Whose fault is THAT?”

As usual, she was right on the money. My business had been growing fast, but so had my personal to-do list. I had fallen into the same trap as many entrepreneurs — I'd become a slave to my business. I realized that if I was ever going to free myself, there were LOTS of tasks I had gotten used to doing myself that needed to be outsourced.

How much is your time worth? \$50 an hour? \$150? \$1500? More? As long as you continue to spend your time on tasks that someone else could do for \$20 to \$30 an hour, you'll be limiting the profit potential of your business.

If, like the average small business owner, you spend 75% of your time on administrative, clerical and operational tasks, you're only earning money 10 hours out of a 40-hour week. Even if you pull in \$400 an hour, you'll be hard-pressed to make more than a hundred thousand dollars a year. Leverage outsourcing and you could easily triple your income.

No one can succeed in a big way by themselves.

Most small business owners, as well as corporate managers, have a hard time delegating substantial work after years of being in control of every aspect of their business. But take it from me; the assistants I hired were instantly faster and better at doing things like web work and fulfillment tasks than I was.

The truth is, nobody has EVER succeeded in a BIG way without getting all sorts of help. I'm sure Bill Gates never saw himself being a “one man show”, personally writing the code for Microsoft Windows, packaging the product, doing all the marketing and customer support himself. And if you want your business to grow, you'll want to shed the tasks that others can do as soon as possible.

I resolved to outsource any activity in my business that wouldn't pay me my desired hourly rate. Eight months later, my sales had DOUBLED! What was equally gratifying was that I achieved my real goal. I found that I finally had the time to do what I really love to do: SKI! In fact, every other week during ski season, I'm able to get out on the slopes every morning, before heading back inside to work.

Money is a renewable resource. Your time is not. You can always make more money next month or next year. But there's only so much time in each week, each year, and in your life. It's up to you to take control of it, and spend it wisely on the things that only you can do.

How to delegate and grow your business

Action Steps

Step 1

Make a simple 3-column spreadsheet to help you determine how to focus your time and outsource and delegate tasks to others:

- In the first column, list all the things you could outsource or teach someone else to do.
- In the second column, list the areas where you could use some expert advice, such as legal, accounting and marketing
- In the third column, list the tasks **only you** are capable of doing

Step 2

Delegate everything in the first column to a freelancer (pay per project), a Virtual Assistant (pay in chunks of time to perform multiple tasks), or consider hiring a part-time or fulltime employee.

Step 3

For the areas listed in the 2nd column, find experts who can shortcut your learning curve and show you the fastest way to success. Do some research on your own and ask business colleagues for referrals to firms or individuals they trust.

Step 4

Begin focusing single-mindedly on the high-profit activities listed in the 3rd column. These should be tasks that you enjoy and that pay a high premium for your expertise.

You'll be amazed how much time you can free up to focus on the key activities that will grow your profits, and on enjoying the things you love.

Remember Kris?

Remember Kris Shaw, the video production company owner I introduced at the beginning of this book? When the old profit rules collapsed, Kris found himself unprepared and was forced to lay off all his employees. He almost didn't make it.

But he DID make it! Using Rule #5 as his guide, Kris enlisted some of his best clients as marketing partners and generated 30 new clients in just 6 weeks. By taking quick, decisive action, Kris brought his business from the brink of collapse at the end of 2007, and made 2008 his best year ever. Which brings me to the next rule...

Rule #8

The Speed of Implementation Determines Success



In the New Economy, your success no longer depends on MUCH you know or how long you've been in business. It's not uncommon to see 30-year old companies go out of business overnight — and see new companies go from zero revenue to BILLIONS in a few years.

The key to success in the New Economy is SPEED of Implementation — how FAST you learn and how FAST you put that information to use.

Lee Iacocca became president of the near-bankrupt Chrysler Corporation in 1978 with an ambitious recovery plan. Had he approached Chrysler's problems sequentially – making cuts in operations, then making changes in marketing, next making improvements in product lines - the company would have been belly up long before his full plan went into effect.

Instead, Iacocca took on every problem at once; firing inept management and replacing with his own trusted team, putting two new untested products on the road at once, offering a new, better warranty without possibly knowing what the future cost could be to the company, even placing himself in the company's commercials as pitchman.

