Internet Business MANIFESTO

Vision + Strength + Passion + Resources + Alliance Partners + Powerful Tactics + Action Plan = Success

Strength + Passion + Resources + Alliance Partners + Powerful Tactics + Action Plan = Confusion

Vision + Passion + Resources + Alliance Partners + Powerful Tactics + Action Plan = Anxiety

Vision + Strength + Resources + Alliance Partners + Powerful Tactics + Action Plan = Unmotivated

Vision + Strength + Passion + Alliance Partners + Powerful Tactics + Action Plan = Frustration

Vision + Strength + Passion + Resources + Powerful Tactics + Action Plan = Limited Success

Vision + Strength + Passion + Resources + Alliance Partners + Action Plan = Sluggish Results

Vision + Strength + Passion + Resources + Alliance Partners + Powerful Tactics = False Starts

THE FINAL CHAPTER

STRATEGIC PROFITS
More Money, More Business, More Time Off

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My Personal Introduction

Tomorrow I will be conducting my first solo seminar for over 100 of my personal clients, and it's only fitting that I'm writing this personal note to the entire Internet marketing community that has shown me so much appreciation and support since I released, "The Internet Business Manifesto" and "The Missing Chapter," just three months ago.

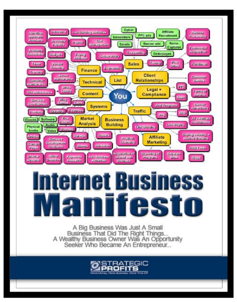
I have never been as excited to share knowledge as I am right now. I have no doubt that this document, the "Final Chapter," will have an even greater impact than my previous works, and will change the way Internet marketing is done for a long time to come.

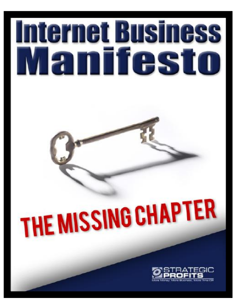
I've been on a wild ride these past 3 months. At times it's felt like I've been living in two totally separate universes, and I guess in a way I have. You see, for the last ten weeks I've been immersed in the Internet Marketing world by personally coaching the 188 clients in my eleven week program, and conducting my group coaching program for the 563 clients in my twelve month program (numbers include alumni clients).

But during this same time, I have also spent an increasing amount of my time with the biggest and most successful information marketers on the planet, Agora Publishing.

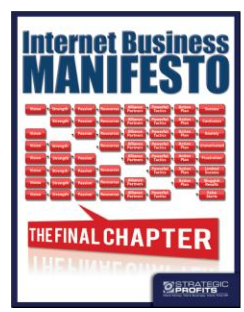
I have been jumping back and forth between these two worlds so much, that it feels as if I now live in both of them. And I believe that it was this grueling schedule of forced immersion in these two totally different business camps that has opened my eyes to a whole new way to approach marketing.

In a way tomorrow's seminar is the physical confirmation that my responsibilities and my focus are going to begin to shift, as I start spending less time in our market and more time with Agora as we get ready to proceed with our partnership.





Even though there has only been 3 months between them – The Final Chapter takes business building to an entirely different level than my former work. If you ever dreamed of building a business that could grow to a very large business, then you need to know the information revealed in this Manifesto (which I've never seen anywhere else).



This manifesto, "The Final Chapter," reflects some of the incredibly powerful concepts that I've learned in just a brief time working with Agora. I always knew there was a lot more to learn, but I was literally blown away with how differently they approach what is basically the same business we are familiar with. I believe that this information is the most important I have ever released. If you want to grow your online business, then you need to study every page of this report.

You might recall this snippet from page 30 of the Original Manifesto:

> As I mentioned at the beginning of this manifesto I have entered into a partnership that's causing me to adjust my coaching timeline. In August I will be partnering with Agora Publishing in the creation of a hybrid coaching and consulting business that will be geared towards bigger and more established businesses with a much higher price tag associated to it. Our projections show that this new program will take the majority of my time and therefore new clients to my coaching program will no longer get the opportunity to work with me personally.

I knew that you would benefit from what I was going to be learning from Agora, so from my first day on, I've been keeping meticulous notes with the intention of sharing them you. I am very confident what you are going to learn from this Final Chapter you never been exposed to before.

And even though I am surprised by how powerful these techniques are, I knew they had to be doing quite a few things differently to grow their company past $270 million last year. And I knew that when I got it to you, it would benefit you immensely.

But what I wasn't at all expecting was how Agora could actually grow their business by working with you to grow your business. So I was asked by the powers that be if I could get this stuff out to you sooner than what I had originally planned.

<u>I was also asked if I would interview some of the biggest powerhouses in the direct response world to bring you the insights I knew you could benefit from. And I agreed to that too…</u>

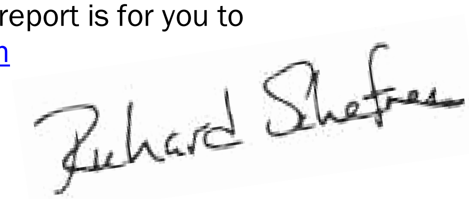
I am sure you are wondering why Agora would care enough about you to divert my time away from our newly formed coaching and consulting business to gathering the best direct marketing information on the planet for you.

For now, I'll give you the short answer. It turns out that the recent business bestseller "The Long Tail," is a very popular book with the Agora Team. If you read the book then you probably already understand why Agora wants to see you grow. If you haven't even heard of the book let alone read it – don't worry it'll get clearer as you read "The Final Chapter."

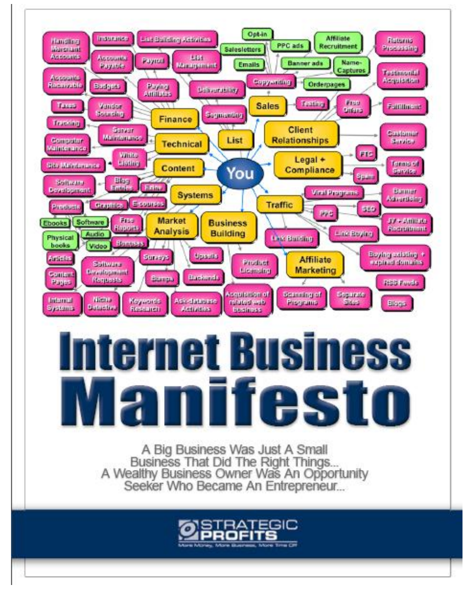
Just so the rumors don't begin to fly – *Yes*, I am still partners with Agora in a new program we'll be rolling out very shortly. But it is no longer a coaching or a consulting business, it's something entirely different than anything that I have ever seen or heard of. Back to the story at hand…

I recommend you print this document as soon as possible, and begin reading it immediately, if that's at all possible. You might end up rearranging the rest of today (or tonight's plans) once you get into it, because you will be making some changes to your business and what you do each day once you finish reading this.

Oh yeah, all I ask in return for all the hard work that went into this report is for you to post your comments on my blog at http://www.strategicprofits.com and if it's as good as I say it is – please tell you friends to grab their free copy too. I'll be back in touch soon…



It's Been A Crazy Three Months



Yes, it's been a crazy three months.

When I wrote "The Internet Business Manifesto," and "The Missing Chapter," I wasn't prepared for all the public attention, nor the massive influx of clients we received.

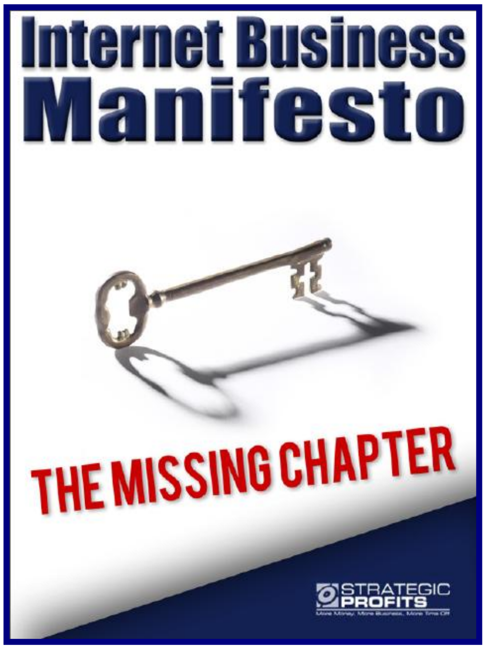
Ninety days later, after several huge changes in my business, and I'm ready to pick up where we left off and continue giving you the vital knowledge that is necessary to continue the growth of your business.

Since it's been a while since we last talked, I thought it might be a good idea to quickly summarize the main ideas from "The Manifesto," first—then "The Missing Chapter," second, just to jog your memory and get you up to speed.

(If you haven't read the "Internet Business Manifesto," and "The Missing Chapter," I suggest you pick them up before going any further. Both Manifestos took the Internet by storm and were downloaded more than 80,000 times in just a few short weeks. The concepts in both Manifestos lay the foundation for what you are about to learn in "The Final Chapter". You can get this essential reading at: http://www.strategicprofits.com/manifesto).

While I gave a lot of tactical how-to advice in "The Manifesto," the main point was a wake-up call to everyone who is marketing online. The central theme was that most, if not all, marketers are more like opportunity seekers than entrepreneurs, and it was the entrepreneur who was going to succeed online. I then went on to describe the differences between an entrepreneur and opportunity seeker and how you can become more like an entrepreneur and less like an opportunity seeker--thus becoming more successful online.

After the success of "The Manifesto," I asked readers to tell me what would still stand in their way of success similar to that of my clients. We received hundreds and hundreds of answers, eventually thousands, and they all had a very common pattern. Or as I like to say, an underlying cause. This cause was addressed in my second report, "The Missing Chapter."

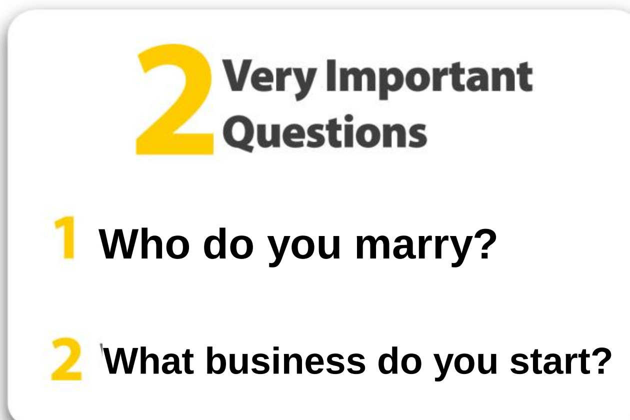


I gave people an analogy that I thought was quite fitting. I told my readers in "The Missing Chapter," that two of the most important decisions you will make in life are: "who will you marry?" and "what business will you start?" While both should be obvious as to why they are important, let me explain.

You partner in marriage is important because this person will have the most impact on how you live, where you live, what you do when you interact with friends, and who you spend the most amount of time with. The reason that the business that you choose is so important is for one, you spend more time in your business than any other single activity. It also has the largest impact on your financial position, far beyond anything else (in most cases). So, it would only make sense that you would pick a business that was the right fit for you. But that "right fit" was something sorely lacking when I looked at all the replies I had received.

Just like you wouldn't decide that you want to get married, and go find the most desperate person and propose - you shouldn't decide you wanted to start a business and find the most desperate market and set up shop.

Now don't get me wrong, you can certainly get a date with a desperate person and you can make money in a desperate market but that does not mean it's the right decision for the long-term. It's critical that you realize that the business you choose is the place where you will spend the most amount of time will have the largest impact on your financial position.



So the point of "The Missing Chapter," is to teach people how to go about finding the right business or how to take the business they're in and restructure it so that they can win long-term, both financially and emotionally. The critical concept to achieving that outcome is by playing to your strengths.

In "The Missing Chapter," I discuss strengths and how I work on them with my clients. I also demonstrate how I've used my strengths to win in several past businesses.

Growing A Business At Rapid Speed Is A Messy Process

When I originally wrote “The Manifesto,” and “The Missing Chapter,” my intention was to leave my mark on the online marketing community by showing people the way to build a real business and convincing those willing to listen that they should.

Even though we got off to a very shaky start due to an accounting nightmare our business is thriving now. We've tripled our office space, brought on a marketing director, and operations director, a new head of customer service, two new advisers, and a host of others all committed to making Strategic Profits even more successful in helping our clients achieve the business success they’ve always dreamed about.

And that's the point isn't it? If you're building a business, you should see progress when you look back three months. If you don't, you need to start seriously reconsidering if you're on the right track.

Well it's been three months and I’d like to ask, “how’s it going?”, or as Dr. Phil would say, “how's that working out for you?”

One piece of news I'm most excited about sharing is the success of my clients. It's amazing how quickly so many businesses have turned around and how dramatic the results have been.

In the last 3 months has your business made any **serious progress** towards the **achievement of your vision?**

Picking Up Where I Last Left Off

Let's dive in shall we? I've got a lot of stuff I want to share, most of which I don't think you've ever heard before. In fact, just a few months ago, there were only a handful of people who knew this stuff, and trust me, they’re not broke.

I like to think of it this way. In “The Manifesto,” I provided you with some advanced concepts, strategies and tactics that are crucial if you want to have any chance of succeeding as an entrepreneur. In “The Missing Chapter,” I exposed you to some very advanced concepts about the myth of simply following your bliss or passion and a truth of building a business around your strengths and talents. What I'm about to share with you in this document is really what separates the ultra rich from those struggling to survive.

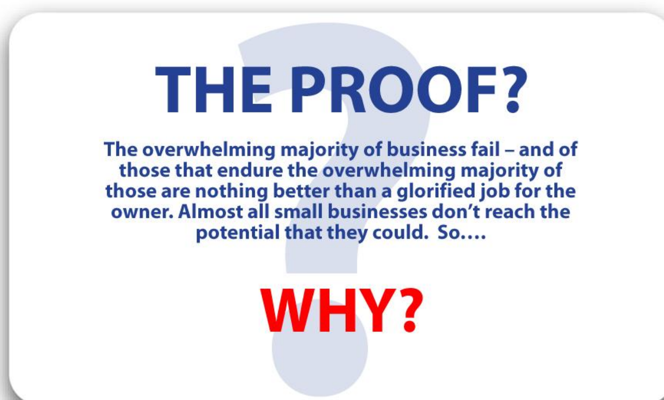
In fact I couldn't share these insights with you until now because it would be pointless if you did not believe that you needed to build a real business, as opposed to a one-trick-pony. You wouldn't understand it, wouldn't appreciate it, and you most certainly would not follow its principles.

For those of you who are still not convinced that you must build a business, I'll make one last attempt. But after you put this document down, you'll have given up all rights to bitch and moan about your financial worries, financial catastrophes and your business challenges.

It really was quite strange for someone like me, who was usually behind the scenes, to then suddenly be thrown into the spotlight. It certainly took awhile to get use to. But what I've enjoyed most about becoming a more prominent figure in the online marketing community is witnessing just how many people have taken my advice and seen their businesses grow and their lifestyles improve.

I wish that just getting more serious about building your own business and operating somewhat more strategically would be enough to be successful long-term but unfortunately it's not. And that's the reason for this document, my third and final chapter. Because building a business or deciding to do so is only really the first step. It's as I said on the cover, deciding on building a business is where the journey begins not where it ends. There are still several invisible factors that are missing from most so-called "online business". In this third and final chapter, I am going to pop the hood and show you the engine that drives some of the most powerful online businesses in the world.

Why Business Building Is Not Enough



Did you notice the graphic on the cover? What did you think of it? It actually provides a hint as to some of the elements you'll need in order to take the small business I taught you how to build in my previous work and now build on it, grow it, and give it life to so it's prime for growth as it matures into a bigger and more successful company.

