#### **Financial Liberation**

"While the **materialist** is mainly interested in **goods**, the Buddhist is mainly interested in **liberation**. Buddhism is the Middle Way and therefore in no way **antagonistic** to physical well-being. It is not wealth that stands in the way of liberation but the attachment to wealth; not the enjoyment of pleasurable things but the **craving** for them. The focus of Buddhist economics, therefore, is simplicity and non-violence.

For the modern economist [and consumer] this is very difficult to understand. They are used to measuring the "standard of living" by the amount of annual consumption, assuming all the time that a man who consumes more is "better off" than a man who consumes less. A Buddhist economist would consider this approach excessively irrational: since consumption is merely a means to human well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption. The less toil there is, the more time and strength is left for artistic creativity. "

--E.F. Shumacher, Small Is Beautiful

I admit that my recipe for economic "success" is quite different than the advice you'll get from most people.

Bookstores are filled with books about making money and getting rich. But they all come with certain basic philosophical **assumptions**-- mainly that MORE money is always better and that the key to "success" is to be rich.

Even books that I recommend, such as The 4-Hour Workweek or Your Portable Empire, have an **underlying** philosophy of "getting rich". All of these writers are firmly centered in **mainstream** capitalist thinking.

My philosophy is essentially that of a Buddhist economist. While others speak of "success" and "wealth", my concern is liberation. And when I speak of liberation, I mean financial liberation, physical liberation, emotional liberation, mental liberation,... and **ultimately** spiritual liberation. However, at this time in my life, I'm only qualified to give advice about financial and physical liberation:)

Its important to understand the **profound** difference between seeking wealth and seeking liberation. Mainstream financial advice is always focused on more, more, more.

However, my starting point is always less, less, less. Simplicity is the **core** of my approach to financial liberation. Learn to need less, and you automatically become freer. Learn to need a smaller and cheaper living space. Learn to need a smaller and cheaper car... or better yet, a motorcycle,... or still better, no vehicle at all. Learn to need fewer **gadgets**. Learn to need fewer and less expensive clothes.

**Simplify**, simplify, simplify. This is the **core** of my "method" for success. Before you worry about building a business, before you worry about **debt** elimination, before you worry about working fewer hours or making more money-- Simplify every **aspect** of your life--- **persistently**, continuously, **relentlessly**. **Pare** away all that is unnecessary, distracting, and fashionable. Work on your cravings.

This is the **basis** for liberation. Without doing this, you'll always be a slave... no matter how much money you have-- because you'll always need more.... and thus will always remain a slave to work and economics.

On the other hand, if you simplify **drastically**-- you'll find that financial liberation is much easier than you thought. You'll find that you can work much less and live much more. You'll find that escaping your job and boss is much easier than you thought. You'll find that eliminating debt is much easier than you thought.

You'll find that you are much less **stressed** about money. You'll find that you have many more options in life. You'll find it easier to save money, easier to travel, easier to do the things you always **put off** doing.

Simplicity is the starting point, the center, the foundation, and the ending point. It is the key to your financial liberation.

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#### What Is Success?

What Is Success?

If we want to be successful, we must first be able to **define** success. What is success? What does it mean.

**Mainstream** culture tells us that success equals money. Most people think that rich people are successful, and poor people aren't. That, however, is a very **shallow** idea of success. If someone is **miserable**, angry, unhealthy, and lonely- are they successful (even if they are rich)? I don't think so.

Most of us need to **broaden** our idea of success. I define success in terms of health, connection, and freedom. Without physical health, nothing else **matters**. We cannot enjoy life if we are constantly weak, tired, and sick. Mental health is also important- true success brings happiness, even **ecstasy**.

Does money automatically bring happiness and ecstasy? Obviously not. In fact, money often brings stress. Many people who suddenly become rich are very unhappy. Some even **commit suicide**.

Connection is another **vital** part of success. Most human beings need to feel connected to other people. We suffer when we are lonely. To be successful, we must have friends and we must know how to connect to other people. Kindness and **compassion** are important ingredients for true success.

Finally, we need to be free to be successful. Of course physical freedom is important- its hard to be successful if you are locked in a prison somewhere. Financial freedom, however, is also important.

Many people don't understand **financial** freedom. They think that if you have a lot of money, you must be financially free. This is not true. Financial freedom means you have many financial choices. It means you have excellent cash flow. It means you have total control over your **finances**.

For example, many people who appear rich are not, in fact, financially free. Why not? Because they owe more money than they actually have. They have a big, expensive house-- and thus a big expensive house loan. They have a big expensive car loan. They have a large amount of credit card debt. They have many **bills**.

On the outside, they appear rich. But their situation is very dangerous. They could easily lose everything if their income changed suddenly. Another problem-- these people don't have many financial **options**. They are already spending more than they have, so they have fewer options for **investing in** new opportunities.

Its much better to think of financial freedom in terms of **cash flow**. Cash flow simply means that you have more money coming in than is going out. In other words, you make more than you spend every month. I call this building the "postive gap"

The bigger the difference between what you make and what you spend every month-- the greater financial freedom you have.

So there are two steps to financial freedom:

- 1. **Drastically** reduce what you spend. In other words- simplify every part of your life.
- 2. Increase your income. In other words- make more money.

Most people focus on number 2, "make more money". But number 1 is actually more important, and its the first thing you should focus on.

When I started Effortless English, I was making very little money. I started the business with only 200 dollars. Most people thought I would fail. However, I had a secret advantage-- even though I was making very little money at my job, I was spending even less. I had a big postive gap. I had financial **flexibility**. I could live for many months without money from the business. Also, I could take some of my extra money and invest it in the business.

I lived in a tiny one room apartment with the cheapest rent in San Francisco. In fact, I still live in the same apartment, even though I could **afford** something much more expensive. Why? Because I want to maximize my financial freedom. I can take the money I save and re-invest it in Effortless English.

This is what you must do too. Your first step is to simplify your life until you are spending less than you make. Then simplify even more, so that you are spending <u>MUCH</u> less than you make.

Do not try to start a new business, or invest, until you accomplish this first.

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#### Solve a Problem

"I have long been of the opinion that if work were such a **splendid** thing the rich would have kept more of it for themselves" -Henry David Thoreau

"To become successful quickly, become an expert at solving a certain type of problem. Don't **diversify**. Become an expert at solving that one type of problem and people will come to you. Then, if you are good and trustworthy, you will reach your financial **fast track** more quickly." --Robert Kiyosaki

As we discussed, simplicity is the first step to "Effortless Success". The next step is to become an expert at solving a particular type of problem.

Its very important to think in this way. We are trained to think in terms of "having a job". We get up, we go to work for 8 or more hours, we come home. To be more successful, however, we must do something different than a job. Most people focus on what they do at work, we must focus on solving a particular problem.

For example, I have a friend who is a **massage therapist**. She wants to leave her job and create her own massage business. When I asked her to describe her business, she said, "I give people massages". That is typical job thinking. I told her, "No you don't. You help people relax and you **relieve** their muscle pain".

She focused on what she did. I taught her to focus on the problem she solved.

So how do you decide? What problem should you solve?

Make a list. Make a list of things you are **passionate** about. What do you love to do? What are you good at doing? List job related activities. List hobbies. List anything you enjoy and are good at.

Next, pick your two favorites. My friend, for example, is good at massage and yoga. So those are her two passions.

Once you know your passions, you must identify problems **related to** those passions-- problems you can solve, or can learn to solve. Back pain and high stress are the problems my friend chose to solve.

You can even do this at your job. Instead of being a normal, boring employee-- become a problem solving expert. Pick a common problem at your company, and become an expert at solving it. Don't be normal. Be remarkable. And don't try to do everything. You don't need to work 50 hours a

week to be successful. You don't even need to work 30 hours a week!

Success comes from being an expert problem solver. In other words, success comes from working smarter, not longer.

I did this with my own teaching. When I started to teach English many years ago, I quickly realized that speaking **fluency** was the number one problem for students. Most students had studied a lot of grammar in school. Most could read well. But few could speak or understand quickly and easily.

I decided to be an expert at solving this problem. To do this, I knew I had to focus. I **deliberately** chose not to teach writing. I enjoy writing. In fact, I'm a **freelance** writer and I have a degree in journalism. But I needed to focus, and speaking was the number one problem I wanted to solve. So I became an expert at helping people speak English easily and fast.

Sometimes I got in trouble at jobs because of this. Bosses wanted me to teach grammar, but I knew that grammar study did not help. So I ignored my bosses. My goal was not to be a good employee, my goal was to solve my students problem in the best way possible. As a result, I often had problems with bosses, but I was very popular with students. I became an expert, started my own business, and became successful.

None of this would have happened it I had played it safe and done my job like everyone else. Focusing on a specific problem, and becoming an expert at solving it was my key to success. It is your key too.

That's the attitude you must have. You must decide that solving a problem is more important than making your boss happy. You must decide that your **long-term** success is more important than following the rules.

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#### **Stand Out**

"If you're remarkable, it's likely that some people won't like you. That's part of the definition of being remarkable. Nobody gets **unanimous** praise- ever. The best the **timid** can hope for is to be unnoticed. Criticism comes to those who **stand out**.

Where did you learn how to fail? If you're like most people, you learned in first grade. That's when you started **figuring out** that the safe thing to do was to **fit in**. The safe thing to do was to **color inside the lines**, don't ask too many questions in class, etc.

**Playing it safe**. Following the rules. Those seem like the best ways to avoid failure. And in school, they may very well be. However, these rules set a pattern for most people (like your boss?), and that pattern is **awfully** dangerous. These are the rules that ultimately lead to failure.

In a crowded marketplace, fitting in is failing. In a busy marketplace, **not standing out** is the same as being invisible.

The good news is that the **prevailing** wisdom makes your job even easier. Since just about everyone else is **petrified** of being different, you can be remarkable with even less effort. If successful new products are the ones that stand out, and most people desire not to stand out, **you're set!** 

So it seems we face two choices: to be invisible, anonymous, uncriticized, and safe, or to take a chance at greatness, uniqueness, and big success."

--Seth Godin, Marketing Expert, www.sethgodin.com

If you want to be a big success in your career, or if you want to create your own successful business, you must be remarkable.

The problem is, being remarkable is scary. We are taught all our lives to be the same. We are taught to avoid criticism. We are taught to fit in. We learn to do what everyone else is doing.