Iacocca's understanding of the critical need for speed is exemplified in one classic story. In 1981, no major American car manufacturer had built a convertible car for five years. Sensing an opportunity, Iacocca asked his lead engineer how long it would take to make a convertible for him to test a new convertible. The answer? Three years.

how quickly can you get a new business idea up to speed?

Iacocca didn't understand why it should take so long. It would take him 4 hours to take a chainsaw to a sedan and end up with a convertible, he said. Within a few days, Iacocca had a freshly-topless car to drive around to see if women would stare at him (his key indicator). They did, and the LeBaron convertible was born. It was a huge success, selling 21,000 units over projection in the first year.

What Is Speed of Implementation?

It's the time between the moment you learn of a new idea, or come up with one of your own, and when you put it into action. The most successful people minimize the time between learning something new and trying it out for themselves.

Successful people don't suffer from paralysis by analysis. They know that there isn't time to make sure every idea will work or what every ramification will be. Most of all, they don't fear failure, because they know that they won't learn anything if they never try anything.

Successful people use a **ready, fire, aim** approach.

Many of the ideas they try don't work. They may make more mistakes than their competitors. But they make them faster, learn from them faster, and as a result have more successes in business and in life. The more mistakes you make – as long as you don't repeat them – the closer you'll be to getting it right.

From backward to forward

One of the smartest people I know is a doctor who recently retired and made plans with his wife to spend several weeks in August cruising the coast of Maine. In preparation, the doctor put a lot of work into readying and refurbishing their 36-foot sailboat.

As soon as they'd launched the boat, though, he discovered he'd made a mistake. A big one. When he shifted the motor into reverse, the engine pushed the boat forward and when he shifted it into forward, the boat went backwards. You get the idea.

He could have lived with the mistake for a while, just reversing to move forward, and vice versa. Or he could have fiddled with the engine himself, possibly doing more damage. Instead, he admitted his mistake immediately and tried to learn from it.

Within a day he arranged to have the boat hauled and made a point of being there when the repair was made. He wanted the mechanic to show him exactly what he'd done wrong, and how to avoid making the same mistake the next time around. Then he set off with his wife for a month of summer sailing.

And that's what winners do. They don't hide or ignore mistakes or missteps. They acknowledge them, even celebrate what they learned from the situation, and move on. Anyone can use this simple, no-cost profit rule to continually get smarter and make more money.

Over the last few decades I've seen hundreds of people double or triple their profits within months, but I've also seen a handful never get where they want to go.

I'm sure you've seen it, too. Two smart colleagues or friends who end up in very different positions — one as a CEO pulling in a huge salary with generous stock options, the other struggling to make ends meet. Because one took chances and got his ideas in motion, while the other moved too slowly, or didn't move at all.

But success isn't just about a willingness to make mistakes. Success requires you to be quicker to learn and adjust your plans in order to reach your goals. The difference is what I call the speed of course correction.

The speed of course correction

Picture a canoe race across a lake. The competitors all have identical strength and paddling experience, and started at precisely the same time. Obviously, they'll finish simultaneously.

But nature, like life, tends to throw a curveball here and there; a cross-breeze picks up and begins to push all the canoes sideways. Who will win now?

The winner will be the team that notices the change in conditions and adjusts its course the quickest. They'll win by being the first to identify the new, most direct route to their destination.

Everyone wants a straight path to success, but obstacles get in the way; competitors, recessions, marketing that doesn't get a response, the shifting interests of your clients; the list is endless if you see it that way.



winners are quick to respond to changing conditions, dodge obstacles and change course

The business people who end up on top are those who are quick to acknowledge that their strategy is off course. Time after time, they will make the changes necessary to reach their goals.

What's the fastest way for you to stay in the winner's lane?

Winners recognize mistakes and seize new marketing ideas. They put them to the test, track the results and continually fine-tune the ways they market and manage their businesses. The clients I work with who doubled their income last year are the ones who jumped on the ideas I gave them and put them into practice.

How can you increase your Speed of Implementation?