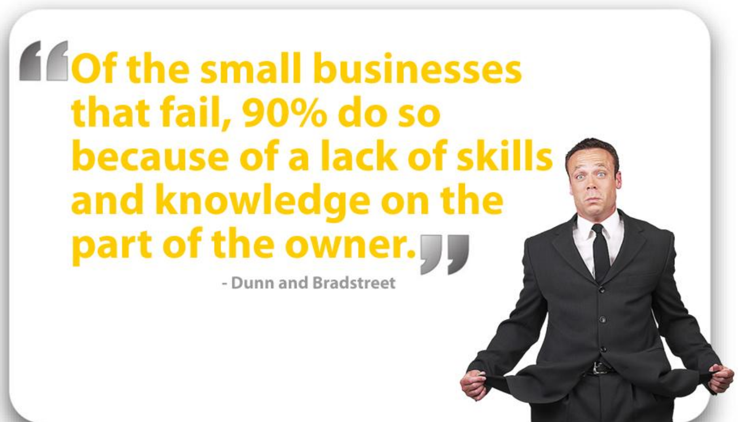
A lot of people mistakenly believe that business is just common sense, that if you work hard and you "get it" (have a high degree of common sense) that you will be successful in business. But the numbers don't support it.

It doesn't even matter whose statistics you look at. Some statisticians say that 80% of businesses go out of business in the first five years and of those that are left 80% of those businesses will be out of business in the next five years. This leaves only 4% of all businesses surviving, meaning 96% will go out of business.

Let's also not forget the "lucky" ones that stay in business, most of them will be nothing but glorified jobs for the owners.

When you look at statistics like that it becomes increasingly clear that the choice is between being a slave to your business (if you're lucky enough to survive) or actually growing your business, which certainly requires uncommon sense. Why did I write uncommon sense? Well, just look at the fate of most businesses—failure, slavery, or massive success—and answer the question yourself. Is it common or uncommon to be very successful in business?

You see, it's very important for me to challenge you right now as you read this document. The reason is that my experience tells me that most people are much more confident about their business knowledge than they really should be. And when someone has false confidence they are less willing to consider new ways of looking at things, but that's exactly what you'll need.



Look at the statistics: according to a study by SCORE, they found that in 70% of small business failures–**the key reason for failure was the owner—not recognizing or ignoring weaknesses and then not seeking help.**

Here's what Dunn and Bradstreet had to say, "Of the small businesses that fail, 90% do so because of a lack of skills and knowledge on the part of the owner."

So my first question to you is: what are you pretending not to notice? It's probably costing you a lot more than you realize. And don't kid yourself here, be honest. Chances are you know exactly what it is...

If you're aware of your weaknesses and you're working to improve them, you're on the right path. Unfortunately though, you're NOT off the hook just yet.

Even if you're willing to address your weaknesses, it doesn't mean that you have the right knowledge, the right resources, the right advice, the right alliance partners, the right tactics, and the right plan.

What I just revealed in the previous paragraph might sound simplistic, but it's one of those big damn secrets that you must understand to be successful. I would really appreciate if you could go back and read that paragraph again. While it might not seem so important now there's something very special there and it's critical you understand it. In a sense you could say that this entire document revolves around it, so go back and read it again.

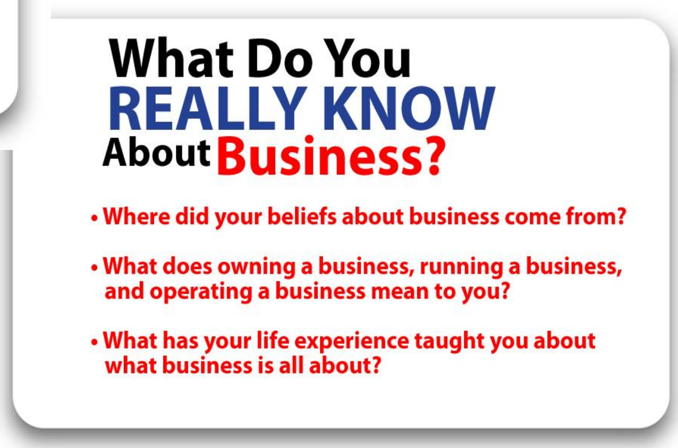
Back already? Ok, let's press on....

There are things that you don't know about business that you must know in order to win. Look at the success of Bill Gates and Larry Ellison of Oracle. If you were in the shoes of Bill Gates, sitting in a meeting with IBM and being offered a considerable sum for an operating system you didn't have would you agree to sell it and buy it later?

What about Michael Dell? Do you think you could grow a business of assembling computers out of your dorm room into the monster that Dell is today?

Or, what about Google? Do you think that if you had the technology for the search engine Google, that Larry and Sergey had, that you would have grown Google to its current success?

What about Sam Walton, Richard Branson, Steve Jobs, Donald Trump, and Warren Buffett? Do you think what made these entrepreneurs successful was just more common sense than the next person? Could anyone who works hard and has common sense get the same outcome as these extraordinary successes?



Before we proceed any further it's time to look at yourself for a moment. Consider these questions (because they surface some of the underlying misconceptions that hold small business owners back):

- Where did your beliefs about business come from?
- What does owning a business, running a business and operating a business mean to you?
- What has your life experience taught you about what business is all about?

Most People Mistakenly Believe That All You Need To Excel In Any Business Is Common Sense And The Will To Succeed.

MOST PEOPLE ARE WRONG!

It takes "uncommon sense" because most people are never trained in what makes a business run.

Doesn't it make sense to look at your beliefs and your preconceived notions about business, since the overwhelming majority fail and never achieve their business goals? If so far I have come across negative and pessimistic, I apologize. What I'm saying here is not meant to scare you, but only to get you to see that it takes uncommon sense to win in business. Therefore, I hope you'll be more open-minded about what I'm about to share with you.

The Best Business Advice No One Can Buy

As I already mentioned, the success of my launch really primed my business for exceptional growth. But I've been aware of what I just shared with you for quite some time. And I refused to follow the all too common path to business failure. So when it really counted, I went out and sought out the best advice from the most experienced people I could find.

And what I discovered has really forced me to reconsider quite a few things I took for granted, and I'm going to reveal some of them to you right here right now.

Many people have asked me about Agora Publishing, who they are and what makes them so special? People were perplexed about why I would choose to align myself so closely with another company just when my company had really taken off. I am pretty sure that you won't be wondering by the time we're through here.

If you've never heard of Agora Publishing, you should know that they're one of the most successful information marketers in the world. Last year they did $270 million with a profit margin to die for.

I first hooked up with Agora through my relationship with Jay Abraham. Jay had told me that Agora would be able to sell a lot of people into the $397 teleseminar that Stephen Pierce and I did with him. So I put in a call, spoke to Will Bonner, and they went on to be one of our top affiliates. It turns out that Will's office was only five miles away from my house. So after our successful launch, I reconnected with Will and have been working with Agora ever since.

One day I casually asked Will why, of all of the offices that Agora had all over the world, he was here in southern Florida. You see, Will's father is the legendary Bill Bonner, founder and owner of Agora Publishing. This meant he could be at any office doing anything, so why was he here?

Will replied "I am here because the man responsible for Agora's growth, the man who took us from a $20-$30 million front end business we were to the close to 300 million dollar company we are today is here. And if there's anyone to learn from he's the man."

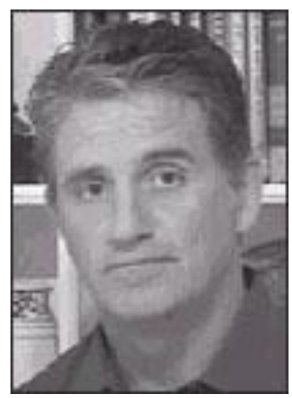
Meet One Of My Own Personal **BUSINESS HEROES**

I'm sure you can guess my next questions, "what's his name?" and "when and where can I meet him?"

His name is Michael Masterson, and he is a master marketer and a business builder with few equals. He's the founder of the prestigious investment club named The Oxford Club, and the business success e-letter, Early to Rise. He is also one of the wealthiest and most successful consultants in the world. He has amassed a multi-million dollar fortune that includes real estate, exotic cars, artwork, and more.

He has "grown" two $100 million plus businesses, and dozens of smaller ones ($1 million to $10 million). And, along the way, he has personally mentored dozens of successful direct marketers who now enjoy freedom and success in their own businesses far beyond what they ever dreamed possible.

At one time or another, he's owned and run multi-million dollar companies that were public/private, onshore/overseas, local/international, service/product oriented, retail/wholesale/direct mail, and even profit/not-for-profit. Masterson is the author of the Wall Street Journal bestsellers Automatic Wealth: The Six Steps to Financial Independence; Automatic Wealth for Grads... and Anyone Else Just Starting Out; Power and Persuasion: How to Command Success in Business and Your Personal Life (all published by John Wiley & Sons); and Confessions of a Self-Made Millionaire and most recently, Seven Years to Seven Figures: The Fast Track Plan to Becoming a Millionaire. Let's just say he knows what's going on in the information marketing industry.



Well, I figured if he's good enough for Will Bonner, he is certainly a man to get advice from. And I patiently awaited my first chance to meet this man.

One Friday afternoon, when a meeting I was attending went late, Agora's southern headquarters invited me to join them in their Friday night ritual of going to the local bar for a round of drinks. I called my wife Debi, told her I would be home in about an hour and a half and I tagged along. About 45 minutes after we got there Michael Masterson walked in. After speaking to Will for a few minutes he turned around and introduced himself to me and we started talking.
We spoke for about an hour and a half straight. I know that to be true because after 45 minutes my cell phone started to ring. I ignored it the first time, the second time, the third time, because I knew that once the conversation had stopped it would be over. But by the fourth attempt to contact me I wanted to make sure there was not a problem at home, so I answered the call and my conversation with Michael Masterson was over.

It was a very interesting conversation. After Mr. Masterson and I spoke for a while he said something to me that at the time seemed quite interesting, but little did I know that it would chart the course for my future.

Mr. Masterson told me that for a bright guy like me spending time in the opportunity market would limit my income. (As a reminder, I wrote about my experiences in the business opportunity market prior to starting Strategic Profits in my previous documents).

He said that when you look around the business landscape of the opportunity market you don't see any large successful companies there, and that should be a hint. I argued that the Internet might change that; since it's easier to be found on the Internet, and the landscape could change.

He smiled and patted me on the shoulder as if I had just shown my ignorance about what really made direct marketing companies successful. He then explained to me that direct response companies like Agora Publishing, Phillips Publishing, Boardroom, KCI, Weiss Research, all $100+ million dollar a year direct response companies, started here in the United States around the same time.

> **The only difference** between a **billion dollar industry** and one that **never got off the ground**

He said in Europe a similar group of companies started as well. But the European companies stayed small while the American ones grew exponentially. The difference had nothing to do with the government, the business climate the culture or the marketplace. It came down to one thing...

Each of the American companies aggressively rented their customer list out and rented other companies customer lists, while in Europe, the companies never shared, rented, or sold their customers names.

And it was this simple difference that determined their fate.

I knew I was already almost an hour late getting home, so I need to know why this was so important. So before my cell phone rang again I pressed Mr. Masterson for the answer.

He explained that since there were no big companies in the opportunity market the probability of me being the first to build one was slim compared to me building a large successful company where others already have and continue to do so, But even more importantly, even if I got to a certain size, I would be limited if there were no other large players in the market to work with—which would wipeout the ability to leverage the efforts of the other marketers and their list building activities.

I didn't realize it then but Mr. Masterson had just told me one of the biggest secrets to direct marketing success. If you missed it too - go back and start reading from the paragraph that starts "He smiled and..."

It was another 2 years before I ever had a chance to follow up on that conversation. I must not have made that much of an impression that first time we spoke because I passed Mr. Masterson a few times at conferences, and at headquarters and he always gave me an uncomfortable nod that seemed to say, " I know you, but I don't know from where or even what your name is."

But after my launch we sat down again. Actually, Mr. Masterson wrote about it in *Early to Rise*. You can read what he said, verbatim. Even though I must not have made that much of an impression the first time we spoke, I'm very thankful that the second time around I gained access.

Very recently, I was the only non-Agora employee invited to a top-secret strategy session for Agora in a 400 year old French castle (sounds like a fairy-tale doesn't it?). It was a meeting for the top level managers of each business unit. In attendance:

- Bill Bonner
- Michael Masterson
- MaryEllen Tribby
- Porter Stansberry
- Myles Norin
- Julia Guth
- Laura Davis
- John Forde
- Norman Rentrop
- Christoph Amberger
- Will Bonner
- Jenny Thompson

My Door Is Open, But Nobody's Coming In

By Michael Masterson

Several weeks ago, Patrick Coffey (ETR's Director of Internet Marketing) told me that Rich Schefren, a well-known Internet guru, wanted to meet with me. So the three of us got together a few days ago.

The subject of the meeting was how to locate, hire, and groom superstars.

Rich has an enviable problem. Taking advantage of his relationship with ETR and some other significant Internet businesses, he launched a consulting business that quickly took in $3.5 million.

"I have the beginnings of what could be a very good business," he told me. "I don't want to screw it up by not surrounding myself with great people who can help me build something sustainable."

I told him I'd be happy to help in any way I could, so we got right to a discussion of the three key positions he intended to fill and the candidates he'd pre-selected.

I had met Rich once or twice before. He's spoken at our conferences and sold products to our people, but I had never spent much time talking to him. The hour we spent together the other day convinced me he is very bright and knows both marketing and the Internet very well.

In fact, I was so impressed with his skills and his character that I suggested ETR might be interested in buying his business. He wasn't interested in losing his independence, he told me, but he'd be happy to work together on other projects in the future.

We went back to a lively conversation about how our industry works and the type of people who are best for key positions. At the end of the hour, we shook hands and promised to talk again.

"My door is always open to you," I told him.

Afterward, thinking back on our meeting, I wondered if Rich's reason for making the appointment was to get my advice on hiring or to get some time with me so we could get to know each other better.

In either case, I was impressed. For years, I've been advising ETR readers to build their business network by getting "informational" interviews with people they would like to do business with. If that was Rich's intention, he succeeded. Good for him.

If, on the other hand, he simply wanted my advice, good for him too.

If he had both objectives in mind, he was doubly rewarded. Not only had he gotten some pretty good advice about how to hire great people, he had secured my friendship and won my admiration. And although I'm sure he didn't plan it, he had also received a possible offer to buy his business!

After the meeting, Patrick sent me the following e-mail:

"I just wanted to drop a note to thank you for meeting with Rich and me today. Rich has done a lot to help us in the past, and I feel like we owed him one. I know he really wanted to get your advice, and I'm sure he appreciated it.

"Just going to that meeting reminds me that I need to schedule more time to meet with you. Though I'm not in the same position as Rich, I feel I learned a lot from your conversation. I have a great resource right next door, and I never seem to use it. It's funny. Rich is willing to change his schedule, call in favors, and cancel appointments to meet with you. And all I have to do is ask."

In order to go I would have to cancel a weeks worth of coaching calls. Currently I am doing 100 ½ hour calls a week for which I am paid $2,000 an hour. This meant I had to sacrifice $100,000 to go. Everyone I knew thought I was absolutely insane to attend, but in hindsight going to France for the week was one of the smartest decisions of my life.

But before I tell you exactly why the decision to go to France was one of my best business decisions, I need to introduce a few new concepts first, in order for you to get the maximum benefit from my long winded story.

Three of the Biggest Lies In Online Business

1. You can turn your computer into a cash printing machine overnight
2. I'm from Nigeria, I have $19 million, I want to transfer it to your bank account
3. You can build a successful lifestyle business running on autopilot 24/7

I can't do much to help you with number one except to tell you that if cash starts gushing out of your printer, don't be surprised when the US Secret Service shows up at your door.

Unfortunately I can't help you too much with number two either except to advise you to delete that email as quickly as possible. But I have an awful lot to say about number three.