That does give us a little **security**. We manage to keep a safe, but boring job. We make a little money. Maybe we get a small **promotion**.

But we never achieve our dreams. We never **attain** big success: total financial freedom, plenty of time to enjoy our lives, and feelings of happiness and **ecstasy**. Most people feel stuck in their jobs. They want something more, but they are afraid to be different.

Starting your own business is scary. I know. I was **terrified** when I started Effortless English. To be honest, I wasn't worried about money. What terrified me was **humiliation**. I told everyone about the business-- if it had failed, I would have felt embarrassed. I would have felt like a total idiot.

This fear is normal, don't worry about it. Unfortunately, many new business owners **play it safe** because they are afraid. They start a new business, but then they copy what everyone else is doing. There is nothing remarkable about the business.

What happens? Usually, the business fails. Since the business isn't remarkably different, no one is interested in it. Over 90% of new businesses fail within 5 years. That's a scary statistic.

How do you avoid being in that 90%? Or maybe you just want to go higher in your career-- how do you **move up**? You do it by being remarkable. You must be different. You must be unique. You must take risks and do things that no one else is doing.

When you do this, people will criticize you. I was criticized by many English teachers when I started Effortless English. They said I was crazy not to teach grammar rules. They said students wanted grammar rules, and would never buy my lessons.

Now I have a successful growing business, and they are still working bad jobs for little money. Why? Because I chose to be different and remarkable-- they chose to stay the same and play it safe.

Its easy to be remarkable. Here's how you do it:

- 1. Identify your strong points. What are the strongest points of your personality and skills?
- 2. Exaggerate those strong points. Make them super strong! At the same time, **ignore** your weak points. Don't try to correct them. Focus on making your strong points even stronger.
- 3. Take risks where you are strong. Try new things. To succeed, you must be **extreme!**

For example, the strongest point of Effortless English is: Listening & Speaking **Fluency**. Several years ago, I was good at helping students speak English easily and fast. I also knew from research that grammar study did not help.

Every other school and teacher focuses on grammar study. I focused on my strengths. I became better, and better, and better at teaching students to speak English easily and fast. I didn't focus on writing (although that is a **legitimate** area to study). I didn't do what everyone else does (teach useless grammar rules). I focused on my strengths.

Eventually, I created the best system in the world for learning to speak English easily and fast.... with no grammar study. It's remarkable. It's unique. It's totally different than any other system in the world. That's why Effortless English succeeded.

Use this same strategy with your career or business. Do not copy others. In fact, **strive** to be different than everyone else. Pick a few things and be remarkable at those things. Stand out.

People will criticize you, it's true. But in the end, you will live your dreams... and they will forever be disappointed.

Follow Seth Godin's advice: "Take a chance at greatness, uniqueness, and big success!"

#### **True Wealth**

"The definition of wealth is: 'The number of days you can survive, without physically working (or anyone else in your **household** working) and still maintain your standard of living.'

For example: If your monthly expenses are \$1000 and if you have \$3000 in savings, your wealth is approximately 3 months or 90 days. Wealth is measured in time, not dollars.

Ultimately it is not how much money you make that matters, but how much money and how long that money works for you. Every day I meet many people who make a lot of money, but all their money goes out to **expenses** and **liabilities**.

Every time they make a little more money, they go shopping. They often buy a bigger house or new car, which results in long-term debt and more hard work, and nothing is left to invest in **assets**.

Regardless of how much money people make, ultimately they should put some into investments. Investing is the process of money making more money... the idea that your money works so that you do not have to work."

#### --Robert Kiyosaki

I like the idea of measuring wealth in time, not dollars. The important point is not how much money you have-- but how much you enjoy your life. I once lived in my van for 1 year. Most people thought I was poor. I felt wealthy. I had a great amount of time and freedom. I worked very little. Yet I still enjoyed books, movies, music, and friends. I had a comfortable lifestyle that required very little work.

On the other hand, I have known many people who make a lot of money-- but they aren't wealthy. They must work long hours every week. They spend more than they earn. They have little freedom. They are tired and stressed. They have many liabilities, and few assets.

Starting now, always think about wealth in terms of time.

How long could you maintain your standard of living without working? How could you increase that amount of time?

Do you regularly save and invest your money? Do you collect assets or liabilities?

An asset is something that provides positive cash **flow**. Your job is an asset-- it gives you money every month. Good investments are assets-- they pay you money every month. If you own a home and rent it to another person.. and if they pay more rent than your monthly loan payment.. then your rental home is an asset. Your business is an asset if it is **profitable**.

Liabilities are the opposite. They are things which cost you money every month. Your home is a liability if you pay a loan every month and don't earn money from renting it. Your car is a liability if you owe money on it and must pay a car payment every month. Your credit card is a liability if you must pay interest every month. All your loans are liabilities. Basically, liabilities are **recurring** expenses.

Assets are recurring income.

Simply-- you want to increase your assets while decreasing your liabilities. The first step is to save. Save money, then invest it in assets. Invest it in a business. Invest it in **stocks**. Invest it in a home that you rent to other people.

Meanwhile, eliminate your liabilities. **Pay off** your car, or sell it. Pay off your credit card. Pay off your house, or rent a room, or sell it. In other words, eliminate all debts which do not **generate** a profit.

This is the very simple formula for wealth, although it's not necessarily easy. It takes discipline to change your way of earning and spending. You must adopt a long-term perspective. You must do what most people do not do.

Never forget the goal of wealth-- the true goal of wealth is freedom: freedom to live your life exactly as <u>you</u> choose, freedom to do exactly as you want, when you want to do it.

You don't need to be a millionaire to be wealthy. You just need to **steadily** increase your assets, while steadily eliminating your liabilities.

Financial freedom is closer than you thought.

#### The Process

"So is there a **foolproof** way to create a Big Success every time? Is there a secret formula, a **ritual**, an **incantation** that you can use to increase creativity at the same time you stay firmly **grounded** in reality?

Of course not. There is no plan. **Looking in our rear-view mirror**, we can always say, 'Of course that worked." By definition, a Big Success is something that was remarkable in just the right way. When we take our eyes off the rear-view mirror, though, creating a Big Success gets a lot more difficult.

If you are looking for a plan, I'm sorry to tell you that I don't have one. I do, however, have a process. A system that has no **given** tactics but is as good as any.

The system is pretty simple: Go for the **edges**. Challenge yourself and your team to describe what those edges are, and then test which edge is most likely to deliver the marketing, business, career, and financial results you seek.

Would it be remarkable if your spa offered all its services for free? Sure, but without a financial **model** that supports that, it's not clear that you'd **last** very long. The JetBlue Company figured out how to **get way over the edge** of both service and pricing-- with a business that was also profitable. Starbucks determined how to redefine what a cup of coffee meant (in a way very different from the way JetBlue delivered their innovation).

It's not the plan that joins the Big Successes together. It's the process people use to discover the **fringes** that make their projects remarkable."

--Seth Godin, www.sethgodin.com

To be a big success you have to be remarkable. To be remarkable, you have to **go to extremes** in some area of your business or career. You have to go to the edge. You have to do something much more, or much less than everyone else.

You can pick almost anything and push it to the edge to be remarkable. For example, maybe you are friendly, so you decide to push friendliness to the edge-- to an extreme. How could you do that? Perhaps you remember every customer's name, and the names of their friends and family. You send birthday cards. You remember their wedding anniversary. You learn about their hobbies, ideas, and interests. You become the most remarkably friendly person in your business or career.

Maybe you're not friendly. Maybe you're efficient. So you go to another edge. You're not friendly at all-- but you are super-efficient. You finish every job 200% faster than anyone else. You make far fewer mistakes than anyone else. You constantly improve your methods and systems to make them

more, and more, and more efficient. People are amazed at the speed and accuracy of your work.

You can also be remarkable by NOT doing something. Everyone teaches **useless** and boring grammar rules-- I don't. That makes Effortless English remarkably different than everyone else-- which is why we can **compete against** billion dollar companies.

To be truly remarkable, you will probably need to find 2 or 3 edges. For example, Effortless English is remarkable because 1) we don't teach useless grammar rules, 2) we teach with tremendous passion and enthusiasm, 3) we focus exclusively on speaking English easily and quickly.

We do these three things very remarkably. We don't waste time or energy on other things. We don't teach writing. We don't try to be the cheapest. We don't worry about **packaging**.

The point is this-- you have two choices.

- 1. You can do everything well, but nothing remarkably.
- 2. You can do 2-3 things remarkably, and not worry about the rest.

Choice one is the path of **mediocrity**. Most people choose the first path. As a result, they never stand out. They never have a Big Success. They never live their dreams. They live an ordinary, boring, average life-- filled with disappointment.

Choice two is the path of excellence. Its the scarier path, because sometimes people criticize you. Sometimes people doubt you. This always happens when you stand out. However, this is the path to a Big Success. This is the way to live your dreams. This is the way to live a **vibrant**, exciting, wonderful life.

Be extreme. Go to the edges. Do it again and again. You will eventually create a very successful career or business.

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#### **Wealth Steps**

"There was a study done a number of years ago of rich and poor all around the world. The study wanted to find out how people born into **poverty** eventually become wealthy. The study found that these people, regardless of which country they lived in, possessed three qualities. These qualities were:

- 1. They maintained a long-term **vision**
- 2. They believed in delayed gratification
- 3. They used the power of **compounding** in their favor

The study found that these people thought and planned for the long term and knew that they could ultimately achieve financial success by holding to a dream or vision. They were willing to make short term **sacrifices** to gain long term success. They invested money, even tiny amounts, and multiplied it by the power of compounding **interest**."

--Robert Kiyosaki

What are your dreams? What is your **glorious** vision?

What kind of life do you truly, deeply want?

Write it down. Now. Write down your big dreams.

Next, ask yourself, "What am I willing to sacrifice now to achieve my long term dreams?" Be **specific**. Write it down.

Then, every day, review your dreams and the sacrifices you are willing to make. Remind yourself, again and again, of your big dreams. Don't let them **fade**. Don't let them die. You must keep your vision alive. You must feed it with your excitement and your belief.

Remember the study-- those that succeed maintain a long term dream. They make small sacrifices now to get closer to their long term dream. They cut a few unnecessary expenses. They eliminate all liabilities. They save money. They invest.