Action Steps

Step 1

Seek out new ideas. Create a system for regularly collecting new ideas from your customers, your suppliers and your staff. Use the ideas detailed in Rule #2.

Step 2

Be ready to change course. Again and again I hear the same things from small business owners struggling with their marketing:

“I don't think that idea would work for me.”

“I know that already.”

“I can't find anyone to help me.”

“I just want someone to hand me a blueprint.”

These are excuses to keep doing the same thing, even if it isn't working.

Each month, pick at least one new idea, whether it's a new product or something as simple as an alternative landing page design for your website, and test it. Track the results and keep the best.

Step 3

Learn to love mistakes. My first website in the mid '90s cost me \$35,000 to build, and was more or less a flop. It barely made any money. I could have thrown up my hands and decided

that the Internet was a total waste of time. Instead I chose to get the most I could out of my \$35,000 flop.

I took it as a challenge to discover which mistakes I'd made and what to do differently the next time around. A year later, I sold my second website for just under a million dollars. I learned all I could from my mistakes and turned that knowledge into a big success. You can do the same.

Step 4

Acknowledge mistakes right away. One client, a specialty clothing retailer, told me he'd spent \$7,000 on Yellow Page ads, and seen no new customers. When I asked him what he planned to try the next month, he said... signing up with the Yellow Pages again. What's wrong with this picture?

If you're not getting the results you want from your marketing, admit that your current strategy needs to be adjusted, if not totally replaced. Let go of the tactics that aren't working and make room for new, more effective ones.

"If you don't make mistakes, if you don't have failures you'll never learn... too often I find people, they make a mistake, they don't take the lessons from that and they make it again and again. So spend the time to figure out what you can learn from it so you don't ever repeat it."
- Indra Nooyi, CEO, Pepsico

You can be a winner, too. Your business goals are within reach. To achieve them, be willing to make mistakes; admit them; learn from them and quickly take corrective action.

Now It's Your Turn

Take action on AT LEAST one rule in this book right now. Because chances are good that if you don't do anything with this information within 24 hours, you won't do anything at all.

My Secret Formula for Success

Almost ten years ago I published my “7 Steps” report, and since then I’ve been considered one of the top go-to experts on small business marketing. I had no idea at the time that publishing the initial 25-page report would:

- Attract tens of thousands of prospects, and encourage thousands of ambitious entrepreneurs and small business owners to depend on my weekly marketing tips, my site, and my how-to guides
- Create an unbeatable competitive advantage over other so-called marketing gurus, and enable me to build my business at a faster rate than I ever thought possible, without spending a dime on advertising

I want to share some of this success with you. The truth is, I don’t claim to be a genius, and I try to avoid working anywhere near as hard as some business owners do but I do have a formula for success that works. It’s a secret that I’ve developed over the course of my career, and it has helped me attract clients and sales faster than most.

It’s about having the tools that give you an advantage over your competitors.

Let me explain: Remember that I spent my high school summers as a carpenter’s apprentice? Well, I showed up for work on the first day empty-handed, and was quickly told that I’d need a few basic tools - a hammer, a tape measure, and a pry bar – in order to get anything done. Naturally, with just the bare minimum of tools I was low on the totem pole, and I noticed something about the master carpenters I worked with.

They had a lot more tools than I did. They had pickup trucks full of top quality tools. If I wanted to become a master carpenter or even just graduate from grunt work, I needed more tools.

It really is as simple as that, regardless of your business. In order to succeed, you need the right tools. Without them you'll always be limited.

Over the last two decades I've been collecting and sharpening the marketing tools at my disposal. I have toolboxes full of marketing secrets, tools that give me a huge advantage over other marketers. I have online and offline lead generation tools, tools for maximizing email sales, and tools for maximizing phone sales. I've even got tools for writing your own viral ebook.

And I've never shared these marketing tools, my full set of marketing secrets, with anyone other than clients who hire me for personal one-on-one coaching. But those clients have used them to turn their efforts into new profits and more money in the bank, in some cases pulling in millions more.

I've never shared them, that is, until now.

The **New Profit Rules** I've detailed in this report is your master plan for prospering in the new economy in the decade to come. In the last 50 pages I've shared the 8 most essential and revolutionary ideas that you need to put into action now if you're at all serious about being successful this year.