As far as I can see this is one of the most destructive lies currently being spread across the Internet, through infomercials, and get rich quick advertisements. So allow me to spread some light on the subject to expose this myth once and for all.

The Myth: Lifestyle businesses are easy to start and even easier to maintain. (In case you are not clear about what I mean when I say lifestyle business, allow me to define it for you. It's shorthand for an opportunity that magically transforms itself into a business that runs on autopilot so you can move to the Bahamas, live the lifestyle of your dreams all the while the checks keep pouring in.)

The Truth: The opportunities that present themselves as lifestyle businesses require you to work 80 hours a week, checking your e-mails seven days a week, hunched over your computer screen far removed from lounging by the pool and sipping piña colada's.

The Proof: There are currently over 70 Internet marketing gurus who are my clients. They've realized just like I did that the only way to attain the lifestyle that sellers of the lifestyle businesses claim is to build the real business so that it can take care of you instead of you taking care of it.

(Have you noticed that the lifestyle business or the Internet lifestyle has not nearly been as popular in recent promotions? It's because it doesn't resonate because it's not based in reality.)

First off, let me remind you about those depressing business survival statistics at the beginning of this report. Remember? Eight out of ten fail in the first five years, and eight out of ten of the survivors fail in the next five years. **Ouuuccchhh!**

In other words, being successful in business is hard enough when you're not honest with yourself about the work required. It's even harder if you're entering into it with some phony illusions. The only lifestyle that believing in the lifestyle myth will get you is that of a poor one.

Look, there's nothing wrong with a lifestyle business for the mother who wants to work at home and earn a few extra dollars, or the retired hobbyist who's looking to make a few bucks while spending his or her final days engaged in a hobby that keeps him or her mentally active.

But the hard cold reality is this: you either build a "real" business that affords you a great lifestyle or you don't. There is no in-between, because the day you start sacrificing your business to achieve your dream lifestyle is the day you sacrifice your business's future growth to get to the level where it can easily support your lifestyle. And, if you have competitors who are treating their business like it's a business, you'll be out of business before you know it.

The good news is that just like one job can be a stepping stone to a better job, your current business (no matter where you're starting) can be a stepping stone to a real business that supports a wonderful lifestyle.

The Only Way To Achieve The Internet Lifestyle You've Been Sold

Two years ago when I was in more frequent communication with other Internet gurus it seemed as though we were all night-owls. At two or three o'clock in the morning you would find most of us doing some of our best work, going at it until the crack of dawn.

But that's all changed.

Nowadays practically every single Internet marketing guru I know is building a real business or laying the foundation for one.

Just to be clear, when I say a "real" business, what I am really distinguishing between is a business that attempts to achieve all leverage from that of the owners work (a lifestyle business, with no employees and practically no overhead) versus what I'm referring to as a "real" business which I'm defining as a business that attempts to leverage something outside of the owner like staff, systems, processes in order to grow.

I think there are two primary reasons for this shift. First of all I'd like to think that I have had some impact because of the success of my clients and the sheer number of gurus in my programs. The second reason is that the stakes keep increasing. My launch was the most successful launch in Internet marketing history when I did 3 1/2 million dollars in 50 hours. Less than three months later the record was easily shattered. And the numbers will just keep increasing, and as they do the stakes will keep increasing to. That means those that are willing to do more with more will get more and those who want to do less with less will end up with absolutely nothing

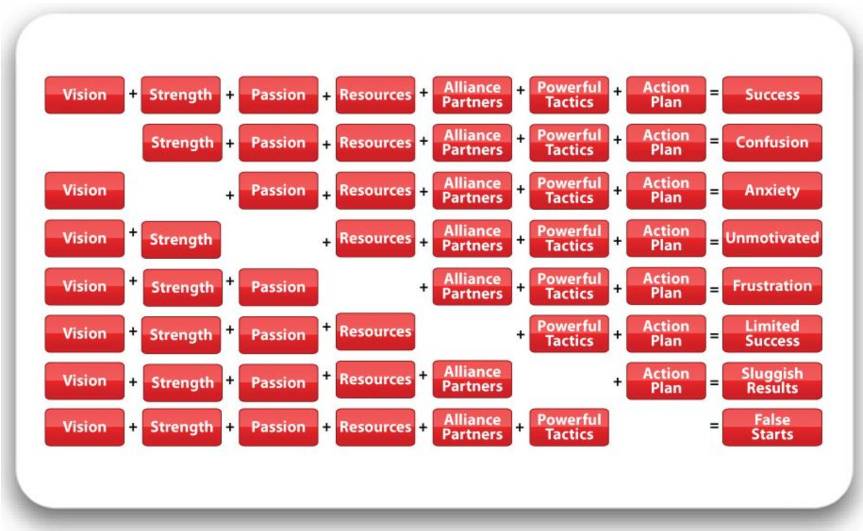
So, if you've decided that now is the time to get serious and take advantage of the opportunity that still exists on the Internet today, then I have a lot more advice for you on the steps that will help you build a VERY successful business in record time.

The Slide That Made Me Famous Was Based On The Lifestyle Myth

Ever since the Internet Business Manifesto came out, I get at least one email a day (sometimes as many as ten) asking me how I came up with the idea for this now famous graphic that captured the frustration that so many struggling Internet entrepreneurs felt.

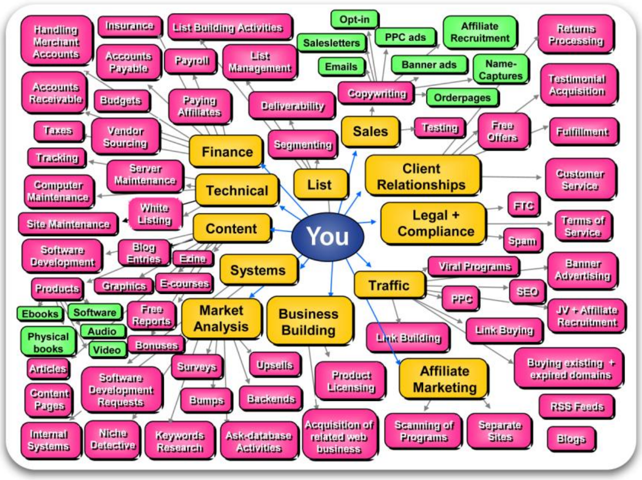
And since we have just been attacking the lifestyle lie, I figure I'll go ahead and answer the graphic question for everyone here (please don't email me asking about this anymore – and yes, it's trademarked).

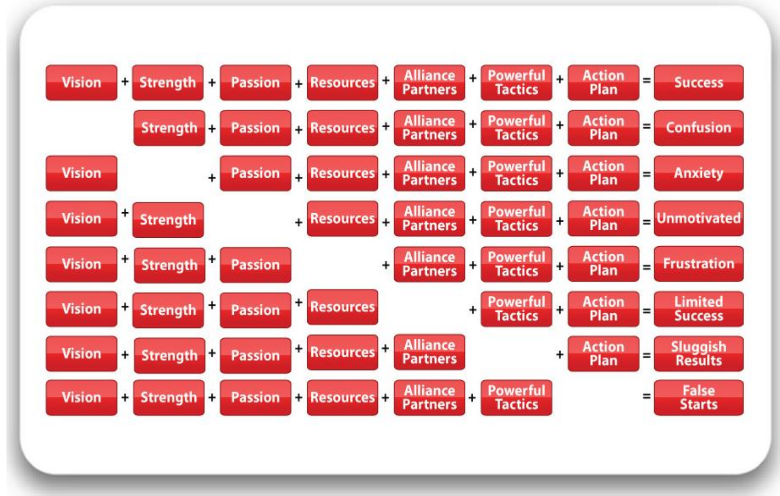
I came up with the idea for this slide by accident, when I was writing in my journal complaining about how I was working harder than I ever had, and while I was making good money, it was less than I had ever made. I remember it being a particularly aggrivating day because I had been on the phone with the phone company fighting about some charges for 90 minutes. It was the first time I had ever spoken to a phone company about a business account because it was the first time I didn't have staff. So I started drawing boxes in my journal of all the different acitivites I had to do and that's when I realized that the lifestyle lie was exactly that, a lie.



In this document, I have what I believe is a much better slide that I think will become even more famous (because it can be used to figure out the problem too). I'll tell you now how it came about so you won't be wondering. I originally saw a diagram similar to this in a six sigma book – it was a lot smaller and it had different elements inside the boxes but it got me thinking about what were the key factors for business success and what would be the symptoms if the key factor was missing. I thought I had actually figured it out a while back, but working with Agora and talking to Michael Masterson made me realized I was missing a few more key factors to business success. This is actually the first time I feel I've developed the idea to maturity.

But before we go any further, I want you to look at both of those slides and notice what's different about them and what is the same.





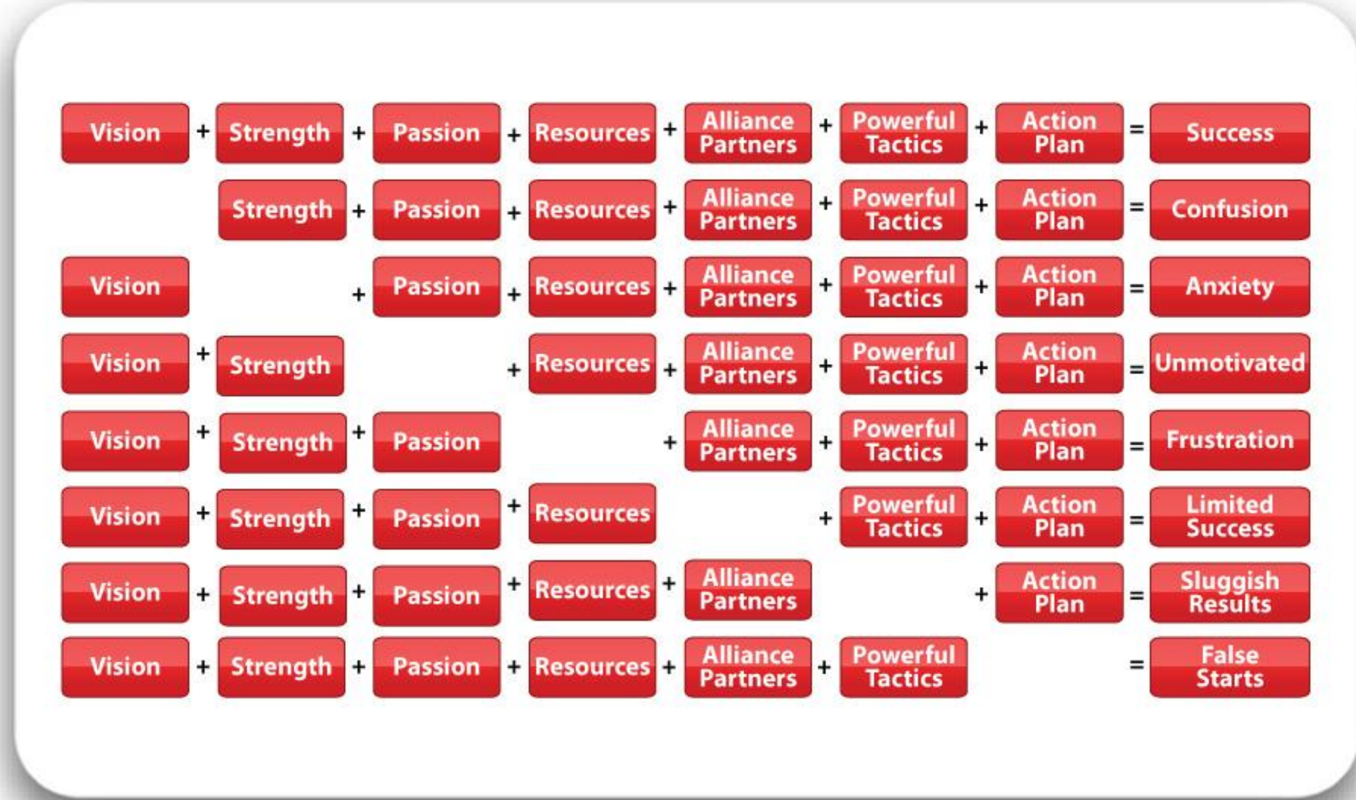
You think you got it?

I'll tell you the big difference from my perspective between the two business graphics. The one that leads to burnout has you in the middle; the one that leads to big company success doesn't even have "you" on the map. And that's the way it should be.

That's why I really hope my new slide becomes as popular as the older one. Lots of people have told me they keep the one on the left taped on their wall to remind themselves not to try and do everything. I've even gotten a few testimonials from people who saw me speak and either took a picture or the powerpoint printout and put it on their wall, and because they were much more focused, they made really big money.

And as I said before, I really like the one on the right, because it's such a powerful diagnostic tool to use when you are feeling or experiencing any of those problems.

When you post your comments about this Final Chapter on my blog, let me know what you think of the slides and tell me what you think these two slides have in common too. I am going to be really curious who gets it right.



The Critical Elements To Your Business Success

If in the past your attempts to grow your business has been met with confusion, anxiety, apathy, frustration, marginal results or many false starts then what I'm about to show you should help you get to your core problem. Actually, I would strongly advise you to print the slide above and tape it somewhere near your desk because it will help you solve your business building challenges at their very core the next time they arise.

This chart helps you understand what happens when any of the critical elements that are required to build your business are missing. It may not be the be-all end-all, but it's a great place to start. In order to reduce the chances of losing you or getting you confused, allow me to go through this very important slide row by row. Please bear with me…

When you read row one you can see that when you have each and every one of the critical elements including a vision, a business based on your strengths, in an area that you're passionate about, with resources to get the job done, with alliance partners to grow together with, and powerful tactics to a create profitability—all laid out in a step-by-step action plan you have the highest likelihood for SUCCESS! But let's take a look at what happens when something is missing from the formula…

Next we move down to row two. Here we have everything except for VISION. When your business does not have a vision there is no easy way to decide whether each important decision you have to make is taking you closer or further away from your end goal. You have to have a clearly defined end goal, and that's what a vision is really all about. That's why having a vision of what you want your business to look like (when it's exactly the way you want it to be in one year or two years from now) is so important. Once that's clear, it's a lot easier to work backwards to figure out exactly what you need to do to eliminate all confusion. Simple concept, but it's very rarely executed.

In row three you can see we have everything but a business built around our STRENGTHS, just like I discussed in "The Missing Chapter." When you have a business where you don't have a strength that gives you an advantage over your competitors, you have anxiety because you know deep down any success will be short-lived if at all.

In row four, your business has everything except PASSION. Maybe you started because of the money, or the opportunity, but you aren't naturally drawn to it. Over time you become unmotivated. You no longer feel like doing the work necessary let alone having any desire to do anything above and beyond that. Jim Collins, author of Good To Great, and Built To Last wrote this when referring to passion feeding your desire to do something great inside your business: "The real question is not, "Why greatness?" but "What work makes you feel compelled to create greatness?" If you ask the question, "Why should we try to make it great? Isn't success enough?" then you are probably engaged in the wrong line of work." I think that sums up the passion you want to have in your business.

In row five your business has everything but the actual RESOURCES to get the job done. Man, do I know how frustrating this can be! You can't find the right webmaster, copywriter, search engine optimizer or you don't have enough money or time. Missing any key resource leads to you feeling frustrated. If when talking about your business you've ever started a sentence "If only I had….." you've been missing a key resource and you most likely have been frustrated. We'll get into this issue in more detail, later on…

In row six you've got the vision, strength, passion, resources, powerful tactics and an action plan but you're missing ALLIANCE PARTNERS (JV partners and Affiliate partners) so your entire business is totally dependent on your own front end activities. Unfortunately this leads to limited success. We'll be examining this effect a little later in this report, so if this concept is new to you, I'll be answering your questions about this horrible business bottleneck a little later on as well…

In row seven your business has everything but the powerful MARKETING TACTICS that really generate the massive results that you need to take your business over the top. If you are experiencing sluggish results and you've got everything else in place – it's most certainly your tactics that are holding you back and limiting you to sluggish results at best.