They use the power of compounding. In other words, they invest in businesses, or stocks, or real estate, or something that pays them an extra percentage every month. Perhaps they make 1% on their investment every month. Perhaps they make 5%. Perhaps they make 10% or more.

The amazing thing is-- even small percentages create great increases long term. Three percent is almost nothing after one month, but after 20 years, even an extra three percent **return on investment** can create big increases in wealth.

This formula takes patience. You must have a long term view. You must have your big dreams and big vision-- and you must sacrifice now so you can have that big dream in the future.

This study looked at people from many different countries, and the formula was the same for all of them. They all had a dream. They all sacrificed in the short term to succeed in the long term. They all sacrificed by reducing expenses and eliminating liabilities.

They all focused on investing by creating profitable small businesses, by intelligently buying stocks, by intelligently buying **real estate**, by intelligently buying education, training, and skills.

This is a formula that you can follow too. It may take time. It will take patience and discipline. But you can do it.

And you will succeed.

### The Way

"'I'm trying to lead change and **induce** risk-taking at my company. Got any ideas? How should I do it'

I've probably heard that question a thousand times or more. For years, in response to that question, I waffled. I'd launch a little rant on leadership. Whatever. Not wrong. But not right, either.

#### Lately, I've changed my tune.

'There is only one way,' I boldly proclaim.

'Find Heroes. Do Demos. Tell Success Stories'

#### To elaborate:

We need heroes: **Exemplars** of the Exciting New Way of Doing Things.

We need demos: **Palpable** Proof that this Exciting New Way of Doing Things is **eminently** do-able. We need stories: **Riveting** Tales that **fire the imagination** of the rest of our **heroes-in-waiting**."

--Tom Peters, Business Consultant, www.tompeters.com

How do you convince your team to try something remarkable? How do you convince potential customers to try your product or service? How do you **inspire** people? How do you become remarkable and help others become remarkable?

Tom Peters shows the way. After you have decided to be remarkable, after you have identified your "edges", you follow the Tom Peters way to create **lasting**, continued success in your career or business.

#### Step one is: Find Heroes

What is a hero? A hero is someone who is already remarkable. A hero is a model-- for you and for the people you work with. Sometimes you can find heroes in your own organization. Sometimes you find heroes in other companies. Sometimes you read about them in a magazine or book. Often, your customers are heroes.

The point is-- you need role-models. You need to find **flesh-and-blood** people who are already doing remarkable things. They will be your guide. Find them. Examine what they do and how they do it. Let them inspire you and your team.

Most of my heroes are students. During my teaching career, I continually identified my hero students-- the ones who learned faster and spoke better. I interviewed them. I identified their successful strategies. I identified the differences between the hero students and the ones who did not succeed. This helped me create the Effortless English system.

#### Step two is: Do Demos.

A demo is a **trial** project-- a fast, cheap, simple version of a product or service. Demos are not perfect. In fact, they are usually ugly and incomplete. However, they are probably the number one key to success.

Most people think, plan, and worry too much. They refuse to take action until their product or service is perfect. They wait-- weeks, months, years. Sometimes they wait forever-- and never start their own business.

Here's the truth-- you will never create a perfect business.

The best method is to create something small, fast, and cheap and immediately sell it. It won't be perfect, but it gives you something to start with. Once you sell it, your customers will tell you what they like and what they don't like.

Then you make changes. Little by little, you improve your demo. Eventually, your demo **evolves** into a complete, successful product or service.

This is what I did with Effortless English. Our first website was started with \$200. It was ugly. really ugly! We had only a few lessons. We had no Mini-Stories Lessons and no Point-of-View Lessons-which now are our most powerful and important lesson types.

We started with something ugly and incomplete-- but we started! Then we improved. Every month I listened to members' suggestions. Every month I improved the lessons. Every month I added more. That's how I built a successful company.

That's how you will build your successful business or career.

#### Step three: Tell Stories

I hate selling. Most people hate selling. The good news is- you don't need to sell. I don't sell Effortless English lessons, I simply tell stories. I tell stories about successful students. I tell stories about the people who have used Effortless English to speak English easily, and fast.

That's what you need to do too. Find success stories. Celebrate success! When a team member does something well, tell their story to everyone else. When a customer improves or has a great experience,... tell their story to other potential customers.

Most people try to convince people with facts and logic. Forget it. People don't respond to "facts" because facts are impersonal and abstract.

Facts Tell, Stories Sell. Stories are powerful because they are real-- real success examples from real people. Collect these examples. Share them. That's how you convince people. That's how you create big changes. That's how you become a great leader. That's how you create success.

### **Effortless Success Chapter 1**

Hi. Welcome to chapter one of the effortless success audio book. In this first chapter, I want to talk about a more specific process for developing a business. Especially developing a product, it could also be a service. But I want to talk about sort of the step by step process. How do you do it? How do you do it as a bootstrapper? Now a bootstrapper's someone who has very little money to begin with. If you have tens of thousands of dollars to start your business, well then maybe you don't need to follow this system.

But actually, I think you should still follow this method. But if you don't have that money, if you're starting your business with \$100.00 or \$200.00 or even less, well then you really need to follow a system of slowly building and developing your business. All right? You have to be careful because you don't have much money. So I'm going to talk about this system, it's a system that I used. It's a system that a lot of entrepreneurs use. And let's go ahead and get started and talk about the step by step process of starting your business.

Okay, here's how we do it. Number one, you need to create a cheap demo. A cheap demo version of your product or service. Now what does that, what does that mean exactly? If you have a product, it means you create a quick, fast, cheap version of your product. What does that mean? It means you don't worry about being perfect. It's not going to be perfect. The quality might be you know, so-so. You're not really sure exactly what the product needs to be like or needs to do. You have some general ideas. So just make something fast.

Okay, speed is important when you start your own business. Okay, so you do not worry about perfection, do not worry about perfect plans. There's no fool proof method, there's no fool proof product, there's not fool proof plan. Okay, do not try to create a finished product in the beginning. It's a bad idea for several reasons. Number one, it takes a long time and a lot money to create a perfect, really good, finished product. But, there's an even more important reason why you need to start with a demo, a cheap demo.

Because you really don't know what you need to do. You think you know. You think you maybe you have a strong idea of what your product should be like. But you're probably wrong. What you need is input, feedback from real customers. Because when you start selling your product, you're going to start interacting with customers. They're going to tell you things. Something's they are going to love. They're going to say, "We love this, do more of this. More, more, more." Other things, they're not going to like. They're going to go, "Oh I don't like this part of your product, it sucks. I hate it."

Now if one person says that, it doesn't matter. But if you hear that again and again and again and again, then you know, oh man this isn't good I need to change it. Now before you start your business, you don't know what is going to be successful and what's going to fail. You can think about it, you can do research. You can plan and plan and plan. But you're kidding yourself because you just really don't know. When I started Effortless English, I had strong ideas about teaching. I had – I

was teaching in a classroom so I did have some ideas about what to do, how to do my lessons. But I didn't know for sure how the whole system would change and evolve.

The Effortless English system changed and evolved from customers, from members giving me input, giving me ideas, giving me suggestions. Telling me what they liked, telling me what they didn't like. As I heard that, I started to do things more and more and more. And I started to do other things less and less and less. For example, the mini story lessons, I was doing those in my classes in my school, but I wasn't doing them for Effortless English. I wasn't recording them. And I recorded one. One day I thought, "Oh I'll record a mini story lesson." And I put it on the website and wow, suddenly it was really popular. All the members loved the mini stories. It was the most popular lesson.

Now looking in the review mirror, looking back of course I realize well of course, I mean it's the most powerful lesson. I know why it's so popular. I understand why it's popular. It's probably the best method, the best lesson in our whole system. But you know at the time, I just didn't realize, I knew as a teacher that I really liked it, but I, I don't know why. I just didn't think about it. I didn't realize, oh students are really going to love this. But after I did one, I just tried it. Then I started getting all this feedback, all this input, all these members telling me, "Mini stories, mini stories, mini stories, mini stories. We love them." And so the mini stories became really the central part of our system.

And that's going to happen with your product or service also. No matter how good you think it is, no matter how good your idea is, it's not finished until you interact with customers. So, don't try to make a finished product in the beginning because you can't. Until you start selling it, you really don't know exactly what you need to do. So create a cheap demo instead. Create a basic version of your product or service. And then start trying, you know add something, see what happens. Go ahead, start selling it. You can sell it really cheap, if you think the qualities low.

For example, my beginning English lessons, the quality was low. My audio equipment was not good, so the sound quality not so good. People complained about sound quality. The lessons were really simple. It was just I'd write an article and then I'd record myself reading the article. That was it in the beginning that was all. And that was still useful, still very useful and a lot students like it. But I knew, I was like, "Well this isn't very much. This is not really very special."

I think the students really liked me mostly. They liked my personality, my energy. They also liked the topics because the article topics were not normal. They were interesting and different topics so there still was something special. But it wasn't a finished product. It was just a demo. They were demo lessons and I charged very little money. I think I charged like \$17.00. Or I think actually in the very beginning I was charging like \$7.00 or something. Very, very cheap. So that's okay.

That's what you want to do. You want to take that same approach. Create a very cheap version of your product or service and start selling it. The thing is to start selling as fast as possible. Then you interact with customers, they you start to understand what's working, what's not working. Then you can really go to extremes and go to edges and improve certain parts of the product or service, make them stronger, stronger, stronger. The parts that your customers really love. And you can get rid the parts they don't like or that don't work. And then you can try again. So that's the main thing.

First, create a demo version, a cheap, easy, fast version of your product or service. Just do it like one week. Okay? Do not try to be perfect. So now you got your demo. You got your demo prod-

uct, your little cheap, easy version of your product or service. What do you do next?

Step two; create a cheap demo marketing plan. No, not plan; campaign. We're not going to plan very much with this method. We're going to take action. With the Effortless Success method, the bootstrapping method, we actually take action first and plan second. It's probably the most important idea you need to understand. Most people tell you plan, plan, plan. You write a big business plan. You go to; you read normal books about starting your own business. What do they tell you to do? Plan. Write a business plan. Write a 50 page business plan. Well that's crazy. Okay, it's a waste of time. Don't waste your time doing that.