I hope I've convinced you that the key to success, to making it big, no matter what you sell is in taking action right away, trying out proven marketing ideas, and continuing to improve your marketing. Put simply, in this economy and this decade, market leadership and profits will go to those savvy people who apply the right marketing strategies and tools.

If the ideas I've shared in this document make sense to you, then it's time for you to take action NOW and get access to my full collection of marketing secrets, which I'm sharing for the first time ever, in my **Insiders' Club**.

Introducing a No-Nonsense, Practical and Proven Resource to Help You Attract More Clients, Close More Sales and Make Bigger Profits, No Matter What You Sell

My staff and I have spent over a year putting together this marketing toolbox - and it's ready for ambitious business owners who are tired of being overwhelmed, making mistakes, and ready to take simple shortcuts to success.

We've built this resource for people who want to:

Save Money: Use the simple tactics and strategies you'll discover inside to get better results from your marketing in less time. Improve your strategy, whether it involves direct mail or online ads, so that you can spend less and make more.

Save Time: Get no-nonsense tips and strategies, minus the hype, all at your fingertips whenever you need them.

Stay Current: You'll have the latest information on what works and what to avoid wasting time on, so you can steer your business easily and safely. Each month, in addition to 24/7 online access, you'll receive a CD with the latest ideas from a top marketing expert along with a detailed recipe for putting these ideas to use in your business.

Beat Your Competition: The fastest way to beat your competitors is to know how to use the right money-making tactics, and to put them to use before they do. Inside you'll find hundreds of ways to beat your competition and dominate your market.

Get Your Questions Answered: Just ask any questions you have and get them answered in the monthly webinars. Like having your own personal success coach.

And too much more to list here.

I know the top experts in advertising, copywriting, public relations, social media, and in web marketing. And I've persuaded them to share their top ideas with you in my **Insiders' Club**, too. Whether you are just starting out or have been in business for decades, you'll discover ways to dramatically increase your sales and profits here.

Five simple reasons why you'll profit by joining

Reason #1: It's easy to get started IMMEDIATELY. You'll have instant access to the fastest ways to increase your profits, as I'll show you inside...

Reason #2: There's no need to reinvent the wheel when it comes to your marketing. You just need to follow the simple steps I've detailed for each topic, from attracting clients to maximizing profit margins.

Reason #3: You can stop wasting your time sorting through endless pitches by so-called marketing consultants and experts, or signing up for multiple niche membership programs.

Reason #4: Stop experimenting with "flavor of the month" fad profit strategies and focus on the real, easy ways to make more money online and off. My team of experts and I will tell you which strategies to avoid and which to plug in and use.

Reason #5: It's like hiring a team of the top marketers in the worldwide and having them at your beck and call 24/7.

What you get by joining:

Online access restricted to members only to show you everything you need to know to master marketing - How to attract more qualified buyers, how to make them eager to buy, and how to close the sale, online or off.

A CD and newsletter sent to you each month. 12 times a year, I get one of the top marketers alive to reveal their top money-making ideas.

Exclusive call-in hours. Have a question about your situation or how to apply a particular tactic or idea? Each month you can ask me your most pressing questions and get the answers during the member-only webinar.

Get started before your competition does. Join at: www.marketingforsuccess.com/members

Are you a High Achiever?

Want the ultimate shortcut to reach your goals and skyrocket your sales? Get one-on-one coaching and put your marketing and your business on track to unprecedented success. Plus, if you stick with it for six months or more, you'll receive a lifetime membership to the Insiders' Club.

I'll show you:

- How to focus your business to maximize your sales and income in the shortest time possible
- FREE and low-cost ways to market your business to explode profits
- Core marketing activities proven to attract a flood of prospects and profits!
- The fastest ways to get leads and sales pouring in
- The secret to attracting your ideal clients (the ones who pay well and are fun to work with)
- The easy, practically-free way to get maximum visibility and almost guarantee people remember you
- The surefire way to open a sales conversation and get the prospect to sell themselves on your products and services
- How to set up your marketing funnel to maximize sales and profits from each client
- The secret to putting your business ahead of the competition by creating unbreakable bonds with prospects and clients
- How to manage your business to keep your marketing and profits on track

Interested in taking the fast lane to increased profits and success? Get the details here:

www.marketingforsuccess.com/mentoring.html

Time to take action!