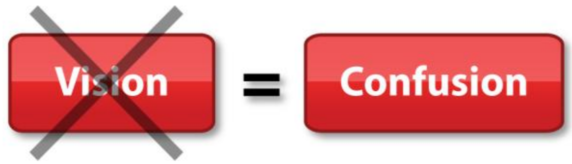
In row eight you're business has everything but the ACTION PLAN that will actually get you from where you are today to the achievement of your vision. This leads to lots of false starts because you haven't carefully planned what should come first, second then third, so you end up rushing off in lots of different directions and you end up with lots of false starts and wasted efforts. Project management also falls under this category.

Visions, Passions & Strengths

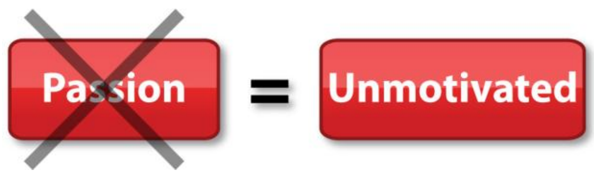
We are not going to spend a lot of time going over the importance of having a vision for your business, or that it is in a field that you're deeply passionate about, or even that can be built upon a core strength that you possess.

But let me be very clear as to why… it's not because these issues are unimportant… because they are. These elements are very critical to your success, but I've spent a good portion of my first two documents on these, but here's a quick review…

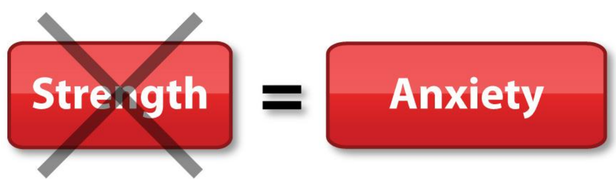
Let's keep it short and sweet:



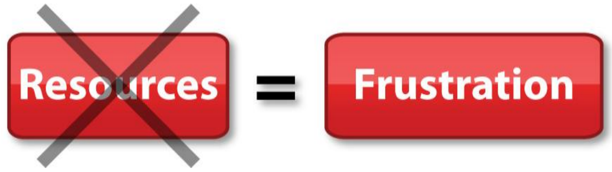
Vision The picture that you create of what the business will look like when it's finished, meaning when you've reached your goal. Also it can reflect what your business will look like in shorter periods of time such as a one year two year or three your vision.



Passion What makes you proud? Where do you want to do a great job just because it's possible? Or what you deeply care about? The bottom line about passion is this: you are looking for the fuel to keep you moving forward, no matter what the obstacles, no matter what the setbacks, in what areas are you most likely to persevere and shrug off more emotional and physical pain than in other areas.



Strengths We are each born with a unique set of natural talents, some of those natural talents are never called upon and over time they wither away. But other natural talents are built upon experience training and skill development until those natural talents naturally evolve into what we call is strengths. A strength is something that you can do better than most, more consistently than most, and is what your business should be built upon because it allows you to develop a competitive advantage that will help you when.



What's It Like to Be Resource Poor?

Resources. Can you ever have too many of them?

If I had to pick the one area that more people attribute to the lack of progress or their dismal results it's this one. Especially online, with new technology and new ways of doing business, it's usually not so easy to find the right person to do the right job.

That's why in the "Internet Business Manifesto," I shared with you the difference between outsourcing and out-tasking, and that instead of trying to find the cheapest provider, you were looking for the one that was most reliable that would do the best job. That way you could "add them to your team," so in the future, when work needed to be done in this area, you would have someone you could rely on.

Are there areas of your business that you're currently frustrated about that would be solved with access to the right resources? Of course there are.

So what do you do about it? *Let me share a quick story…*

Three years ago my family and I moved from our loft in Manhattan to Sunny Florida. Last year we moved into our dream home in a brand-new neighborhood. We didn't know anybody. We didn't have the name of the gardener, a plumber, electrician, a handyman, a babysitter, the names and phone numbers of the good restaurants that deliver, reliable and thorough housekeeping service, pool maintenance, appliance repair, a company to fix the automatic garage door, the air conditioning service, the exterminators, and believe it or not a host of many others that have worked on our behalf in or on our house within the past 12 months.

> **When looking for guidance on where to find the best resources, how much to pay them, what you can expect and what you should or should never say to them, it's best to get your advice from someone who's been around long enough to know all the ins and outs.**

In the beginning it was quite frustrating without knowing who to trust, who to call, and who to believe, made it difficult for us to make progress. For example, a plastic cap was accidentally flushed down the toilet. Plumber number one said we needed to replace the toilet, a month later, plumber number two snaked the drain and the problem resurfaced two weeks later. It wasn't until plumber number three (who was actually referred to us by a neighbor) finally got the job done right. And for less than what we paid the others. Lesson learned, relationship developed, a plumber has been added to our list of resources.

When looking for guidance on where to find the best resources, how much to pay them, what you can expect and what you should or should never say to them, it's best to get your advice from someone who's been around long enough to know all the ins and outs.

For example if you were going to ask a neighbor, like we did, you would want to ask someone who's lived in the neighborhood for quite some time, even better if they have similar interests to yours and have similar tastes.

It's very difficult to put a price tag on the value of having someone to guide you, someone who's been there and done that when it comes to bringing on the resources that you'll need to grow your business to the next level. Let me ask you a question: how quickly would your business grow if you had access to the top experts who have proven themselves time and time again in business, and in one that is similar to yours?

If your answer is similar to mine it should seem as no surprise why I've chosen Agora Publishing as my alliance partner. They've done it all before and they've done incredibly well, which means they've already sifted through all the wannabes, all the flakes, and all the people out there who cannot deliver on the simple promises they make.

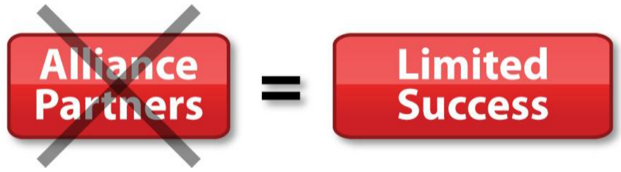
As a side note, I was actually quite surprised at the amount of sharing of valuable resources that has gone on in my own coaching program since we have developed our forum. Quite a few members have expressed to me how valuable these recommended resources have been in the development of their business.

> **You Must Either Join Or Cultivate An Alliance Where You Have At Least One Member Or Partner At The Top Of Their Game.**

One of the best things a small company (or individual) can do is to partner with a large company or other like-minded entrepreneurs and share valuable resources on a quid pro quo basis. Look, if your business is small and you cannot fill up the amount of time that a resource has available to him or her, what skin is it off your back to share it with someone else who's also got your back?

One last comment.

To the best of your ability, you want to have at least one member or one alliance partner who is at the top of their game. Or someone who can get you access to the world class talent that you most likely would never get a chance to connect with. You can look at my career. It's been a never-ending series of new partnerships that brought on new connections that brought on bigger partnerships that brought on bigger connections. Actually I attribute quite a bit of my success to my ability to get top-level advice easily just by picking up the phone and hitting a few digits. This is an area you must cultivate. For some it comes easier than others, but it's important for all.



Alliance Partners: Markets Expand and Niches Subdivide

As I learned from Mr. Masterson, alliances have been…

"A natural force of business is to continually subdivide as the niche gets larger, and it happens in every business…online marketing is no different."

Let me tell you about a new concept that has been gaining a lot of momentum lately. It's called the long tail, and it's about the changing marketplace based on increases in the number of niches.

Alight, I apologize in advance for getting a little general here, but it's important for you to understand the cultural forces that are currently at work and the implications it will have on your business. I will tie up all the lose ends in a minute, just stick with me.

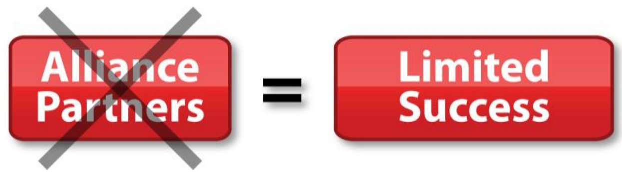
We are currently shifting from the physical world to the digital world for our sources of information. And as we do, the limitations that were in place for centuries are slowly disappearing.

Niches are subdividing.

For example, if you wanted to get into the information marketing business, years ago you would need to find a list of customers that you could then directly market to. Because the list of buyers was a constraint, niches could only shrink to a limited size, because if the niche was any smaller, the universe of ultimate buyers would be too small for the campaign to be profitable.

There is a trend going on in society where we, as consumers, have less and less time available. In addition to this time deficit, we are faced with an ever expanding sea of choices in most areas. Combining these two natural forces leads the consumer to develop a default methodology for making decisions about who to buy from, who to get advice from, etc… For most of us the natural default when forced to make an important decision is to seek out the specialist or the expert. We naturally assume that since the expert/specialist spends more time in a smaller area, they know more, and are better able to deal with this specific issue.

So the amount of choices available keeps on increasing. In a later section, we'll cover exactly how most niches are dividing and subdividing. And the inevitable reason why, is that as markets become more competitive, and as consumers have less and less time available to make decisions, the natural default is to the specialist or expert because we believe that they are better.



Alliance Partners: If A Website Makes A Sales And Never Joint Ventures Or Rents His List Does The Market Expand?

The Internet is changing things in a dramatic way, but yet most people don't seem to notice.

One of the amazing things currently taking place online is that new niches, smaller niches are popping up all over the place. The main reason for this is that the Internet allows for a global reach which allows tiny niches to become more fully developed than ever before.

In certain ways this is great for marketers because it provides uncontested space at a very low cost to enter the market. But what is a blessing, also turns out to be a curse. Because the same markets allow for easy entry, ultimately these markets become so fragmented with many sub-niches that it becomes more difficult to build a larger, more sustainable company because the marketer is forced to specialize, since the consumer is looking for the specialist.

For example: If I were to sell a time management book, the potential universe of customers is quite large. But if I were to sell a time management book for website owners who are gurus in their marketplace, my potential universe of customers is significantly smaller. But if I'm a guru in search of a time management book, I would most likely choose the latter rather than the former.

What this means is that consumers desire to get specialized knowledge forces niches to subdivide. This division keeps companies small and prevents their growth unless they break out into other sub-niches within their overall niche (increasing their horizontal reach).

So, we can say that most niches are getting smaller and smaller through division and therefore the customer universe for each sub-niche becomes more limited.

This is why alliances are becoming more and more important each and every day.

I know this is not intuitively obvious at first. But stick with me here, because if you do you're about to have a gigantic epiphany.

Strategic alliances provide marketers and business owners a way to compensate for the reduction in the available customer universe.

In fact, this is exactly what Michael Masterson was explaining to me about how the large newsletter publishers got their initial momentum.

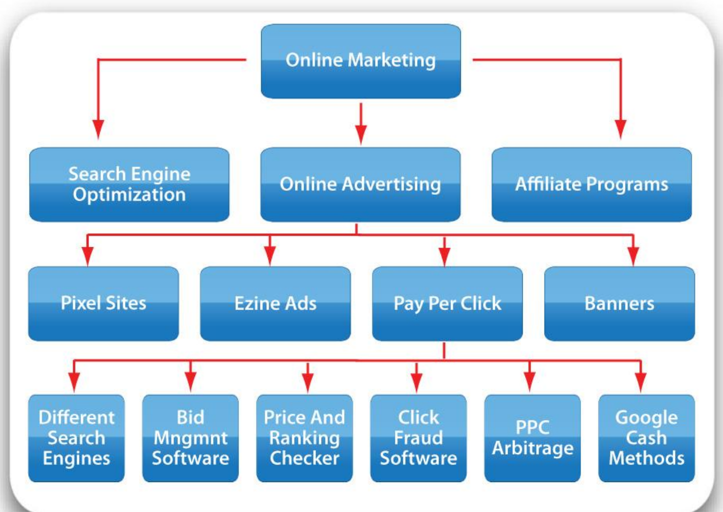
The easiest way for me to show you what I mean, is to give you an example I believe you'll be familiar with. So, let's take a look at Internet marketing as a way of showing you the incredible importance of strategic alliances.

Have you ever stopped and wondered why Internet marketing gurus keep having bigger and more successful launches?

Well I have, and I think you will find it quite interesting. Let me introduce two different, but important phenomena.

Phenomenon #1 — Creating Expert Status Through Subdivision

As you've probably heard before, marketing guru Dan Kennedy pointed out that the men who made the most during the gold rush were not the prospectors but in fact they were the companies that supplied the prospectors. Companies that sold picks and shovels, Levi jeans, etc....



This caused a flock of marketers to hop online early and sell information about how to market online.

But the subdividing nature of all business eventually kicked in and it forced marketers to specialize.

So if you look at the slide on the right you'll see at the very beginning there was simply online marketing. Maybe it was ten years ago, but there was only a concept called "online marketing," and that's all that was taught because that's all there was.

Time passed and online marketing split into search engine optimization, online advertising, and affiliate programs (and many other things too—this list is by no means all inclusive… it's just to give you an understanding of what happens).

More time passes and advertising divides into pixel sites, e-zine ads, pay-per-click, banners, etc…

Then pay-per-click divides into the different search engines, bid management software, price and ranking checkers, click fraud software, pay-per-click arbitrage, etc… So there are all these different elements that are coming out of pay-per-click. And of course, you could branch it out further and further and further.

So what does this mean?

Well it means that if you're still teaching online marketing, overall, and somebody's looking for information just about pay-per-click, overall, they are not going to come to you. They're going to go to the pay-per-click guy. If somebody wants information on how to do pay-per-click arbitrage and you are still teaching pay-per-click, then they're going to go the pay-per-click arbitrage guy.

When I explain this phenomena to most people, I get one of two reactions – either their eyes glaze over because they are totally confused, or they wake up because they see the natural effects of what this means. Since you are sitting in front of me, I'll assume you don't get it, just to make sure you don't miss this.

First of all, it means that if you always wanted to be an Internet marketing guru you still can become one. All you need to do is either take an area that has not been claimed by anyone else, or figure out where the next division is going to be and get out there in front.

Case in point. The first pay per click search engine was GOTO.com better known as Overture. When the industry was relatively new, John Keel rose to the top and became the Overture guru. Then Google came out with a pay per click engine of their own. And no one really claimed it as their area of expertise, until Perry Marshall came in and became the Adwords guru.

The second takeaway is that this continual pressure to specialize means that you as the end consumer are now forced to get your information from many different sources because each guru only knows a small fraction of what is really going on online today.

A similar situation would be if back in the days when I had my clothing stores I only followed the guy who was an expert in neon signs (the neon guru). If I did, eventually I would think that neon was the key to retail success. So I must go out and learn from others if I am going to be effective.

I call this effect Incestuous Dwarfism because most internet marketer's lists are quite incestuous meaning most people are on many different lists. And if you decided to just follow one guru, as they got more specialized your knowledge and your business would get smaller.

The second phenomena counterbalances this effect and it's the real reason why Internet marketers keep making more money while most niche players keep making less.

Phenomenon #2 - Unspoken Alliances & Incestuous Dwarfism

If you have ever wondered why Internet marketing gurus make the large sums that we do you're about to get your answer.

Here's why — at the same time there is this pressure to specialize to attract new customers there is an equally powerful force to joint venture in the Internet marketing community.

I'm sure I don't have to point this out, but you see evidence of this pressure to cross promote everyday in your email box. Here's a picture from my email box that proves the point.

It's the same reason I was able to earn 3.5 million in my 50 hour launch and it's the same reason why Brad Fallon and Andy Jenkins just had their 8 figure day.