Because you don't know – the truth is you have no idea. You really don't know what you're doing, so there's no point to write a business plan because you're clueless. You don't know what you're doing. Write the plan after you take some action. So your first action that you take is you very fast, very quickly, you create a cheap demo of your product or service and next you create a very cheap demo marketing campaign. All right. You need to find people to buy your cheap demo. So how do you do that?

What's a very cheap, fast, easy way to find customers for your demo? Well I like the internet, so a super easy way is to create a cheap demo, probably very ugly sales website page. It's really easy. You go to any internet provider. You could even use a blog for this. And – but you know I use godaddy; I have their website "tonight". That's what I used, godaddy.com. And you can get, they have a package called "website tonight". And it's really easy. All right you don't need to know anything about the inter – websites or programming. You just type. Type and hit enter, hit publish and then you have a website. It's really super fast.

You could use blogger and use a blog even. So what do you do? You create this one page. What's on the page? Well, on the page you just tell your story. You tell the story of your product or your service. Tell people why you are excited about it. Why are you excited about your product or service? What is cool or interesting about it? Why are you so really excited, enthusiastic, and passionate about it? How is it going to help them? Right. And you can write a lot. It doesn't need to be short. You can write it, it can be long.

That's it, that's your one page marketing website demo. Okay. You can type it up really fast. You don't need nice graphics; it doesn't need to look pretty. It can be very ugly. My first sales page was so ugly. Very, very ugly. Okay, so now you have, now you have a demo, a cheap demo product or service. And now you have a cheap, probably ugly, demo website that tells people about your product or service. It tells them why you're excited. It tells stories about how it will help them. And at the bottom of that page, you need to have a link.

If you're selling directly then it can be a "buy now" link. You can use PayPal, and you can create a little, you know buy now and they click and they buy now and use their credit card. That's what I did. So I used PayPal for credit cards and a little buy now link, I got it from PayPal. They gave it to me. And then people would buy and get my little demo product. It's really easy. If you have a service, if people need to actually see you, well then you could have your phone number at the bottom. Call me now for an appointment or whatever. You could have your email; they could enter their email and get on a list.

Something like that. There needs to be some action they take. So on your sales page, your cheap demo sales page, you need to have some action at the bottom; a strong action. They need to give you their email, they need to call you, they need to buy. Something like that. Okay, so you have a cheap demo product or service, number one. Number two, you've got your cheap, ugly demo webpage. At the bottom, there's some action. Okay, now what do you need?

Step three; well you need people to come to your page. All right? They don't automatically come, I promise you. Okay, you have to bring them to your page. How do you do that? Well the easiest way is Google adverds. Google advertising. And I prefer Google because they're the best. You can use Yahoo, they have advertising. And MSN has advertising, but they're not as good. Google is definitely the best internet advertising company.

So, you go to Google. It's called adwords. Okay, so you go to Google adwords and you make an account. You get a username, a password and you got to pay them of course. So you give them your credit card information and then you create ads. And these are going to be cheap demo ads. Oh, can you see the pattern? Everything is cheap demo. All right? Nothing is perfect right now.

For the step three, you create your little advertisements, you Google advertisements. And what you do is first you bid on keywords. What does bid mean? It means you choose some keywords. Like for example for my English lessons, I choose keywords like, English, learn English, listen English, English conversation, English lessons. These are keywords. These are words or phrases that people use to search Google. All right, if they want to buy English lessons well they go to Google, and they put in, they type, you know "Learn English" or they type, "English lessons." And they search.

So you need to choose. You make a list and don't worry again, nothings perfect. Just think of the most common ones you can think of. Later you'll start adding more and more and more. You'll think of more and more. In the beginning you know choose, I don't know choose five; choose ten really common keywords that are connected to, that are related to your product or service. Okay, so like for me again it was English lessons, English speaking, things like that. And then you need to bid. Bid means, you decide how much money will you pay, pay to Google whenever somebody clicks your ad.

All right, they're going to click on your ad, they're going to see it and they're going to click on it. Every time somebody clicks, you pay. Now that's not bad, that's a good thing. Because if people don't click, you don't pay. That's why I love Google and internet advertising in general. You only pay when somebody does something. You only pay when somebody clicks. So that's really great. You're only paying when somebody's interested in your business.

How much should you bid? Well that's a complicated topic in fact. But in the beginning, right now you're just doing demos, you got a demo cheap product, you got a demo, ugly webpage. So, you don't want to spend very much money right now in the beginning. So, I recommend you only bid \$0.10 or less. Less than \$0.10 per click. Don't pay more. You don't want to lose money, right?

You want to make money here. So, in the beginning when you start with your, in your demo phases – we're talking about right now in chapter one demo phase. In the demo phase, \$0.10 per click is enough. Now there's something else you must choose with Google adwords. You need to choose a daily budget. How much will you spend each day on advertising? Well that depends on how much

money you have. But again, I recommend a very, very small budget in the beginning. Maybe \$10.00 per day. I don't know, maybe \$5.00 per day. I don't know how much money you have.

But I would say not more than, not more than \$10.00 per day in the beginning. That would be about \$300.00 per month. If that's too much, if you can't afford that, you can't pay that, that's okay. Do \$5.00 a day, do \$1.00 a day. Okay, it doesn't matter. But keep it low; keep it under \$10.00 a day for your daily budget. All right, so now you created your account.

You put some keywords in there, you chose keywords that are connected to, that are related to your product or service. You decided on a bid for your keywords, about \$0.10 per click. And you chose a daily budget, less than \$10.00. Okay, there's one more step and that is you need to create an ad, create an advertisement about your product or service. Well what's – for the headline of the ad, it's really easy. Use one of the keywords in your headline. So for example in my Google ads, the headline usually says, "Learn English or English speaking, something like that."

No, it's not interesting, but you know it's connected to the keyword. That's the important part for the headline of the ad. And then in the body of the ad, you have two lines you can use. Just say something interesting about your product or service. It's good to ask questions sometimes. For example, you're a dentist, you could say, "How can you make your teeth white?" That's your ad. People will click on it because they're curious. How can I make my teeth white? I don't know, let's find out. Right, so questions are good for advertising in Google. I like questions. So think of a question related to you product or service.

And then finally the last part of the Google ad the link, the link to your sales page, your demoed sales page, right? That's when people click the advertisement, that's where they're going to go, they're going to go to your sales page, they're going to read about your product or service. And then they're going to take some action.

All right so, now here's the last trick with Google ads. Create two ads. Create two, do not create one, create two. Why two? Because Google does something very magical. Google lets you test your ads. You can have two ads, two advertisements and they're different okay. They need to be different. Maybe just the headlines different or maybe the body, maybe the question part is different. Or maybe they're both different, I don't know. But you have two ads and they're different.

So here's what happens, over time, people click the ads. Google will show one ad one time, they'll show the, another ad the other time. So they alternate, they alternate your two different ads. Now the great part is that after some time you can see which one is most successful. There's a percent, there's a click percent. So one might get clicked 1%. It means if 100 people see your ad, only one person clicks it. Right, one out of a hundred clicks your ad. But maybe the other ad has a 2% clicking rate, a click through rate; CTR is what it's called with Google.

So that means if 100 people see that ad, two of them click. Well obviously the 2% click rate is much better. So you just learned something. What do you do? Well you keep the good ad, you keep the 2%, you say, "Oh this one's better." And you delete the bad one; you delete the 1% ad. But you don't stop there. You do one more thing. Now you create another new ad, another different one.

This time you test it against the 2% ad. Maybe the new one will be 3% or maybe it will be less. You

don't know, but you just keep testing. You never stop doing this through your whole business, forever. Your always testing new ads, new ads. You always keep the best one and you always throw the ones that are not good, that are less. And then you always add another new one and test again, and test again.

Over time, when you do this, over time you start finding better and better and better ads. You find better and better and better headlines. Your clicking rate goes up and up and up and up. That's great. What does that mean? It means more and more and more people coming to your webpage, reading about your business. And hopefully buying. Okay so we, let's cover, let's just review real quick one more time and then we'll finish this chapter.

So, we have a three step process right now to begin your business. Number one, you create a demo product or service. That means a super cheap, super fast version of your product or service. You do not plan, you do not take a long time and you definitely do not spend much money. Cheap, fast version of your product. A demo version of your product or service.

Step two; you create a cheap, probably ugly demo webpage. You can use godaddy.com, you can, there are many, you can use a blogging service. There's lots of them out there. Quickly type up what you are excited about related to your product or service. Why is it exciting, why is it exciting to you? How will it help people? What is remarkable about it? Explain all that, and you can write a lot. In fact writing more is better than writing less. Make it long, make it really long.

Then at the bottom of that cheap demo webpage, you have some action, some action for your customers. You have a phone number for them to call, or you have a place they can enter their email, they can get on your email list. Or, you have a little button to buy now. You need to have a action, a strong action. And you say, tell them what to do, "Click here and buy now." Okay, now later you will improve this page. You'll change the writing to make it more powerful, more detailed with better information. Eventually in the future you'll change the design; maybe you'll pay a professional so that it looks nice. But right now, cheap, fast demo with an action at the bottom.

Okay. And finally step three. You advertise on Google so that you can bring people to your page. Now one quick note about this. What if you have a business that's only in one city for example? For example you're a dentist or a doctor. Well, when you advertise on Google, another wonderful thing about Google, you can choose a geographic area.

So, if you, let's say you live in San Francisco. You can go into your adwords account; Google adwords account and you can choose only San Francisco. So you will only advertise to people who are in San Francisco. Google will only show you ads on computers that are in San Francisco. Or if you live in Tokyo, then you know you focus only on Tokyo.

So you can still use this system, just choose the geographic area, choose your city in your Google account, your adwords account so that the advertisements only show in your area. Okay, so anyway. Step three then is create a cheap demo advertising campaign using Google. So you go to Google adwords; just do a search, "Google adwords." You go to their website, you create your account, then you choose keywords, you choose words that are related to your product, related to your service.

Just try to imagine, what – if a customer was looking for your business, what words would they put in Google? What would they search for? And think of a lot of different ones and put that in there. And then you're going to bid on those, you're going to decide how much money to pay for each click. Remember, less than \$0.10. And then finally, you're going to choose a budget, a daily budget. Remember less than \$10.00. And then you're going to create two advertisements, right? The head-line; a body, two lines; and your link to your demo sales page.