Tell Me What You Think

What do you think of this ebook and **The New Profit Rules**? I hope that you found it interesting and valuable, and at the very minimum, that it's made you think about your business in a constructive way.

If you found this helpful, you can repay me in part at no cost: Each time I spend months putting together a free report, a business manifesto like this one, people like you introduce me to their peers by telling them about it. So, if you like what you've read, I have three requests.

1. Use this link to tell a friend. It makes it easy for you to help spread the word and help your friends too. Click here right now: www.marketingforsuccess.com/tellafriend. You'll automatically be enrolled in a monthly drawing for a free copy of my most popular course, *15 Second Marketing*.

2. Go to my blog and leave a comment. Tell me what you think of the New Profit Rules, and what else you'd like me to share with you this month to help you grow your business. Add your comments at www.marketingforsuccess.com/blog/new-profit-rules and I'll send you a special surprise gift.

3. Join the Insiders' Club and get the all the help you need to grow your business:
www.marketingforsuccess.com/members

Thanks for your interest, and be sure to check your email for additional money-making strategies and ideas that I'll be sharing with you in the next few weeks to help grow your business.

A final word: act now!

If you don't do something with this information within 24 hours, it's likely you will NEVER do anything with it. Remember Rule #8?

Take action and become a member of the *Insiders' Club* today to get all the tools you need to grow your business. Join at:
www.marketingforsuccess.com/members.html

Get the complete set of *Insider Secrets* marketing tools by Charlie Cook and see your business grow.

1. Getting More Buyers Contacting You

Discover the fastest way to grab your prospects' attention, maximize response, attract more clients, and make more money. You can instantly double the pulling power of any ad, web site or sales letter with this technique.

www.15secondmarketing.com

2. Attracting More and Better Customers

Ready to stop struggling with marketing and start attracting more business? Use this proven system to sell more of your products and services with less effort.

www.mfsstore.com/SPmanual.html

3. Creating Web Sites That Sell

Finally, the first practical program for Internet success ... 100% Guaranteed no matter what product or service you sell. You'll discover the keys to successful Internet marketing, how to set up your web site for sales and how to get all the traffic you can handle.

www.mfsstore.com/websales.html

4. Eliminating Obstacles to Sales

Want to close more sales? Discover how to melt prospects' resistance and sell them more. Find out how to repeatedly close more sales with these advanced selling strategies.

www.mfsstore.com/howtosell.html

5. Selling More With Your Ads, Emails, Sales Letters and Website

Finally an easy way to instantly multiple the selling power of your ads, sales letters, or website and maximize your profits without spending an extra dime on advertising.

www.mfsstore.com/writingcopy.html

Want Expert Help?

You, too, can attract all the clients you can handle and see your sales skyrocket with one of the world's most effective marketing programs.

Charlie Cook's busy schedule, and current loyal clientele allows him to accept a very limited number of new clients. If you're serious about closing more sales, growing your businesses and being more successful, please use the following link to see if you qualify:

www.marketingforsuccess.com/mentoring.html or call 203-637-1118.

“Money well spent! Our Travel Incentive business has skyrocketed since we first started working with Charlie.”

Mike Trowbridge, VP Marketing, Fairfield Resorts

“Our referrals are rolling in. I have used a ton of consultants, but Charlie Cook was the best investment I have ever made.”

Craig Nash, President, Progressive Rehab

“Within three weeks, we added nine new clients and increase our income by \$180,000.”

Jose Lopez, Rent4Me

“I achieved a 50% conversion rate on my sales calls and earned fifteen thousand dollars in just one week thanks to Charlie's coaching.”

Suzanne Falter-Barns, Get Known Now

“Requests for my services went up by 300% as a result of working with Charlie.”

Bob Nelson, Retailing.com

Want to find out more about growing your business with Charlie? Use this link:

www.marketingforsuccess.com/mentoring.html