You with me so far? Good! Because you need to pay very close attention here.

Internet marketing works because of both phenomena. You see the pressure to specialize causes each respective guru to grow their own lists.

Rich, An Important Follow-up
rich, Did you get your FIX today? 2 Gifts ready for you
rich, Do You Want To Be A Bestselling Author?
Rich, don't forget our 3:00 appointment
Rich, it's Jason Mangrum back with the answer to your question...
Rich, OptiMINDzation Affiliate Update...
Rich, please reply
Rich, ready for a feeding frenzy?
Rich, the 'ASK Me Anything YOU Want' Webinar
Rich, This Weeks OptiMINDzation Promo Offer
Rich, your latest Wordtracker keywords are ready
richard - shocking photo inside. Open at once!
Richard, 33 new ClickBank products (Sep. 26, 2006)
Richard, Call In 5 Minutes Early Okay?
Richard, Don't Know How to Get Started?
Richard, don't miss Tuesday night's Webinar!
Richard, Get The Manuscript That Changed Everything
Richard, IMS 99 the September 21 2006 edition has been posted
Richard, Lori Prokop's Launching to Great Ezine
Richard, MYSS! 2002 Is Now F-R-E-E! --> 5 Pillar #248
Richard, redeem your VSW coupon today only.
richard, shocking video reveals...
Richard, students.sitesell.com Launches! --> 5 Pillar #247
Richard, Virtual Seminar Coupon Redemption
Richard, weekend with me in London?
Richard, XBM homework assignment #7
Richard, Your Very First List...
Richard: Please give yourself this gift ...

The unspoken alliances cause everybody's lists to be used to grow each others lists just as Michael Masterson explained why the newsletter companies in the states grew exponentially while their European counterparts flat-lined.

But what about the niche that you operate in? Well, that's a very interesting question, and exposes a dark dirty secret that practically no one is talking about.

That is of course, until now...

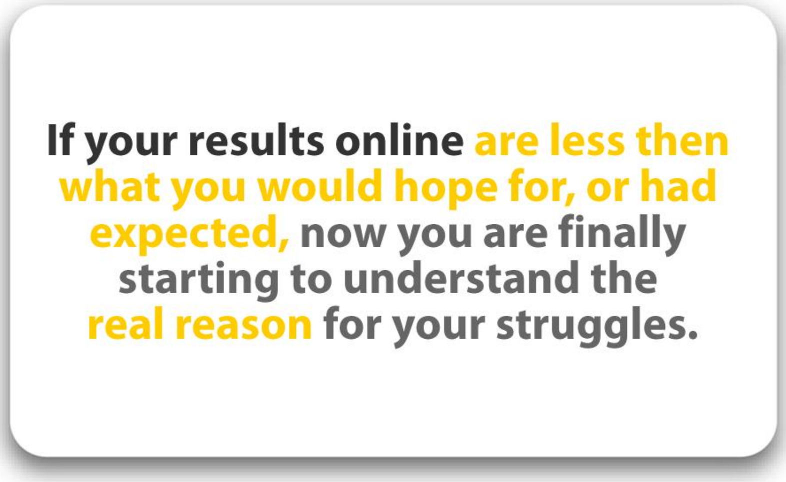
Alliance Partners:
The Big "Hidden Lie" Of Internet Marketing

The big lie that everyone just casually buys into is this:

The Lie: "You can achieve explosive growth in a market where you are the only one who understands advanced marketing strategies."

The Truth: "You can achieve explosive growth in a market where you understand advanced marketing strategies, AND have access to alliance partners."

If your results online are less then what you would hope for, or had expected, now you are finally starting to understand the real reason for your struggles.



You see, without the big launches or the consistent JVs, the only way your customer universe expands is through your own client acquisition techniques which will always be a small fraction of what your business could earn if you were also leveraging the customer acquisition techniques of all the other major players in your niche.

Right now, your niche is more than likely similar to the newsletter industry in Europe, than it is in the USA. And, as long as it is, you will always be settling for a mere fraction of what you could be earning.

The good news (or bad – it all depends on what you do next) is that your niche will most likely not stay that way though, because of...

A Meeting In A 400-Year Old French Castle Will Change The Internet Forever

As I mentioned earlier during the last week in September I participated in a top-secret strategy session for Agora in a 400-year old French castle.

It was an unprecedented meeting for all the heads of the different alliance partners from all the different countries.

In attendance were representatives from: South Africa, Australia, Germany, Ireland, Panama, Spain and the U.S.

I was invited because of my knowledge of the current state of Internet marketing.

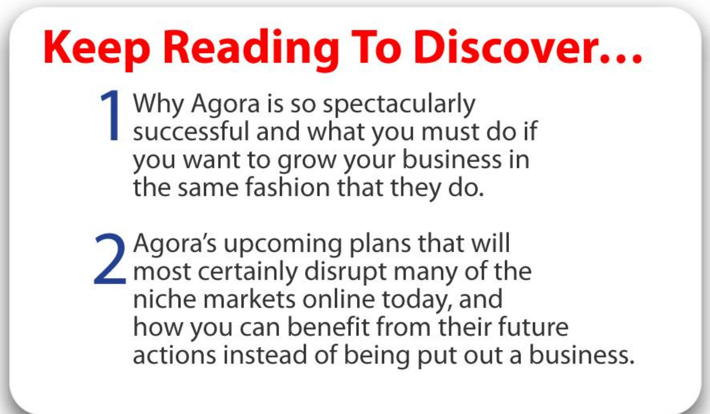
It's not something I usually go around claiming, but because I am the coach to so many Internet marketing gurus, in addition to some of the most successful Internet marketers on the planet, I am afforded an insiders view into more successful online businesses than anyone else I know.

I was the only non-agora employee there and what I learned absolutely blew my mind. It was worth at least ten times more than the most expensive seminars or courses in existence.

In the rest of this final chapter I will share with you two separate but extremely important observations I made.

1. Why Agora is so spectacularly successful and what you must do if you want to grow your business in the same fashion that they do.

2. Agora's upcoming plans that will most certainly disrupt many of the niche markets online today, and how you can benefit from their future actions instead of being put out of business.



Pulling Back The Curtain On The Most Successful Direct Marketing Company On Earth

First, let me tell you a little bit about Agora (which is the Greek word for marketplace). Agora is a large holding company with many different operating groups. Each publication is run as a separate company by a separate manager that is completely responsible for the profits of their business unit.

Today, Agora companies publish 40 newsletters reaching more than one million paid subscribers around the world. They have produced more than 300 books and last year they generated over $270 million in sales.

Agora publishes versions of its newsletters in the French, Spanish, German, or Italian languages. Their main corporate headquarters is in Baltimore, but they have regional business operations in Delray Beach, Florida here in the US and overseas they have offices in London, Paris, Bonn, Johannesburg and Waterford, Ireland.

Agora Publishing is one of the most **successful** information marketers **in the world**. Last year they did over **$270 million** just selling **ideas & advice.**

Currently Agora successfully operates business units in the following markets:

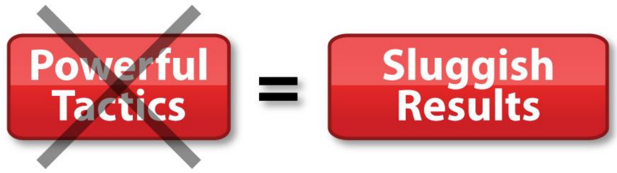
- ✓ Travel
- ✓ Financial
- ✓ Real Estate
- ✓ Health
- ✓ Business Opportunity
- ✓ Self-Improvement
- ✓ List Building

They recently decided to pursue several other hot niche markets as well, but I am not authorized to share that information with the public as of right now.

I witnessed evidence of what Michael Masterson had explained to me regarding the power of alliances in every conversation I had with the different divisions while in Paris. It's one of the main reasons I now realize its importance in the Internet marketing community today, and why I am now completely convinced it is a necessary criteria to building a large successful direct response company and extracting the maximum money out of your marketplace.

To simulate the power of their own launches internally each business unit has an opportunity to email Agora's entire customer list once every 6 weeks, and they can snail mail all of Agora's customers lists as often as they choose to.

There's more to tell you about the alliance structure and exactly how you can benefit from it, but before I do I simply must share some of the profound differences in the way they approach their businesses because it will help you realize everything you are most likely doing wrong, and what you must change in order to exponentially grow your business in rapid time.



Powerful Marketing Tactics: Agora Style

We're going to start out with some basics (you should already know) and then move into the super-advanced stuff.

While in France, each and every business unit head had the responsibility of giving a presentation to the rest of the group to update them on the current state of their business, what was working well, what wasn't working, and what their plans were for the upcoming year.

What if I told you that each and every presentation started with the same information? Do you think you could guess what it was?

What if I told you it was simply 2 metrics?

For anyone seasoned in direct response it should come as no surprise that every presentation was stared with the divisions current cost per acquisition and average customer value.

These two metrics are so robust that just knowing these two numbers gave the rest of the group a pretty clear idea of how well the business unit was doing.

Just to make sure we are clear let me define these two terms for you:

Cost Per Acquisition	The marketing and advertising expenses needed to generate a new customer. Online, this includes money spent to entice the visitor to the web site, the payroll costs of a live rep if there is live chat on the website, etc…
Lifetime Customer Value	The total value (in terms of money spent) of your average customers spanning the entire period that these customers are likely to do business with you.

There are many different ways to calculate the above numbers and depending on the business what should be included in the equation and what should be left out.

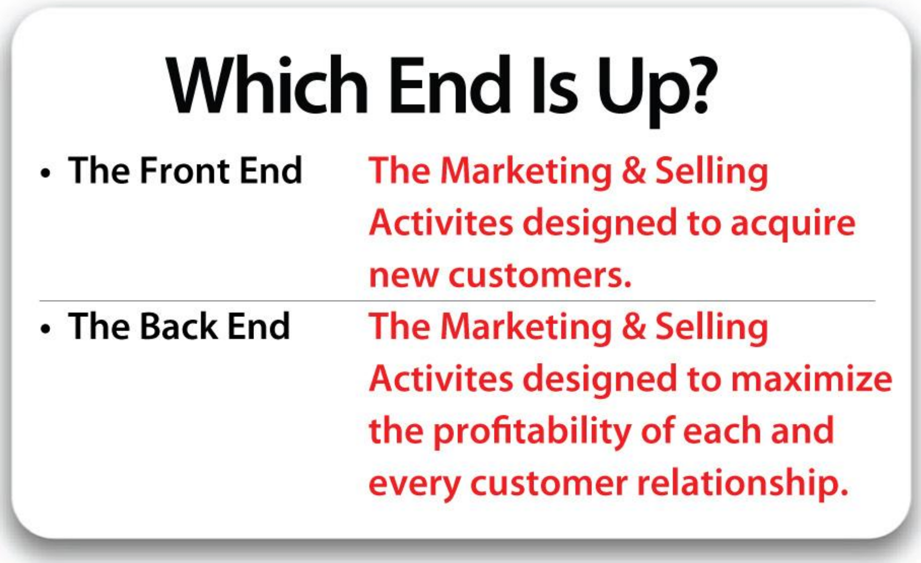
For example most companies would not use the total amount of money spent in the lifetime customer value equation, instead they would use the total amount of profit received. Here you would take the total amount of money spent and then reduce it by your costs. But for information marketing companies like Agora, the cost to fulfill is marginal so they simplify it.

Also, some companies might use the cost per acquisition to determine what they spend to get a prospect on their opt in list. This would certainly make sense if they knew the value of a new name on their opt-in list. Agora does this as well, but they use different terminology for these metrics, so ultimately it's just a difference in semantics.

But, before we go any further….

Quick, can you rattle off what your business is currently paying to acquire a customer?
Even better, can you break you cost per acquisition down from the different sources (advertising and marketing channels)?

What about the lifetime or long-term value of your customers? And once again, what about the value of the customer broken up by the different sources they were generated from?



Yes, yes I know you have lot's of reason why you don't have the time, or you simply can't do it because of some limitation in the way your sales are tabulated, stored, or for whatever other reason you can come up with.

Listen, these two metrics are the most important numbers in your business — and if you don't know these numbers then I would argue that you are not a marketer at all, and that you are not taking your business very seriously.

I realize some of you can't really figure out the lifetime value of a customer because of the way you market. But you know what? That points to you having an even bigger problem in your current marketing than you realize – but I am getting way ahead of myself here we'll be covering that a little later…

I would imagine that if you've been involved in marketing or read any books on marketing then you've already heard about the "Front-End" and the "Back-End".

You can think of the "front-end" as the first sale, the pipeline that brings new customers into the business. The "back-end" is the product (or hopefully series of products) that you sell to a customer after they purchased your initial offering.

A simple way to think about the metrics we just covered is that your cost per acquisition tells how well you're doing on the front-end, and your lifetime customer value is a measure of how well your company is executing your back-end offers.

Now that we're clear — let me ask you a very important question…

Which Side Of The Business Should Your Put On Auto-Pilot… The Front End Or The Back End?

Before you answer that question, answering these questions should help:

Which sale is harder to make, the front-end or the back-end?

Which end faces more competition?

Which end requires constant innovation?

Which sale has a higher conversion rate?

Which end do you make bigger profits from?

So which one do you think it is? If you said put the front-end on auto-pilot….. you're wrong. Yep, that's right. You should put the back-end on auto-pilot.

It's a general practice and an unspoken rule over at Agora that you get your back-ends established as soon as possible, and then focus the overwhelming majority of your resources on as many different front end activities as possible.

Now, if you've been involved in marketing for any time, what I just wrote most likely contradicts everything you've been told and taught for as long as you have been studying marketing.

And, if what I am saying is true then why do most, if not all Internet and offline marketers try to put their front ends on autopilot and then continually come up with different back-ends?

Actually, the answer goes back to the very first distinction I made in The Internet Business Manifesto (p.8) when I highlighted the difference between being opportunistic and being strategic.

Let's review those questions I just asked you and their answers before we go any further:

Which sale is harder to make, the front-end or the back-end? … **The Front-End**

Which end faces more competition? … **The Front-End**

Which end requires constant innovation? … **The Front-End**

Which sale has a higher conversion rate? … **The Back-End**

Which end do you make bigger profits from?… **The Back-End**

Did that make it clearer or more confusing why we need to put the back-end on auto-pilot? I would guess probably not. I knew this was going to be a little difficult to explain but here we go…

In the short-term you can almost always make more money from a back-end promotion than a front-end promotion. Our answers to the previous questions clearly points to it. Back-ends have a much higher conversion rate, they usually sell for more money, and we make a larger percentage of profits on them too. It's always easier to sell to a customer rather than a prospect.

But what about the long-term?

Well, long-term you must have new customers entering into relationships with your business, or eventually you'll be out of business. And if you have any competition then you can bet that some of your competitors are focusing on front ends that will eventually turn your killer front-end(s) offer into a lame, weak, no longer desirable deal.

You see most marketers and business owners get seduced by the quick, easy, big sale of the back-end(s). Since the big score from the big back-end is so much easier and more profitable, who wouldn't want to spend all their time devising new schemes to launch one after another?

Well, I'll tell you exactly who wouldn't — Every single big, successful direct marketing company wouldn't want to spend the majority of their resources on the back-end for these six very important reasons:

1. If you don't have clearly established paths for your new customers to take after they buy the first time, you can never test to establish the best sequence of offers to make the most amount of money on the back-end.

2. If you don't have clearly established paths for your new customers to take after they buy then you can never develop any predictive modeling systems to maximize your revenues from every customer (don't worry if this doesn't make sense to you now, this is a very important concept that we'll be covering later).

Are You Going Out Of Business?

If you aren't bringing in more customers than the rate of attrition, you are going out of business everyday.

That's why it's so important to manage your customer attrition rate and continually test to improve your retention rate.