And remember, you always run two ads and then after I don't know, after two weeks, after one month, you choose the ad that has the highest percent. You choose the best ad, you keep it and you get rid of the worst ad, then you test another one against the best ad. And you keep doing that every month, every month. And your ads get better, better, better.

Okay. So that is the beginning. That is the basic beginning, demo process, demo phase of your business. All right, let's go on to chapter two.

### **Effortless Success Chapter 2**

Hi, welcome to Effortless Success Chapter 2. Now in the last chapter we talked about the demo phase. How do you get started quickly? Now, there's a great quote. I believe it's from Joe Vitale but I don't remember, honestly, who said it but the quote is this. "Money loves speed." "Money loves speed." That means that in business it's better to be fast than to be perfect. The number one problem I see with people trying to start a business is they're too slow. I have a lot of friends. I have, actually, family members also, who talk to me about starting a business and they talk and they talk and they plan and they plan and they plan. They think they need to write, you know, a 50-page business plan and they think everything needs to be perfect before they start. So, of course, usually they never start. Even if they do start, guess what? The plan doesn't work.

The plan never works okay, because life is messy, life is full of surprises. So forget detailed plans. Do not write a 50-page business plan, unless you are starting a business with a lot of money. But if you're bootstrapping, like me, like all good entrepreneurs, then forget the detailed plan. You don't need to be perfect. You're going to use the demo approach. You created your little cheap demo, product or service, you created your cheap demo web page and you created your cheap demo Google ads and Google ad campaign. So congratulations. That's how you start.

You can do all of that in one week or maybe one month, depending on how busy you are. It should be very fast. Don't try to be perfect. Let it be ugly. Let it be so-so. Let the quality be not so great. It's okay. Your customers are going to tell you and help you. And be honest with your customers, right? In the beginning tell them, "We are in the demo phase."

Now, in web business we have this great thing called beta. The beta version. The beta version of a website. What does beta mean? Beta means demo. It means here's our website but it's not quite finished. You know, even Goggle uses this.

When Google started their Gmail, right, their email account, guess what? In the beginning they had a beta version. They had beta Gmail and people could join and they could use Google's email account, but it wasn't finished. They told you, directly, "This is a beta version. This is a demo version. It's not finished. There will be problems. It might be ugly. Some things might not work very well." So they told the customers in the beginning about that and everybody was fine. They were happy. They were like, "Oh, okay. It's still interesting. It's still interesting so I want try it." And then, of course, very quickly they started improving, improving, improving, improving, improving and now it's really fantastic.

Well, that's the approach you want to take also. That's okay. Let your beginning demo product be really horrible and ugly. Just make it very cheap. Charge just a little bit of money. If it's really horrible, like, just terrible, you can always even make it free. That's okay, let your demo in the very beginning, be free. I think, actually, doing it free is usually not a good idea. I think you should at least charge something even if it's five dollars or seven dollars. My first lessons I charged seven

dollars and people were okay. I told them this is a beta version. We're just beginning. Everyone was fine. Nobody really complained.

Okay, so you have that part that we talked about in Chapter 1. Now, I want to talk more about the marketing campaign. Chapter 2 we're going to talk about bootstrapping marketing or what Seth Godin calls, "Permission Marketing. Now, this kind of marketing works very, very well with small businesses and bootstrapping businesses. It also can work very well with very large businesses, huge corporations. I mean, in general it's an excellent way to do marketing.

Well, let's talk a little bit about this idea of permission marketing. There's really two ideas I want to talk about. One is the idea of permission marketing the other is the idea of niche marketing and they're related, they're connected. But these are the kinds of marketing that you want to do as a bootstrapper, as an entrepreneur with very, very little money to begin with. The permission marketing.

Permission, as you probably know, permission means that someone says it's okay to do something. Okay, so what does that mean? It's okay to do marketing. Someone says it's okay to do marketing. Permission marketing. Well, let's talk about old style marketing, old style advertising. You see it on TV still. You turn on the TV, you're watching a movie and suddenly there's a break, the movie stops and suddenly Ford is trying to sell you a car. "Buy our car. Buy our car." And there's a picture of the car driving around. Now, is that permission marketing? No, it's not. That's called interruption marketing. Interruption. Why? Because they're interrupting you. You don't want to watch a Ford commercial. You want to watch your movie. They are interrupting your movie. Right? They're forcing you to see that commercial. You don't want to see it. You didn't ask to see it. You didn't request it. So that is called interruption marketing, or really it's just traditional marketing. Most traditional marketing, normal marketing is interrupting marketing. Billboards, radio advertising, they're trying to interrupt your attention all the time, right? You're not asking about their product. You're not asking about their business. You're thinking about something totally different and suddenly, boom, there's an advertisement on your TV or in your face or on the radio.

Do not do that kind of marketing. Two reasons. Number one, it's very expensive and not very successful. Buying a TV advertisement, everybody thinks, "Oh, that's like the big great way to advertise." It's not. It doesn't work very well. It's super expensive. If you're selling a car for \$20,000 then, okay, you can afford to pay for very expensive TV ads. But for most businesses TV ads are not really the best way to market. They're expensive. The results are often so-so, not so great. It's hard to measure the results. It's hard to know if you're making more money than you're spending. So that's standard interruption marketing. Buying and advertisement in a newspaper. Paying for a billboard, television ads, radio ads, those kinds of things.

They're also called broadcast advertisements or broadcast marketing. Broadcast means you send a message to everybody. Right, so we're watching a TV show and everybody sees the same advertisement. Some people might want to buy a car, might be thinking about buying a car, but a lot of people are not thinking about buying a car and, in fact, don't need a car, don't want a new car and are absolutely not interested in getting a new car at all. So you're wasting those advertisements. You're still paying to reach those people but you have no chance of them being interested in your product.

So what's the other reason that we don't want to do broadcast marketing or interruption marketing. Well, the other reason is that it annoys people. It bothers people. Right? I mean, I'm annoyed. When I watch a movie, for example, I go to a movie theater, now they show advertisements at the beginning of the movie. It's really annoying. I don't want to watch a car commercial at the movie. I want to see the movie. When I'm watching a TV show, I don't want to watch a bunch of stupid commercials, I want to see the TV show. So when you're using this kind of marketing you're really annoying people and while you may get some sales from it, you're not building long-term relationships with possible customers by this kind of marketing and in some ways you're hurting yourself.

What is this permission marketing? It's the whole point of this chapter. What is permission marketing? Permission marketing is marketing that someone asks for. They want it. They want information from you, so the Internet is the easiest way to do this now. It's possible to do it other ways but, really, the Internet is kind of the main way, now, to do permission marketing. How does permission marketing work? How does it start? What are the steps?

Well, first of all we're using the Internet. How does somebody ask for information on the Internet? Well, they do a search, right? They go to Google and they do a search, so let's use Effortless English as an example. Someone goes to Google. They're looking to learn more English. They want lessons. They want more information about learning English so they type in to Google, "Learn English," or, "English Class," or "Learn English MP3," something like that. They are asking. I'm not calling them on the phone and bothering them, "Hey, learn some English." I'm not yelling at them in a commercial on TV. No, they take the first step, right. You probably took the first step when you got these lessons. The first step is you searched for some information about English. I'm not interrupting you. You're asking me for information. You want information. That's permission. You're giving me permission to give you information.

So you do your Google search and then in the Google results, either the paid results on the right side or the unpaid in the middle, you find Effortless English. There's a link and it says something about, you know, learn to speak English easily and fast. And you think, "Oh, that's what I'm looking for. I want to speak English easily and fast." And you click on the link. What do you go to next? You go to a web page. And the web page says, well, enter your email and I'll send you emails with suggestions, with advice and with information about how to learn English faster, about how to speak English better and it will also tell you about my English lessons and how you can buy them.

So to get that information you must agree. You must give me permission to send the information. You want the information. You ask for it. You enter your email address and hit enter, submit. That's the only way you can get that information from me. So that's why it's called permission marketing. It means you're marketing to people who give you permission. Who say, "Yes, please send me information about your company, your product, your system, et cetera, your ideas."

And this is so much better for many reasons. Reason number one is that you have a good relationship. It's an honest relationship, right? The customer wants information from you and you're helping them. You're not annoying them. You're not interrupting them. They are asking for information. You're giving them information. You're helping them. They're looking for your ideas, your product, your service and then you are giving them information about it. So you can build trust. You build trust with people this way. They learn to trust you because you are giving them what they ask for. You're helping them. That's permission marketing. It's the difference between permission and

broadcasting or permission and interruption marketing.

Another thing about this is it's much more effective in terms of return on investment, ROI. You often see that phrase, right? ROI. Return on investment. That means if I spend \$10 on advertising, how much money do I make from sales because of that? If I spend \$10 on advertising and I make \$8 on sales, well, that's a negative return on investment, a negative ROI. I spent more money than I made. Bad idea. If I spend \$10 advertising, but I make \$100 on sales because of the ads, well, that's a great ROI, a great return on investment. Every \$10 I spend I make \$100. That's fantastic.

So the ROI for permission marketing is much higher. And of course, it makes sense, right? Why is it higher? Because you are sending your information to people who want it, only to people who want it. You're not sending it to anyone else. You're not wasting your money advertising to people who don't care about you, who don't need you, who don't want you. You're only marketing, you're only communicating with people who have some interest in what you do, who need what you have. That's much more efficient. It's much more effective. And the ROI, return on investment is much, much better, generally.

Another great thing about permission marketing is that it creates a long-term relationship, right? When the customer gives you, or the prospective customer gives you, permission to communicate with them, to keep a relationship. So if you're using Internet and email you send them a series of emails about your ideas, you give them free advice, you give them good information for free, you're not trying to make money on everything. You're really helping them. You have a genuine honest desire to help them. Sometimes you recommend other people's products. Why? Just because you know they're helpful and they're good. You're not going to make any money from it but it doesn't matter. You're building a trusting relationship with people.

And then, of course, yes, you do tell them about your own services and products. They're more likely to buy from you because they trust you now because you're giving them valuable information for free, because you're giving them what they asked for, because you didn't interrupt them. You waited for them to ask. That's basic politeness, if nothing else, but it's also very effective marketing. It's very good business practice. It's also profitable. It's win-win. It's good for the customer. They get good information. They get what they want. They get help for exactly what they're looking for and they don't get bothered by other stuff. It's good for the business because you build a relationship, a long-term trusting relationship with people who want what you have, who need your service, who will benefit, who you can really help.