3. The source of future back-ends comes from your successful front end promotions and if you aren't out in the marketplace being forced to figure out what customers want, you get out of touch with the current trends and shifts in your marketplace.

4. While back-ends contribute a greater percentage of today's profits, today's front-ends will contribute even more profits in the future.

5. The customers that have the greatest potential value are the ones that are acquired most recently.

6. Every business has an attrition rate and if you aren't bringing in more customers than the rate of attrition, you are going out of business everyday.

By now the logic behind this different approach should be somewhat obvious. Let's now take a closer look at some of the differences between how the bigger players approach their front ends and also the systemizing of their back-ends.

Front End

How The Direct Response Giants Focusing In On Creating Front-End Demand

Since the front end of your business is so very vital to your long term success, I'm going to give you some guerrilla tactics. So let's take a closer look at what the big boys are currently using that most internet marketers haven't got a clue about.

Specifically we're going to look at:

Competitive intelligence.

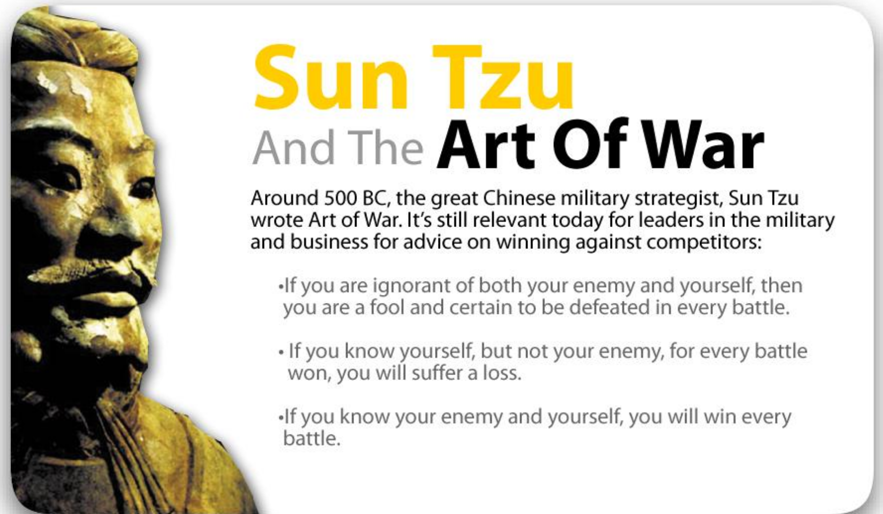
A very sneaky yet incredibly powerful pay-per-click tactic guaranteed to get you better targeted prospects for less than what you are currently paying.

The real differences between marketing and selling and how almost everyone online is only selling, and how to inject the power of marketing to exponentially increase the number of new customers each and every day.

Front End

Competitive Intelligence – You're Being Watched

In "The Manifesto," I covered the importance of having a strategy and how most entrepreneurs marketing online didn't have one. However, in order to really craft a take no prisoner strategy you must first conduct competitive intelligence.



Just to be clear, your strategy is what your business intends to do in the marketplace. Competitive intelligence is focused on what the marketplace wants to do to you, in other words – the strategies that your competitors are already following. And there are always competitors for your products, even if they are only competing for a certain amount of money from the same customers you are targeting.

Sun Tzu, the legendary Chinese general, wrote about the importance of knowing your competitors before competing. It's is vital to your business's success.

Your Competitive Intelligence Tools

Way Back Machine	archive.org
Domain Tools	domaintools.com
Search Status	quirk.biz/searchstatus
Keyword Elite	keywordelite.com
Clickalyzer	clickalyzer.com

When the bigger direct response companies enter into a marketplace they enter with a plan to win. And before the plan is assembled they size up every competitor to make sure they can and will win.

When you understand your competitor's strategies, you can out strategize them. You can move around faster than them. They're foiled again and they don't understand why. When you understand your competitor's tactics, you can out maneuver them. When you understand your competitor's value propositions, you can out value them by crafting more appealing offers than they do.

Remember, the idea here is to use competitive intelligence to make your front end offers as appealing as possible.

What most online entrepreneurs don't realize is how easy it is to actually conduct competitive intelligence campaign on your market. Once you've identified your competitors, you can determine where they're most vulnerable. I'm going to show you some of the tools you can use right now to do it too.

Now one last thing before we dive in. When Agora or any other big player does competitive intelligence you can be sure that the guy in charge is not doing the work.

That's why when I teach my clients how to do this, I also give them a separate report that teaches them how to outsource all of it. And here's why: Competitive intelligence is a systematic and ongoing process. It's not something that you do once; it's ongoing process of gathering and analyzing information to derive actionable insights about competitors, and I stress actionable insights.

Please do not just collect data just for the sake of collecting data. You're collecting this data so you can win in your marketplace. Clients always tell me later on that they can't believe what a difference this makes in their income. I know a good portion of them are not going to be too pleased that I am sharing this with you, so please use it and at least make my effort and their annoyance with me worth it.

The Internet Archive — www.archive.org
This is a free and simple tool to use. Just a few of the uses for it are:

- How often the website has changed their copy?
    - Are they split testing? (there could be years of data here)
    - What can you learn from the changes they've kept?

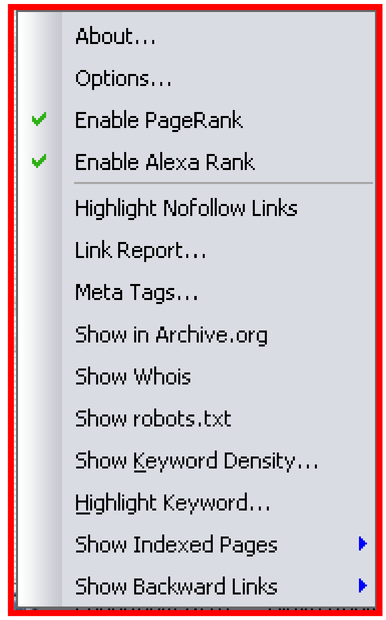
- How long the website has been using the current offer?
    - Have they made any big changes, like price, bonuses, guarantees, etc?

Domain Tools — www.domaintools.com
This tool costs $149 a year but man is it worth it. Some of their services are free and the membership is a bargain (if you use it). Here is just a small sample of what you can use it for:

- Whois lookup — you can find out how many other websites they have on their servers which can help you figure out what who your competitor is, what other offers they have going, if they have separate sites for their backends, and if so what are they and how much do they charge, etc…

- Mark Alert — this service is designed to tell you when anyone uses any of your trademark terms in their domain name so you can make sure you protected (Like your company name or your last name). Another great use for this tool is to monitor the best keywords in your market to be alerted every time a new domain is registered with that root keyword. This is more useful than you are probably thinking right now – I find it a great way to be alerted of new trends in the industry and to generate immediate ideas.

Search Status — www.quirk.biz/searchstatus/
Of all the tools we'll go over here I use this one the most. Search Status is a plug-in for the browser Firefox which means it's free. Here's what I use this little wonder for:



- The Highlight No-follow Links – this feature lets you know if a website that is linking to you is not passing the benefits in the eyes of the search engines.
- Show in Archive.org takes you straight to The Internet Archive for the current page you are on.
- Show Whois takes you to dnsstuff.com to get the contact info of the website owner (great for setting up a joint venture).
- Show robots.txt – this feature will show you the websites robot file that tells the search engines the special pages that they do not want listed because they want to keep them private.
- Show Indexed Pages – This option is awesome because it allows you to see all the pages that are listed for the website you are visiting in all 3 major search engines. There is so much you can do with this, but because a few of them could be abused I will have to keep them for my clients and me because I don't want to enable anyone to do evil things (sorry).
- Show Backward Links – This is another great feature because you can check all the sites that are linking to the current page or website that you are visiting on all three major search engines. If you are looking for link partners or Affiliates this is a great tool.

Keyword Elite — http://www.keywordelite.com
This is a great tool for discovering keywords and building keyword lists, but one of it's best (and most underrated features) is the Spy function.

- With the Spy function, you can analyze Adwords campaigns and discover what ads are being run on a consistent basis by your competitors. This is a quick and dirty way to make an educated guess as to which keywords are profitable and which ads have a decent conversion rate. The value of the function alone easily justifies the price of the software.
- In addition, you can analyze keyword competition, which allows you to see how hard it will be to rank well for a specific search term. You can see if your competition is ranked well by "accident", or if they're going to be tough to outrank. This can save you hours of wasted research time.

Clickalyzer – http://www.clickalizer.com
A website statistics package with some very cool features. The main advantage this software provides is the remote tracking feature.

- Remote Tracking gives you the ability to track websites you do not actually control, such as affiliate websites and MLM sites. In fact, you do not even need to contact the website you are promoting. All of this is done via a totally non-invasive link your visitors click on. No software is downloaded, and nothing permanent happens to the visitor visiting your site. Pretty cool.

I know I just spent quite a bit of space here on competitive intelligence, but believe me when I tell you that my clients and companies like Agora spend a whole lot more time than this. In fact, I am not allowed to show you some of the best tools that really tell you everything you'd ever want to know about a competitor. But it's important for you to understand this, because the future success and sustainability of your business depend heavily on it.

When companies like mine, Agora or the companies that we have alliances with enter into a niche armed with all the data that is available (above —like who the top affiliates are for each and every competitor, and the best converting pay per click keywords, etc…) in one fell swoop we can contact all of our competitor's affiliates and cut better deals, and overbid on the pay per click search engines to a high enough level that we basically grind all of the front-end traffic to a competitors site to a standstill.

The eventual outcome of a full force blitz like this is that the competitor goes out of business (unless they are skilled with the same tools and methods). And that's why I've been telling you since the first Manifesto, that your niches really are in jeopardy unless you build a real business that is entrenched in the marketplace.

Keep in mind that these tools are just a stepping stone. Don't forget that the competitive intelligence process includes actually surfing around your marketplace, visiting the forums, buying products and really interacting with the people whom you are trying to build a relationship with. That's the only way to get a complete picture of what's happening in your space.

Front End

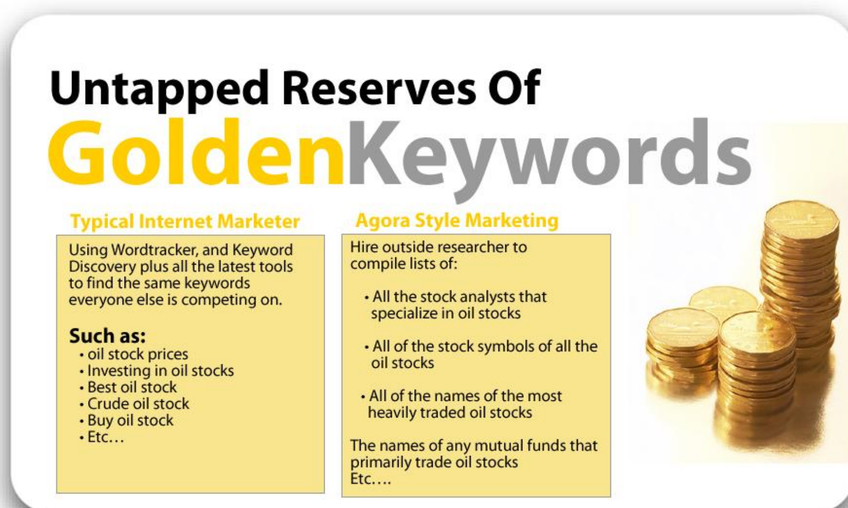
Tapping Pay-Per-Click For The Most Qualified Prospects At Bargain Prices

Another great front end tactic that every self-respecting Internet entrepreneur should be leveraging to the hilt is pay per click traffic. But once again, what I see in the Internet marketing marketplace is the crowd following the over-used, less-effective tactics the crowd before them mistakenly focused on. To put it bluntly – Practically everybody is approaching keyword research all wrong.

You'd have to be living under a rock not to be hit with a promotion almost every week for some new keyword research tool that everyone is promoting as the latest and greatest way to find the unexploited searches phrases. And the subtext of the whole promotion is that if you don't get your hands on this piece of software be prepared to be left in the dust.

Here's a little secret for you...Agora has never bought one of these tools, yet I am 99.9% sure they are paying less per click for some of the most targeted keywords in their niches.

The secret is to use completely low-tech methods and forget about all those fancy high tech tools. And I'll give you two secrets you can begin to put in place right now, and within one week you'll be seeing great results.



Pay Per Click Secret #1

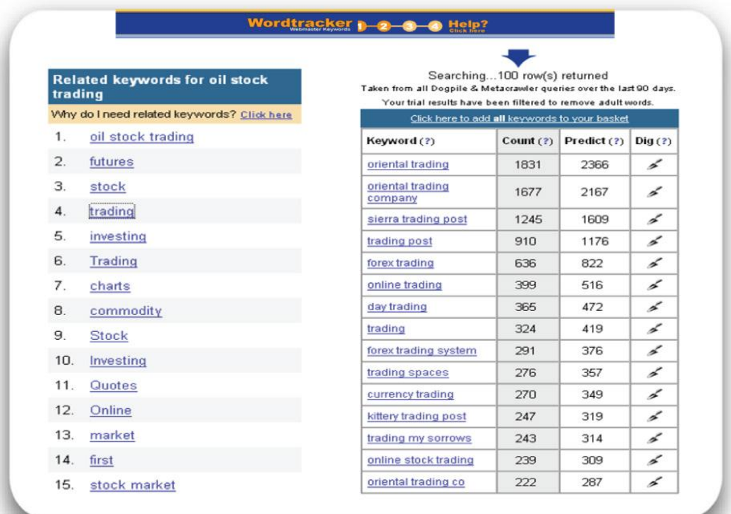
Hire researchers to compile keyword lists that cannot be put together using any of the keyword tools available. If you do this right now, not only will you be paying a lot less per click, but you'll also benefit from some extremely targeted traffic that your competitors aren't bidding on.

Look at the slide on the right for an example of this method. In this example the product is an investment newsletter for the oil market. Instead of just focusing on the keywords on the left which are all the keywords you'll get from the wordtracker.com, etc... Compile the keyword lists on the right.

Do you see how much more qualified and how much less competition there is for these types of phrases? And the reason is that it requires a little bit of thinking and a little bit of effort, but the rewards of this work is some of the most profitable work that can be done in your business.

Pay Per Click Secret #2

This tip is for those of you who are a little bit more advanced and are familiar with tools like Wordtracker. The average user of Wordtracker types their main keyword on the left side of the screen and then goes over to the right side of the screen and clicks on the good keywords and adds them to their basket of good keywords. Once again, this approach has a few drawbacks.



The right way to do it is to click on the link on the right hand side to add all of the keywords to the basket so you end up with a ridiculously large number of good and bad keywords in your basket.

Then you have someone go through this incredibly long list of keywords to build two keyword lists. The first list is for all the good keywords, and the second list is for all of the bad keywords. Essentially what you are doing is here is cutting all of the bad keywords out of the original list and then pasting them into the bad keyword list.

The last step is to then go through the bad keyword list and isolate the bad word in each phrase and erase all the words that make up the keyword phrase. For example, if we were still working on our oil stock newsletter and we put on our list of bad keyword phrases "oriental trading" and "trading post" then we would delete the word "trading" from both, and we would be left with these two words "post" and "oriental". When we're finished, we would have the best list of negative keywords of all our competitors. This would allow us to bid on the most general words and still have an incredibly low price because our ad would never be shown on every bad word that is associated with our good words. Because the ads wouldn't be shown it would drive up our click thru rates and decrease our costs proportionately.

If you do any pay per click advertising then you already know how powerful these two tactics are. And here's the real clincher, these two tips just scratch the surface of what the best minds have come up with. Of course to gain access to the minds of these top pros you need to be aligned with a company the likes of Agora. But for now consider me your source, until you get the opportunity yourself…

What's The Difference Between Marketing And Selling?

What is marketing?

Can you answer that question?

Marketing Guru Philip Kotler said, "The belief that marketing and selling are the same is a common and mistaken view held by both the public and many business people." And I would add many online entrepreneurs and opportunity seekers too! They confuse Internet selling with Internet marketing and the two are very different.

Plain and simple, marketing is bringing the market to desire your product or service.

Actually I think the Peter Drucker really sums it up well by telling us what the goal of marketing really is, "The aim of marketing is to make selling superfluous."

Now, in the world of Internet marketing they've been handing out a special fruit punch in plastic cups… and I have a question to ask you, have you been drinking the direct response kool-aid for too long?

What I mean is, have you been totally convinced like most direct response marketers that every big company is run by a bunch of fools who waste a tremendous amount of money on what they call marketing and advertising?

Have you ever considered that maybe, just maybe, the marketing experts who built Coke, Nike, Sony, etc… might know something that we don't?

Look, I can tell you from personal experience that image and institutional advertising can work and work incredibly well. When I was in the clothing business and the music business that was all we did and we did very well because of it.

It wasn't until I got involved in my hypnosis business that I was introduced to direct response advertising. It was the only kind of advertising that we could count on to make the phone ring (immediately) so we did it exclusively. But I never forgot that I had built two very successful businesses not knowing the difference between a good headline and horrible one.

Now I am not suggesting that you should run out and spend lots of money on image building marketing and advertising, it certainly is a lot riskier and when it doesn't work it can be one of the biggest wastes of money.

But, I do think that far too many people online mistakenly believe that the only effective marketing and advertising is the type that goes for the sale immediately. And I think that level of thinking leaves a very wide gap that cost online marketers a tremendous amount of lost profits.

Once again, remember the definition of marketing. Marketing is bringing the market to desire your product or service. And the question I have for you is, using that definition – Are you doing any type of marketing whatsoever?

We've already established that some of the biggest and most successful companies spend the majority of their marketing and selling budgets on marketing.

And even though Agora is one of the leaders in the world of direct response, with some of the world's best copywriters working for them, the experts over at Agora realized early on that simply using long form salesletters would only get them so far.

So they began to distinguish marketing from selling, and the rest is history. While the common Internet marketer might have an opt-in list that is 10, 20, 100, or even a 1,000 times bigger than their customer list, Agora's ratios are beyond comprehension for the overwhelming majority of direct marketers.

Currently, Agora's opt-in list is approximately 3,000,000 and their active customer file is slightly over 1,000,000. Do the math. If the average direct response marketer has a 1% conversion, then their opt-in list would be 100 times bigger then their customer list. And Agora's is only 3 times. What gives?

Well consider this — when I took an informal poll of my clients and I asked them the question: “when did you decide that you were going to invest in my program?” over 80% told me it was during the campaign itself and it was days if not weeks before the actual salesletter was up. On top of that almost all of them had decided how much they were willing to pay, which meant that they were not going to be easily swayed one way or another by the salesletters.

You see, “*The Manifesto*,” “*The Missing Chapter*,” the video, and the interviews were all great content that I shared freely because I truly do want to make a difference in the lives of all my subscribers. Yet, at the same time each and every piece was a marketing piece. I was selling myself, my knowledge, the system I had created and the results I knew I could help you achieve. But the only way to convince people I was the real deal and could deliver on my promise was to show my stuff in action. Just like Nike shows their products in action by outfitting the sports stars we admire the most.

That’s the reason why product launches have become so stunningly effective, because the entire Internet marketing world had grown somewhat tired of salesletter hype—we were, and still are begging to be marketed to.

Of course it’s at least ten times easier to pull off when what you’re offering plays to your strengths, in an area you are deeply passionate about. And the results are even better if you plan on staying in the field for an extended period of time, because you do build a branding effect by all the emails that go out on your behalf.

Of course long form salesletters are great and can be very effective, but what Agora does, and what I am talking about is a much bigger game than what a great headline will ever deliver all by itself.

And that's the main reason why I've been telling you throughout all of my communication to you—the stakes of the game are changing. Even though I only gave you a glimpse of the competitive intelligence tools we are currently using, with a rookie level primer on aggressive front-end customer acquisition, I told you about a little earlier, combined with the shift towards real marketing; a lot of opportunity jumpers are going to be left in the cold.

And I haven't even told you the half of it yet, there really is a lot more you need to know if you want to build a multi-million dollar business.

But even with what you know right now; just imagine a never-ending tightly focused marketing strategy, positioning you as the expert through a supportive alliance in an area that you have big strengths in and deep passions about. Think about the immense power of that.

Now add to that the unfair advantage that great competitive intelligence gives you about exactly what you need to do to win in your market. Plus all the powerful tactics I am about to share with you stacked up one on top of another, and you are just seeing a fraction of what's coming your way.

Back End

Now We Move To The Backend:
What Happens After You Make The First Sale

What this entire section is about is what you do after the first sale has been made. There is no question that it's the most profitable part of your entire business. That's exactly why the mistakes made here are so devastating to your business success.

There are 5 master — level concepts to tear into so I've broken each concept into its own section in order to give each one the space it deserves. They breakdown like this:

1. Why You Currently Have No Idea How Many Real Customers You Have And The Serious Problems It Can Cause
2. Latency, Customer Life Cycle, Customer Value, And Your Profit Protection Alerts
3. In Heat –or- Hyper Responsives – How Can You Tell And The Steps You Need To Take To Make The Most
4. Why You Are Currently Losing Your Best And Worst Customers And What You Can Do To Easily Keep The Ones You Want
5. The Insider Profit Models And What They All Have In Common

Are you ready? Set…Go!

Why You Currently Have No Idea How Many Real Customers You Have And Why That Is A Serious Problem

Here's a really, really powerful question that I want you to consider for a second.

How can you tell if a customer is still a customer?

How do you define it right now in your business? If you had 5,000 people buy from you over the last four years, do you have 5,000 customers? If you had 1,000 people buy from you in the last year, do you have 1,000 customers?

Let's say you sell an ebook on Internet marketing with a backend into a monthly membership site. If you started to look at the amount of time in between joining the site and the purchase of the ebook you would be able to determine the average length of time it took for an ebook customer to become a member of your site.

The average amount of time between the two customer actions is known as a Latency period. A latency period can be the average period of time between any two customer actions, for now though, let's just consider it the amount of time between these two purchases, more on this later.

Let's say we do the math and we determine that people who join the membership site on average bought the ebook 14 days earlier (latency = 14 days). Once we know this, we also know that everyday that passes after 14 days the likelihood of that customer still joining our membership site decreases until so much time has elapsed there is no longer any chance they are joining.
In this example that would be the day they are no longer a customer.

But of course, you'd only know it if you were monitoring it and had a system in place to alert you when something wasn't going according to plan.

No Real Number For Customer Count

1. **You have no way of determining your customer value and therefore can't improve it.**
2. **You could be going out of business very slowly without realizing it until it's too late**
3. **You can never reduce your attrition rate because you have no idea how many are leaving you**

Right now practically every entrepreneur marketing online today does not have any criteria to be able to determine whether a person on their list is a customer or not. Except in the case where the customer is in a continuity program where it's really obvious who is still a customer (because they are still paying) and who's not (because they are no longer paying).

Let's say that right now you have no formal backend process for customers to go through after their first purchase. And that you only market backend offers sporadically to them, whenever you have the opportunity to.

Think about the consequences of that:

We have no criteria to determine who's still a customer and who's not.
We have no idea if our customer base is actually growing or shrinking.
We have no accurate way to determine the value of a customer.

Do you see how debilitating it is to your business, if you don't know this?

Ostrich Theory Of Customer Marketing

- All of your customers are customers for life – unless they contact you (email, phone, opt-out, etc…) and tell you they are no longer interested in buying from you.
- Every person who ever bought from you is not the definition of a customer.
- If the last time you contacted a customer was 12 months ago, are they still customers?

Most online marketers practice what I call the Ostrich Theory Of Marketing.

This is if you consider all of your customers to be customers for life, unless they contact you and tell you that they're no longer interested in buying from you, or hearing from you ever again.

Here's your painful dose of reality… every person who ever bought from you is not the definition of a customer. If you didn't contact a customer within the last 12 months or they haven't bought from in 12 months then they are no longer a customer.

One of the big contributors to this faulty thinking is that most entrepreneurs don't have a clear definition for the word customer. So, before we go any further, here's how I define what a customer really is.

A customer is someone that has purchased from you already, that you expect will be buying from you again.

If you are not expecting additional purchases from someone who has bought from you in the past then they're no longer a customer; they're actually a former customer.

And just for the record, expecting means exactly that, you have some reason (reason, not hope) to believe that they will be buying from you again.

Pay attention because this is real important. Just like raw milk goes bad over time and spoils, so do your customer lists.

Your business' biggest asset is your customer list, and if you are like most Internet marketers, you're not actively managing the list or measuring the list to reduce the fallout. The net effect of this is a decrease in your business's worth, and a reduction in what it will produce for you in the future. Both of which I am sure you don't want.

So here's a trick question for you… What's the only way you can keep the current customers on your list, customers, instead of them turning into former customers? If you said "get them to buy again" you're right.   The only way to keep a customer is to keep them buying and that's what we call the backend.

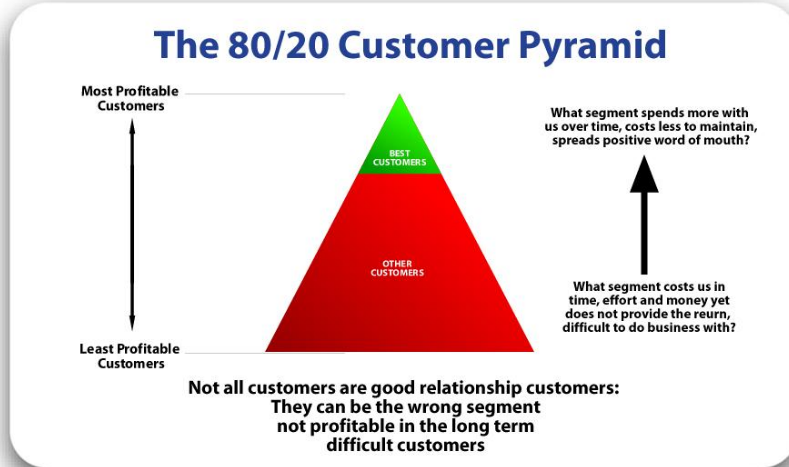
The Goal Of Your Back-End: In Heat Or Hyper-Responsive

Have you ever heard of the 80/20 Rule, also known as The Paretto Principle?

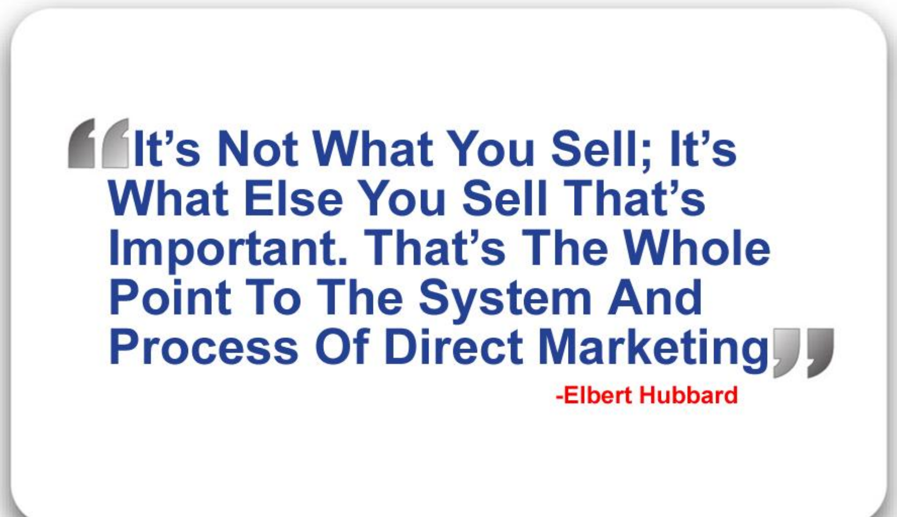
Basically it's a scientific principle stating there is usually a large disparity between causes and effects or inputs and outputs. This principle is so pervasive throughout all aspects of life, it's startling.

20% of the carpets in your home will have 80% of the wear. 20% of your clothes you wear 80% of the time. 20% of Americans are responsible for 80% of the divorces, and 20% of the businesses in your niche will earn 80% of the profits, 20% of joint venture partners will account for 80% of the sales, and last but not least 20% of your customers should account for 80% of your profits. You need to look at your business and you need to evaluate whether you have that kind of disparity going on with your customers.

You want to make sure that in your business there is a heavy weighting towards a specific group of customers who are spending increasing amounts of money with you. As I wrote earlier don't get hung up on the actual ratio, that isn't what's important.



The ratio of those high value customers might be more or less than the 80-20 ratio, but the important thing is that you discover the imbalance. If there is, it's an indication that your back-end is setup correctly, because not everybody that enters your funnel is going to reach the most expensive levels nor should they. It should look like the 80/20 pyramid you see in the slide. Each level up the pyramid, there are fewer customers spending more money.



However, if in your business you don't have this disparity, with a small minority of the customers accounting for a large majority of the profits, what this usually means is you don't have enough back-end vehicles in place.

What's really happening is that you are not tapping into the next level of higher price points that you could.

Don't think though that all you're doing is sacrificing the next level of profits because the reality is far worse. By not offering the next level to your best customers you are not extending your relationship and therefore you are putting your business in jeopardy of not only losing the sale, but also losing your best customers too. They might want what the next level is – and if you don't provide it, there's a very good chance they could go to one of your competitors and become one of their best customers instead. Always remember if you don't offer it, ultimately someone else might and then they'll end up stealing away your best customers.

HYPER-RESPONSIVES

> **If you want financial security in a business, you will make it a priority to cultivate Hyper-Responsives within your customer base.**
>
> **What is a Hyper-Responsive? Where do they come from? How to cultivate them…**
>
> **The Hyper-Responsive is that customer who totally believes in you, your company, your products and will buy virtually every new product or service you offer or recommend. They come out of your regular customer base, typically 5% to 10% range, as a results of delivering on your promises, exceeding their expectations, and frequent and consistent, nurturing communication.**
>
> **-Dan Kennedy, Powerpoint**

Remember, no matter what kind of expensive product you're currently selling, there's a market inside your customer base that is willing to spend more to get more, most of the time a lot more.

Your job as a marketer, a business owner, and as a provider of value to your clients is to give them what they want so that they don't go elsewhere. To the degree that you do that, you're successful. To the degree that you don't, you are more likely to struggle.

Before we move on, I want to tell you about two very different types of backend customers, because they can both represent a share of your customer base and currently I can guarantee your are losing at least ½ of them if not more.

The first type of backend customer is what Dan Kennedy refers to as a hyper-responsive. They are your long-term back-end buyers.

These customers are your true loyalists, your big fans, and they are usually with you for a very long time. In the marketing guru business I see it all the time – it's a core group of customers that buy every single item that specific Guru brings to market. The smart marketing gurus at some point offer these customers a discount and V.I.P. status as a way of making sure that they don't wander off.

BACKEND EXAMPLES

Offer	Price	Affiliates	#Sold	NET	Partner Share
Abraham Internet Strategies	$400	$200	$1300	$210,000	$70,000
Abraham Apprentice	$5000 - $6000	$0	$400+	$1,800,000	$600,000
Partnership Program	$12,000 + 50% of new revenue	$0	$40	$480,000+ 50% profits from 40 companies	$160,000 50% allocation
IBP (Now Strategic Partners)	$697	$0	$25	Approx $317,000	$317,000 to me
Alumni Prog	$297	$0	$20	$71,200	$71,200 to me

The other type of back-end customer is what Gary Halbert calls a "Porcupine in Heat". Gary got the name because supposedly a porcupine only goes into heat for three hours a year (now, why would, Gary know that random fact?) so you have to move fast or you miss out. It's the same story with these types of customers. They get very interested in a topic, they want to devour whatever they can get their hands on, but at some point that interest will dissipate and then the likelihood of additional purchases will be minimal.