So that's why I very strongly recommend using permission marketing. Doesn't matter what your business is. I don't care what you're selling. I don't care what service you have. I don't care what kind of business you have, use permission marketing, not interruption marketing. That's effortless marketing. Only communicate with people who ask for it and the easy, step-by-step way, which I'll talk a little bit about in the next chapter, but very quickly now, is that you do an advertisement on Google or Yahoo or MSN on certain keywords, right, words that people look for, for information bout what you do. They click the ad, some people click the ad, they like what you're selling, they like your information and they want more so they go to your webpage.

Now, on your webpage you don't try to sell them anything, right, don't "Grrrrrr. Buy. Buy." Okay, you need to build trust first. People want to trust you. They want information. You need to

give before you get. What are you going to give? You're going to give them free, useful information and you can do it by email. So they enter their email, is the next step, and then you send them some emails, a series of emails and you don't immediately try to sell them stuff, you just give them useful, free, interesting information that they want, that they need, that they're looking for. You build trust. It's like dating a girl or a guy, depending on your preference. You don't go on the first date and say, "Marry me. Marry me." Right? That's what interruption marketing is. "Marry me now. Marry me now. You don't know me, but marry me." Okay. Most people don't respond to that. But dating you go a little by little, step by step. You get to know each other, right? You build trust. You build closeness. Step by step. Little by little. You do it by giving and by trusting and being honest and being good and being helpful. Then after a strong, deep relationship develops, maybe then you become serious then maybe you get married.

Well, it's the same in business. You don't try to, buy, buy, buy, right now. That's like trying to get married right away. No, you date. You're kind. You're honest. You give useful information for free. You help people. You create trust. You're honest. You're good. If you do that then people do trust you and eventually, if they want to buy English lessons, well, they're going to buy from Effortless English because I've already been helping them a lot with a lot of free information, with free pod casts, free ebooks, lots of free advice, all kinds of good stuff.

So that's what you need to think about so the next step is they enter their email and you send them just some free, very useful, helpful information. And then after you've developed your relationship, then, in one of your emails or in several of your emails you have a link to your product page or your service page and you can say, "Well, if you want my product or if you want my service or you want to learn more about my business, you know, go to this page." And you have a link. They go there. They read more and then maybe they do buy from you, because now you have trust, now you have a good relationship with them.

So that's permission marketing. That's the basic idea. I recommend Seth Godin's book, his first name is Seth, S-E-T-H, his last name is Godin, G-O-D-I-N and his book title is Permission Marketing. Great book.

All right in the next chapter of this ebook I'll tell you a little more in detail about how to do a permission marketing campaign. You can do this with a tiny business. You could do it with a big corporation. Works basically the same.

### **Effortless Success Chapter 3**

Hi. Welcome to Chapter 3 of Effortless Success, the ebook. In this section were going to talk a little bit more about the process and the idea of niche marketing. So we talked about permission marketing but you also need to focus your permission marketing and focusing is the idea of niche. And, as I mentioned before, a niche is a small area or a small group. So the opposite of niche in business is mass. Okay? So we have two kinds of marketing here when you're talking about the audience, right, the people you want to reach, the people you want to communicate with. We have a mass audience and then we have a niche audience, or niches. Usually we talk about niches, usually you're trying to reach more than one.

Okay, so mass means everybody. It means huge numbers of people. You just want everybody possible. So again, a lot of TV advertising is really mass marketing, right, you're trying to reach, you're trying to get the largest number of people to see your ad. That's mass marketing. It's the same, bill-boards are really mass marketing. All right, just everybody who drives by or walks by sees the bill-board. It's going for large numbers of people. But it's not focused, right? With the billboard everybody walks by. You can't choose the kind of people who look at your billboard. Most of them probably don't care about your business at all. So that's mass marketing.

Now, as an entrepreneur, a bootstrapper or a small business, you cannot afford to mass market. It's extremely expensive. And it's difficult to do it and get a good ROI, a good return on investment. Now, some very large companies and even, sometimes, small companies, but not usually, they can do mass marketing and they can get a good ROI, they make a lot more than they spend on the advertising. But it's not easy. It's very, very difficult and, you know, large companies have huge departments that focus only on mass marketing. But, in fact, a lot of large companies, a lot of really big corporations are more and more starting to do niche marketing, usually in addition to mass marketing. So niche marketing is a much different way of thinking about advertising or marketing in general.

So let's talk about niche marketing. What is it? What is a niche? A niche is a small area, or if we're talking about marketing we usually mean it's a small group of people. Now, what kind of group? Well, it depends. It's a small group of similar people. Now, you can talk about different niches. So, for example, if we're talking about learning English again, we're talking about my business, one niche might be Japanese middle school students who want to improve their speaking and listening. Now, see that's a very small group, right. Now, if I was trying to sell English to Japan, mass market I would just advertise on TV, right, and I would just try to reach everybody who wanted to learn English or who was a little bit interested in learning English. That's a huge, big mass market.

But there's a lot of big companies that are trying to reach that market. So as a smaller business, especially as a bootstrapping business, even as a midsize business, you know, a fairly big business you usually want to go after more specialized groups, so middle school aged children, already that's a smaller group, much smaller group. We're not talking about older people. We're not talking about

younger. We're just talking about middle school only. And then that want to improve only speaking and listening, so now we've made the group even smaller, right, even more focused. So we have a smaller age group and then we have only the ones who are focused on speaking and listening. If they want to learn writing, nope. We're not going to focus on them. If they want to focus on reading, nope. Not going to focus on them. If they're interested in tests, nope. Not going to focus on them. If they're adults, no.

So that's a niche. So, again, it's a specialized group, it's a very specific, small group, a much smaller group in this big mass market. So a lot of people are afraid to do this. They think well, God why would I do that? I'm eliminating all this big mass market, right? A lot of people when they start a business they look at the whole huge market and they think, "If I only get one percent of this market then I'll be super rich." They think one percent is actually easy to get. Well, it's not. Getting even a tiny percent of a mass market is very, very, very difficult. Why? Because you're competing against huge, giant companies with a lot of money. And reaching a mass market is extremely expensive.

Unfortunately a lot of business that fail they usually have two major mistakes and there're different kind of mistakes. One mistake is they don't market at all. They think they will open their business and people will just start coming by magic. Maybe a couple people come but not enough. So if you don't market that's a huge mistake. You've got to reach people to tell people about your business so they can find you. But another mistake is spending a lot of money on marketing and advertising and not getting a good ROI, not getting a return on the investment. In other words, spending more than you make from sales. And one of the major mistakes people make in that category is trying to mass market.

So they buy a big advertisement in the newspaper, for example. It's a mass market. You're paying to reach a huge number of people. But in fact, only a very tiny number of those people will even look at your ad. Most of them don't care. So why should you pay to reach all those people who won't even look at it and who definitely don't care? You're wasting all that money. And often when business do this they lose a lot of money. They do this big expensive ad in a large newspaper and they get very few sales and they spend a lot of money. Sometimes they try the same thing with radio. Small businesses usually don't start with TV but still, you know, even in magazines, even in billboards, even in newspapers you can waste a lot of money.

Again, I'm a little biased. You know, I think that the Internet is an especially great place to do niche marketing because you can focus on specific keywords. So let's say, let's pretend I have some lessons and I want to focus on a small niche, well I can focus on, we'll say the middle school students in Japan who want to learn and improve their speaking and listening.

Well, in Google, first of all I can choose which countries to show ads so I can choose only Japan. I've become more focused and then in the keywords I can use lots of keywords that something like, "Middle school English, "English speaking for middle school," so I'll use the words middle school, English speaking, listening, learn, things like that. Those are the key words that I'll use when I'm doing my advertising.

So in other words the idea is to focus, focus, focus. Instead of trying to be so-so with a really huge market, you want to focus in on a tiny little market, not too tiny. If it's too tiny you won't get any busi-

ness, but a small market, a smaller market and you want to be the best in that market. You want to serve that small market better than anyone else in the world.

Now, actually my real niche is not middle school students for Effortless English. It's actually adults. I focus on adult learners who are independent, who are focused on improving their English fluency, speaking and listening fluency and who do not want to study grammar and who don't want to take tests. So I have, by choice, eliminated very huge markets because I know I cannot compete everywhere. I can't help everyone. I know my lessons are not good for everybody. People who want to really focus on writing, you know, my lessons are not good for those people so I don't want to sell my lessons to them. But my lessons are perfect for the group I just described.

So you've got your business. What you need to do then, you've already thought about what problems you solve and you're the best at solving those couple problems. Well, now you want to think about who do you solve those problems for? Right, like, as an English teacher I could choose to solve English problems for children if I wanted to. I certainly could focus on children. I could focus on middle school students if I wanted to. I could focus on high school students. I could focus on adults. I could focus only on women. I could focus only men. Now, I haven't chose to do that but I could. But that's how you need to think. That's how you need to think about this. Once you've got your product or service and you know which problem you're solving, you know the benefit you're giving to people, you probably already have an idea in your mind which people will most benefit from your product or service. You probably have a general idea about this, you just need to make it more specific.

Now, of course, other people might come in who don't fit your exact niche but you need to focus your marketing, your image, your efforts on one or maybe a few different niches, really specific groups of people. You might choose certain ages, like I've chosen adults. I only teach English to adults. I do not teach children. Children are not my niche. You might choose a gender, so your business or service you might want to focus on only women or only men, only boys or only girls. You might want to focus on only a very specific motivation or kind of problem. So, for example, I don't focus on writing I only focus on speaking.

And as you go, as you continue with your demo and you start improving your business or your product or your service and people start coming to you, you start getting some customers, you'll actually start to get an even better feeling for what your niches are. But you need to have at least some idea in the beginning, what is your niche, what is your focus?