I see this type of behavior in lots of people, including myself. If you get me at the right moment there's a very good chance I'll buy everything you put in front of me. Yesterday it might have been

Theory of Constraints, and next week it might copywriting, but when I am focused in on a topic I want absolutely everything I can get my hands on.

Obviously you have to treat the porcupines and the hyper-responsives quite differently, or you are going to miss a lot of sales.

When someone has a peaked interest and buying more frequently, faster than others, you want to make sure that they get more offers because they're going to burn out. They're really interested right now so the likelihood of selling them more is much, much higher. A little later I'll show you how to spot it and profit from the type of back-end buyer they are.

To wrap this section up, let me tell you about Agora's experience with back-ends. Before Michael Masterson got to Agora, they were simply a front end newsletter company with no back ends whatsoever.

By putting in back-ends and systemizing them with standardized processes, they've been able to grow more than 10 times in the past 20 or so years.

Take a guess when Agora tries to renew a subscription to their newsletters. If you guessed with the very first issue the customer gets delivered you'd be RIGHT! And here's an interesting tidbit – those customers that renew that first month are worth more than double the ones who don't (actually, that's a standard in direct response… customers who've made two purchases are usually twice as likely to buy from you again then those who bought from you once).

Here's something to think about regarding back-ends. It's one of the many concepts I learned from another Agora guy Porter Stansberry (a $50 million dollar man) while in France.

"People buy things for emotional needs and those emotional needs are never filled. Your role as the marketer, as the business owner, is to continue to exploit that emotional need because that emotional void that creates that desire to buy never gets fulfilled by the buying of a product. Therefore, in order to do your job right, you need to have multiple products and premium offers.

Back End

Don't Know Your Customer Value?
Use Latency & Customer Life Cycles

Have you been told by marketing guru after marketing guru that you need to know you lifetime customer value? But when you try to get advice on how to actually do it, you find that no one can actually tell you?

Well have no fear, I am going to solve this riddle for you once and for all. And not only that, but I am going to show a few of the basic predictive modeling techniques I've learned from the big newsletter publishers that are literally going to rock your world.

If you can't figure out what your customer value is, this is what you need to do first. Actually, you can't really figure out your customer value until you figure out what your customer life cycle is. And the thing is, you can't figure out the customer life cycle without understanding the concept of latency (which we discussed earlier) Just to refresh your memory, latency is the average time between two purchases.

Latency is a concept that you really need to understand and then implement. It may appear tricky at first, but trust me, it's not that hard. Seriously, all you've got to do is export your customer file into Excel and then start looking at what they bought, when they bought it, put them in order and Excel will tell you the difference in date ranges and how many days that was and you can do it very easily. You might have to look at the instruction manual or the help file of Excel but that seems to be a small price to pay to get a very clear idea of how to maximize revenue in your business.

Now let's figure out how we develop a life cycle promotion that gets customers that are becoming non-customers back on track. So let's take another look at latency and how it relates to developing a life cycle.

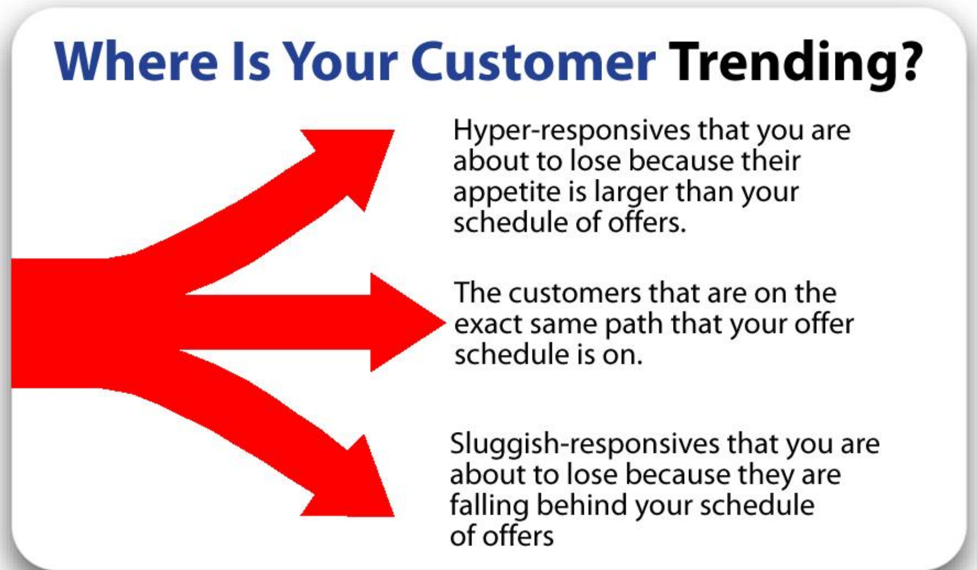
The first thing that you've got to do is determine how soon after the customer passes the latency period that you want to act. Remember, it's an average.

For a customer that is cooling down: If the customer takes 15 days (on average) to purchase an additional offer, then it would be silly to email them with a coupon or incentive, before that time. If the customer also does not take you up on the offer 3 days after the initial 15 days, then you must take some type of action to put them back on track.
When a customer is in heat: Don't deprive them or they may go somewhere else. In other words, not only do you need to move people faster if they're in that mode (the porcupine in heat) because you want to get them to buy as much as possible, and by doing so you prevent them from going elsewhere to satisfy their needs.

Customers that are either increasing their relationship with you or decreasing their relationship with you are your highest leverage opportunities in your business. They're already customers, and you have the ability to move them in a way that makes you a lot more money.

Your customer life cycle is the progression of steps that a customer goes through when considering purchasing, using, and maintaining loyalty to a product or service.

To put it more simply, that means getting a potential customer's attention, teaching them what you have to offer, turning them into a paying customer, then keeping them as loyal customers and turning them into hyper responsive customers who's satisfaction with a product or service urges them to get other customers to join the cycle as well; in other words, to refer others.

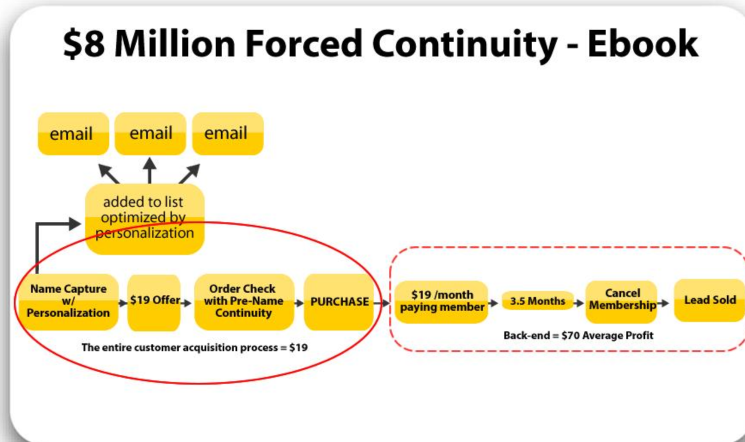


Let's look at the stage of customer life cycle again. We talked about reach, acquisition, conversion, retention, loyalty, hyper responsive. You don't move people through the steps without them making commitments. It's like a relationship of any type, a friendship, a marriage, they all grow by commitment. Therefore, it's no different with your customers. The way your customers show their commitment is by buying your products. It's the only way. You need your marketing funnel to take someone from a converted customer to a hyper responsive. You need your marketing funnel to develop loyalty. You need your marketing funnel to get retention.

If you don't know your customer life cycle, it's impossible to know your life time value because one, you don't know what all the successive buying steps are and you also don't know when the customer is no longer a customer.

Back End

When You Have Consistency You Have A Model



You know I am just going to cut to the chase here, because this is so serious and many of you reading this might be struggling for absolutely no reason whatsoever except you were never given the right advice.

After just spending a little bit of time with real professionals (Agora Publishing), I realize how backwards we all are in Internet marketing. You see it's always been different in the offline world – to test anything cost real money, so people get good before they try things. But online it's completely different. And I am telling you right now that if you are not doing these five advanced backend concepts and innovating on your front end… the only way you'll get rich online is if you get lucky or work yourself to death. Remember, in the online world, this stuff is advanced marketing, offline this is direct marketing 101.

I want you to look at these two business models above and I want you to notice that what they both have is a real clear back-end process. Now I could show you 100s of examples like this but I chose these two for a very specific reason.

Notice the difference in price points on the back-end. The business model on the left, the 100 million dollar a year business sells coaching programs at price points ranging from $5,000 to $15,000. The business model on the right is selling a $19 a month continuity program that people stay in it for only 3.5 months on average, which means they get $70 bucks total for their back-end before they lose the customer for good.

But they both make millions, why? They both make millions because they have formalized back-end processes. And because they have formalized back-end processes they can be aggressive on the customer acquisition side and leverage most if not all of the five of the concepts I just laid out for you.

Just to make sure you really get it, I am going to walk you through how each of these companies runs their business and then we will check it to make sure that they are doing all five concepts.

This 100 million dollar company above sells digital ebook packages for $40 (In this example I use the term prospect even for the $40 purchasers because they are all prospects for the coaching program).

- If you buy the package they then offer you an upsell of $10. If you take the upsell your information gets added to the hottest prospect list in the hottest prospect category.
- If you buy the package and decline the upsell you get added to the medium prospect list.
- If your credit card is declined they offer you a second bonus for trying a different card, and if it goes through you get added to the hot prospect list if you take the original $10 upsell and you get added to the medium prospect list if your new card goes through but you decline the upsell.
- If you don't buy, they have a pop up come up to try and get your phone number so they can call you. If you give your number you are added to the low end prospects list.
- All prospects are called within 2 weeks to be sold over the phone. With the hottest prospects called first.

- If the prospect doesn't buy into the coaching program they are dropped and never dealt with again.

Several years ago this company offered me and a partner $60 for every $40 ebook package because at the time they were making $350 for every $40 sale.

1. Does the company know how many customers they have?
   a. YES

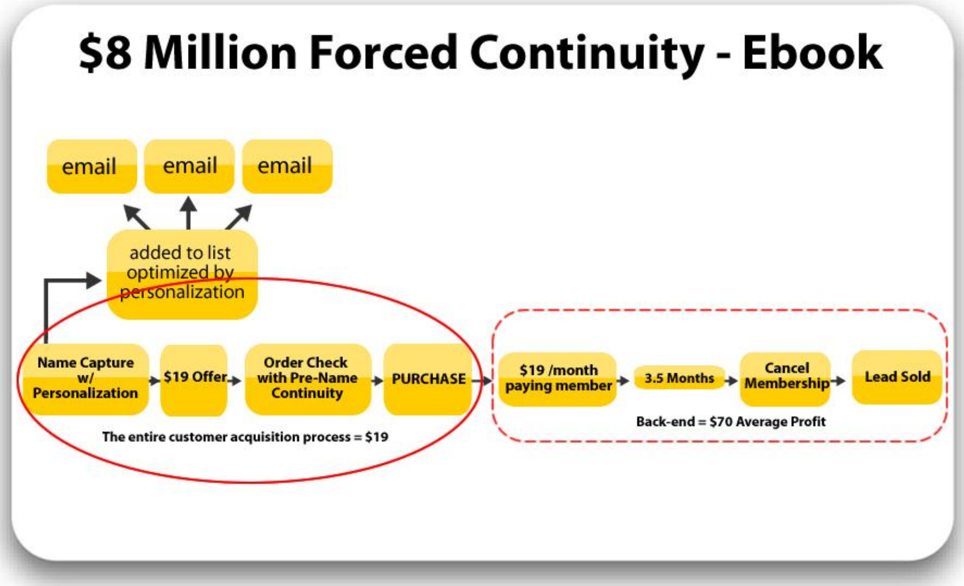
2. Does the company know the days in between steps (latency), how long they have a customer for (customer life cycle) and how much the customer is worth?
   a. YES

3. Do they have a process to identify hotter buyers?

   a. YES – The Upsell Process

4. Do they have a process to sell the hotter customers faster?
   a. YES – They call them first

5. Do they have a workable profit model?
   a. YES! YES! YES!



This $8 million business sold a $19 ebook on grants with a forced continuity program that customers stayed in for an average 3.5 months at $19 a month for approx $70 total customer value.

They paid affiliates anywhere from $19 to $25 for each sale, and sold hundreds of units each and every day. The name capture process asked the prospect what they wanted to do with the money and the total dollar amount they wanted and that information was plugged into the salesletter as well as the autoresponder series.

1. Does the company know how many customers they have?
    a. YES
2. Does the company know the days in between steps (latency), how long they have a customer for (customer life cycle) and how much the customer is worth?
    a. YES
3. Do they have a process to identify hotter buyers?
    a. NO – the process was standardized for everyone (high volume instead)
4. Do they have a process to sell the hotter customers faster?
    a. NO – the process was standardized for everyone (high volume instead)
5. Do they have a workable profit model?
    a. YES

I hope you are beginning to see how powerful all this is when executed properly. And that you're getting really motivated to create your own profit model that leverages everything we've been covering in this last installment of the "Internet Business Manifesto."

And believe me when I tell you that you haven't seen anything yet, because wait till you hear some of the people you'll be hearing from… it'll really blow your mind.

Now, take a look at the chart below and ask yourself why you may experience resistance when contemplating the implementation of the strategies and tactics presented earlier.

Rationalizations, Excuses, Stories, & Justifications For Failure

Start a List – The Reason I Didn't Build A Successful Business After Going Through This Program Is:

Why The Failure?	What Are The First Signs?	Strategies To Eliminate
It was too hard	Giving up on an assignment	• Always Finish • Seek help if I can't myself • Worth doing well is worth doing poorly
I didn't have the time	Putting off the work	• Do it the AM • Slot It On The Calendar • Reward yourself
It's not the best time right now	Starting to have doubts	• If not know, when? • Review Success Stories
I'll go through it again later.	Starting to rationalize	• It's your only chance to be plugged in to this community • I help people work less and make more

As always, I like to get feedback as to why this stuff wouldn't work for you. Remember, I know this stuff works, I've seen it over and over. So, if you're telling me, "it's too hard," or "I didn't have the time," or "it's not the best time *right now*," or "I'll go through it again later," the take a look at the strategies on the right.

What I'm getting at is that you really don't have any good excuses.

And you know that deep down inside…

Before We Go, I Have A Confession To Make

Sometimes I get a little carried away.

I have a tremendous desire to deliver the best insights and business advice humanly possible. Especially when I have the chance to pass along the very things that have made my friends over at Agora Publishing the largest direct response company on the Planet. It's not every day that I get to sit in on a closed door meeting with the top thirty employees at Agora.

So if this document seems a little overwhelming, I apologize. But I really wanted to share the experience that I've gained in the last three months.

I started editing it down, but I couldn't really compact it anymore. There are just too many things you need to know in order to be a huge success. And, if you haven't noticed already, when I talk about business success, I don't just mean a few hundred bucks here or there. I'm talking the business of your dreams. And in order to achieve that dream, it takes more than just hard work and common sense. It takes uncommon sense and strategic alliances because it's just too hard to do it yourself.

I've poured a lot into these pages, and if you study them carefully, many "secrets" of building a multi-million dollar information marketing company can be had. But I also realize that the path to building the business of your dreams is a journey and not a destination. So I know we'll be in touch soon. I've got some more killer stuff on the way.

To Higher Profits,

Rich Schefren

P.S. I think you'll agree that I've put a lot into this document. So I very sincerely appreciate your feedback on the blog at: http://www.strategicprofits.com