And I guess the most important rule or lesson is do not try to please everyone. Serve your niche very well. Do not try to serve other niches. Don't worry about them. And in fact, if someone comes to you who does not fit your niche and you know that, really, you're not the best for them, you know, send them to somebody else. It's okay. In fact, they will appreciate it and they'll tell other people. "Oh, they're so nice they actually sent me somewhere else. They wouldn't take my money. They said that someone else was better at what I wanted." I do that all the time. When people ask me or email me for writing advice, for example, I send them to the link or to The Linguist. They do writing correction. I don't. They're very good at it. I like them. They're very nice people. They're excellent. So I don't want to take money from people who are interested in writing because my lessons don't focus on writing. It's not honest it's not good. And even if they bought my lessons they would be unhappy and they would tell other people, "Well, these suck. I wanted to learn writing and I didn't

#### learn it."

So don't try to serve everybody, every group, every niche. Focus on a few niches, learn about them very well and focus your product and service on them. Make your product and service really appealing, really special to those people. That's niche marketing and then once you know who those people are and you've focused your product or service on them, then focus your marketing, your advertising just on those people. Now, you might be able to find a magazine that serves those people and advertise in that magazine, that's one way to do it. I think that, again, Internet advertising is the best because you only pay when they click. So you're only paying when you know they, at least, were a little bit interested and they clicked and they went to see your page. So you know that they fit you a little bit, at least. If you advertise in a magazine you have no idea who's looking at your ad and who's not. You really have no idea.

So, again, that's the benefit of Internet marketing. You can run advertisements. You can choose keywords that focus only in on the kinds of people you want. Another thing you can do, in Google they have content ads. These are ads that show on other people's website. And you can choose different age groups, genders, countries, locations, even cities, towns. So again, you can eliminate people who don't fit your niche, so that you're very, very focused.

All right, well, that's my very quick lesson on niche marketing. There's a lot of material. There are a lot of books about this topic. I can't explain all of it in just one chapter, but I've given you the basic idea. Do a search on Amazon.com for niche marketing. You might also do a search for niche marketing on Google and you'll find a lot of books and a lot of information about this topic. And if you're serious, if you have a business or if in your career you need to do some marketing, do marketing for your company, you really should learn as much as you can about niche marketing.

All right. See you next time. Bye-bye.

### **Effortless Success Chapter 4**

Hello, welcome to Chapter 4 of Effortless Success, the e-book. Let's get started. So you have figured out the problem you want to solve, you've got your demo product or service, and you're advertising now. Hopefully you're doing niche advertising and you're doing permission marketing. Now if you're doing all of those things, you should be getting some customers, yay! Right, that's the beginning. Now maybe you don't have many, maybe you're making very, very, very little money. That's ok because this is really where you go from demo to successful business. Demo is the starting point, you've got your permission marketing, you've got your niches, and you've got a few customers coming in. So what's next? What's the next step?

Well the next thing you need to do is create a community. You need to create a community of customers. First let's answer the question of why. Why do you need to create a community of customers? Why not just they come, they buy from you, and they leave, yay, and that's all? Well because you need a community for communication, for connection. You need a community so that you, the business owner or you the employee in a company, can learn from the customers. Without a community of customers, you can't learn, you can't improve.

You have to have a way or ways for customers to connect with each other and with you. That's how you learn quickly. You learn what they like, you learn what they don't like. You learn what you're doing well; you learn what you're not doing well. You also start to learn who your best customers are. You learn which ones are really excited and great and love what you do and they're passionate about what you're doing, even if your demo is not so great quality, but it connects with them for some reason and you'll start to see patterns. You'll say, "Oh wow, younger, single guys really seem to like this product a lot." A lot of times it will surprise you.

You won't even have thought about it before but you'll start to notice certain kinds of people really seem to like your product and another thing you'll notice unfortunately is that you'll find groups of customers who really are not so good. They complain all the time. They have a very negative attitude. They really do not fit your service or your product. Well that's ok too because you're learning something. You're learning that's not a good niche for me and hopefully you find some patterns and you realize, ok, certain type of people really don't seem to like what I'm doing but other kinds of people really love it. So of course you're going to focus on the people who really love it and you're going to try and reach them more and more and those are the ones you're going to listen to.

Don't listen to the complainers who are just complaining and being very, very negative. There's a big difference between someone that's just always complaining, always being negative just to get attention just because they're unhappy and there are a lot of people like that in the world and some of them are going to be your customers. My best advice to you is ignore them. Don't waste your time with those people. They can never be pleased and you don't want them as customers. You do not want to attract more people like that so don't listen to them. The people you want to listen to are the ones who are generally very positive, very excited. They love what you're doing but then they

give you some suggestions how you can improve or they might tell you something's not working and you'll know the difference. It's very obvious which people are generally positive and exciting but giving you good feedback and which people are just generally negative complainers. So don't listen to the negative complainers but do absolutely listen to your best customers, the ones who are the most excited, the most interested, the most energetic.

Now those guys are going to give you great suggestions. They're going to tell you, "Oh, I love this, this is great." Do more of that; whatever they say they really love, do more, do it better. They're also going to give you ideas for improvement, "Oh, why don't you do this? Why don't you do that? Try this, try this." Well, listen to them. Take some of their ideas and just try them and again, do it in a demo form. It doesn't have to be perfect and finally they're going to give you ideas for improvement. They're going to tell you little ways and big ways that you can improve your product, your service, and even your marketing and that's the magic.

If you just keep listening to them and you just keep trying the things they suggest any maybe try your own ideas also and then tell they, "Hey I have a new idea, I'm trying it, what do you think," and they'll give you their opinion and if they get really excited, then you know, "Aha, this is a good one." For all this magic to happen and this is really where the magic happens, this is really where the success happens in a business. It's this process of a community of customers working with you to make your product or your service better and better and better and better and better and better, constantly improving forever.

If you can create a community with your customers, if your customers become part of your company in many ways and you're not paying them, they're paying you in fact, but if you can still get them as part of your business and you know in fact you do pay them, you pay them with appreciation, you pay them with attention, you pay them with maybe some bonuses, some freebies. I give for my very, very, very best customers; I usually give them my new lessons for free. So if I have a new lesson set coming out and I just finished it, I'll often send it off to my really, really great customers, the ones who are always helping and giving advice and they're on my forums all the time and they're doing great things. They get my lessons for free; just a secret there, but only the very best ones.

So how do you do it? I guess that's the next question right? How do you create this community of customers? How do you get customers joining in with you in partnership with you? Well there are a lot of different ways and some are very low-tech and simple and others are more high-tech and still pretty easy to do. Let's talk about the low-tech ones first. Let's imagine you have an actual physical business, meaning it's not an internet business. You have a building and you sell something and I'll use an example of a small used bookstore, a little tiny used bookstore.

Now if you know anything about the publishing industry and about the bookstore business, you know that little small independent bookstores are in big trouble. They're being destroyed. They're being put out of business everywhere, especially in large countries where they have these big chain bookstores coming in like Borders or Barnes and Noble and the other thing that's destroying them is the internet, Amazon.com. I have to say I love Amazon.com because it's so easy to find books there. But because of Amazon.com and because of these giant bookstores that are coming up all over the world, little small independent bookstores, man they're dying. They are dying. Here is San Francisco, they're closing, all of them. They're all going out of business one by one.

Except, I know of one exception, a very interesting exception in Kyoto, Japan there's this little tiny bookstore called Green E Books and they have been around for years and years and as far as I know, I don't live in Kyoto, but as far as I know, they keep sending me emails so I think they're still alive and still surviving and I think the reason is they have created a community of customers. They've done it in a low-tech way. How did they do it? What they did is they made their bookstore a community gathering place. They made it a place for people to come and meet and join, not just buy books and leave. How did they do that? Well they have parties, every month I think.

I don't know, I'm on their email list because when I travel to Kyoto and I got on their email list and they just keep sending me emails. They're always sending me emails about these parties. They're always having these crazy fun parties, wear weird colors or costumes or whatever. But that helps create community right? That gets people coming to the bookstore. Now the bookstore is not just a bookstore where I buy books. Now it's the place where I meet all my friends and have cool parties. It's this really interesting place that I like to go and just hang out. That's what their customers think. They also have speakers. They invite special speakers but not just normal kind of speakers like maybe a big bookstore would do. They get really interesting maybe even strange people to speak at their bookstore.

So now the bookstore is a learning place. It's a place you go to hear interesting people talk about interesting ideas and meet other interesting people in the audience. So the owners of Green E Books, the managers of Green E Books, well of course at these events they socialize with these people, with their customers, and of course over time they get to know them and the customers are going to make suggestions, "You should do this, you should do that." They're going to tell them what kind of books they like, what kind of things they're looking for. In addition, they create an emotional connection to the bookstore with their customers.

Now it's not just the place where you buy books because if it's just buying books, well they can get on Amazon, they can go to a big bookstore. They probably will because it will be cheaper. But if they have an emotional connection to his little bookstore, if it's this cool funky place where they know the people who work there or they know the managers, the employees, the owners, where they go for all these interesting parties, well then Green E Books probably is the first place they go when they want to find a certain kind of used book and that's another one of their secrets.

They are a niche bookstore. They don't try to sell everything because they're too tiny. They sell books of interest to foreigners, to travelers. They have a lot of books in English, things like that. So that's one way you can create a community in a very low-tech way. If you have a physical space, your store, make your store a cool little gathering place. Don't just sell products. Of course, with a restaurant or bars or things like that, they already have this kind of social idea.

But you could even do it with a hardware store. I've known of little tiny hardware stores, I'm trying to think which town, I think it was in my hometown of Athens, Georgia, there was this little tiny hardware store and again small hardware stores are in trouble because these huge hardware stores are putting them out of business. But this little one had all these cool little classes that they taught. They were constantly offering classes about how to build, I don't know what they taught, how to build chairs, how to fix up your house, how to paint your room.

They made their little hardware store into an education place. They created community. They start-

ed having regular contact with this community of customers and of course the kind of customers that come to classes to fix up their house are the same kind of people who buy tools and paint, right, because they're going to be doing something to their house. They need what you're selling. So they created a community. You can do it with almost, if hardware businesses can do it, almost any kind of business can do this. So you create social events at your local business and you start interacting and socializing with your customers. That's one way. That's the very low-tech easy way. But don't stop there. I encourage you to do a lot of different things.

Another very, very fantastic way to create your community is with an internet forum. Now most of you probably know an internet forum is a place where people go and then they discuss various topics and so the forum usually has some kind of focus. So my business has an effortless English forum. There's a forum for all of my members. So they go there and discuss things about learning English and they also just discuss general life things. A lot of them write personal diaries in English of course so they're practicing their English but they write about their lives, what's happening in their lives. It helps them practice English but it also helps them get to know each other.

They learn about each other that way and over the last year or so a lot of them have been making friends with each other and in fact now these forums are starting to grow and grow more and more and now one of our members, one of our super members in fact, is planning a gathering, a party in Europe. So a lot of the members are going to go and meet in Europe and have a party and I'm gonna go and meet them. So that's great.

So this community is developing, it started on the internet but now it's actually going to happen live, in person. Maybe this, I hope this will continue growing and we'll start having all these little parties and gatherings with our customers all around the world and the customers are planning it. I'm not planning it. This all started with this so this is a real community of customers and they are doing it. So we are working together as a team. So get some forums started. It's really easy. You can do a search on the internet for free forums or forum hosting, something like that. There are several different companies and services you can use. But just start some forums on topics related to your business and then tell your customers about the forums. So every time they buy something from you, either email or give them information about your forums. Say, "Oh you're a customer so you can get on these forums.

You can ask questions, help each other out," and of course you read those and that's where you can get a lot of ideas. You can also write on the forums yourself. I do this all the time now. Whenever I have an idea I'll put it on the forums and I'll say, "Hey I think I might do this," or, "Hey, I'm going to try this," and then I always get a lot of customers, they'll tell me their opinion, "This is great or this is stupid," or sometimes it's a mix. But it's great for me and it's great for them because they are now strongly influencing the new products that we're making. For example, this one right here, this Effortless Success, this success mini-album for English, is a result of my members asking for it. Business English was a big, big, big request on my forums. They were constantly asking me for business English and so that's why I created these lessons and they've requested several other kinds of lessons which we're also working on.

So forums are another way to create a community. Another way to create a community is with a blog, B-L-O-G. Most of you know about blogs by now. You can go to blogger.com and get a free blog and a blog is kind of like a diary online but it's a focused diary. The best ones are focused

diaries, especially if you're in business. What it is, is you the owner, the manager, or maybe even you as an employee of your company, well you're going to write about things related to your business. You can give advice for example. So, on my blog I write about advice, sometimes I give advice about learning English. You can also make announcements about upcoming new products or you can just write about your ideas for new products or new services.

You can also share problems that you're having. It's a great way to communicate, "Oh we're sorry, we're having problems with this product or service. We're trying to fix it." So it's kind of a way to communicate with people. So it's basically a website that's like a diary and everyday or every week or every month, whenever you want to, you write about your ideas related to your business. Now the cool part about this, the part that makes it a community is that there is a "Comment" function. So people, hopefully your customers or potential customers, they read your little blog article and then they can comment, they can give their opinion about what you wrote. Sometimes it's negative, sometimes it's positive, but it's still interesting to see what people say, how they respond, and over time, more and more customers will start to read your blog and more people will comment. Maybe in the beginning not many, but eventually more, and more, and more and this is another way you get feedback, you get ideas for improving your demo business and making it better, better, better, better.

There's lots of different ones; those are kind of the major ones I think. You can also do things like MySpace, I'm sure a lot of you have heard of MySpace. You could create a MySpace page for your business. I don't do this. I don't know why I really don't like MySpace for some reason. i just don't enjoy using it so I don't do it but a lot of people do so if you like it, try it and get a MySpace page and again your customers can become your friends, they can choose you as a friend, you can choose them as friends and then they can comment to you about ideas, suggestions, etc.

So I think you've got the major big idea and here's the major big idea of this chapter. The major big idea is this; do not have a wall between your business and your customers. Rather, make your customers part of your business. Create a community of customers and you also be a member of that community. By doing this, you will learn tremendously and you will improve your product or service much, much, much faster because you're not working alone. You're not even just working with the people in your company. Now you have all those customers out there helping you or at least the best ones and that's amazing.

Now if you'd like to read more about this, I do suggest a few books. One of my favorite books on this general topic is a book called Wikinomics, strange word, and it's spelled W-I-K-I-N-O-M-I-C-S, Wikinomics, and Wikinomics is about this idea of large groups of people, customers, helping to create your business. So it's not just you, not just your employees. It's your customers working together with you, creating together. Another interesting book is called Citizen Marketers and that's the idea again that your customers are your citizens and they can help you not only improve your product or service, they can help you improve your marketing. In fact, they can even do your marketing for you if they really love you and they really feel part of a community. They will start to do your marketing for you. So create a community, low-tech, high-tech, both, doesn't matter.

But your task now is create a community of customers. Alrighty, see you next time.

#### **Effortless Success Chapter 5**

Hello, and welcome to fifth and final chapter of my e-book Effortless Success. Now in this final chapter I want to talk about the spirit of entrepreneurship, or an entrepreneurial spirit because that's really what this whole program is about, this success mini-album, the lessons, the e-books, all of it is really about having a spirit, an entrepreneurial spirit, thinking like an entrepreneur and this is powerful even if you're not an entrepreneur, even if you're an employee working in a large corporation. The point is whether you are in a big company in a career, in a small company working for a small company, or starting your own business, the point is to think like an entrepreneur, not like an employee. I really hate the word employee to be honest. I hate the word, I hate the idea of it because for me the connotation, the feeling I get when I hear the word employee means something like slave. Pretty negative, right?

But that's been my experience working many, many, many years, decades, both myself and observing of course fellow employees in various jobs. Most employees are kind of slaves who are paid and who get to go home. But there's kind of a slave mentality and what do I mean by that? I mean a mentality of obedience, a mentality of avoiding risk, a mentality of playing it safe, doing what you're told, following the rules. A mentality of being boring, of being just like everybody else. That's the common employee mentality unfortunately. It's also the mentality of most managers and well, most managers are employees. If your goal is just to have a safe little job doing the same thing for the rest of your life, well then I guess that's a good way to be. I guess don't change; if that's your goal, don't change.

But if your goal is to have more, if you have bigger dreams, now those dreams might include rising up in your company or in your career we should say, really your career because you might switch companies, but if your goal is to continue to be an employee but you want to be an employee at a higher and higher level, if you value the security of being an employee, perceived security really, but anyway, it's not always secure, but anyway there's a perceived security to being an employee and if you value that, but you want to move up the ladder is the phrase we use, it means you get promotions, promotions, you get higher levels, higher levels, higher titles, higher titles. It's what a lot of people do. If that's your goal, you can't think like a normal employee.

Why? Well normal employees don't go up and up and up. Normal employees stay at the same level forever or they might go up a little tiny bit. If you're normal, if you're average, well guess what? You'll be down there at the bottom with all the other normal average people. That's what happens to normal average people, ok. If you don't mind that fine, but if you want something more, then you've got to be different. If you have your own business or you want to have your own business, maybe a small one, maybe a big one, maybe part-time, maybe freelance, whatever, if you have this dream or goal of having your own business then you absolutely must think like an entrepreneur because if you don't you're probably going to fail, possibly losing, hopefully not losing too much money, but possibly losing a good amount of money. You've got to think this way. So this way of thinking, this entrepreneurial spirit is really the key to going up in your career or to building a successful business yourself.

Let's review now, what are the key elements of an entrepreneurial spirit or mentality or focus.

Well first of all take risks. We talked about playing it safe versus being remarkable. Those are the two big choices that's really at the root of this spirit is a very deep profound philosophical choice, "Am I going to play it safe and be normal, be like everyone else, or am I going to be remarkable, take risks, be different?" That's the very first choice. If you choose to play it safe, fine, but you're going to be normal like everyone else. Your career is going to be average like everyone else. If you have a business you're probably going to fail. You might succeed a little bit. So clearly if you want to be an entrepreneur or have an entrepreneurial spirit, you've got to choose the second choice, you've got to choose this fundamental philosophy of being remarkable and taking risks, being remarkable. So that's the first part of having an entrepreneurial spirit, deciding I'm going to be remarkable in some way and there's an infinite number of ways to be remarkable, to be extremely something. You choose that something based on your personality, your strengths, your passions, what you love to do.

Ok then the second aspect of having an entrepreneurial spirit, focus, mentality, is to focus on solving problems. Don't focus on doing a job and this is especially true if you really want to go up in your career. You're working in a big company, well everybody else is focused on what they have to do, right? They're focused on the tasks that the boss gives them; every week you must do this, this, and this. They've very task oriented, task focused. Of course there are probably tasks that you need to do, but you have to shift your mentality. You've decided you're going to be remarkable so that's great and the next thing you have to do is start shifting your mentality; start noticing what are the major problems in my department.

Now in a big company you might not have external customers. In other words you might not have contact with people who buy the products or services of the big company you work for. That's possible. But you have internal customers. Let's say you're an accountant in a large corporation. You're doing accounting for somebody. You're doing accounting for other departments, other projects within the company. Well those are your customers, the people working on those other projects, the people in those other departments, people in the sales department or marketing or whatever it is. So you do have internal customers. You have customers within your big company. Those are the people that you're helping. Those are the people whose problems you are solving.

Alright, so you look at your customers if you're an employee in a big company, you look at the internal customers, the other people in the company whose problems you are solving. If you're a business owner or a freelancer you look at your direct customers, external customers. What are their problems? What are you solving, how are you solving their problems? Alright so you have a problem solving mentality. You stop thinking about just tasks, this is what I must do today. Instead you shift your focus to what problems am I going to solve today for my customers and then to make it a little more fine tuned, a little more specific and specialized, you pick one, two, maybe three problems, common problems, and you specialize in those problems.

You become remarkable at solving those specific problems. If you're working at a company you might have to still solve other problems, other people, your boss or somebody, might make you but just do the minimum amount of work for that stuff and then give most of your energy to just a few specialized problems that you are interested in, that you're most passionate about, that you're most skilled at solving, that you think are most important, whatever. You can choose them for many differ-

ent reasons but choose them. Choose a couple and become better and better and better and better at solving just those few problems. You can do this within a job or as an entrepreneur.

So you've got this idea of being remarkable. You've chosen, ok I'm going to be remarkable at something. Next you've looked at your career, at your specific job and your customers, either within your company or your actual direct customers if you have a business. You've found, you've identified a couple, a few special problems that you are going to solve. They are your focus, they are your specialization and you become an expert at those problems. You keep improving every day. You start reading more and more and more about those problems. You start learning new skills to solve those problems. You start experimenting and trying different ways to solve those problems. You find other experts who are great at solving those problems and you learn all their best ideas.

Ok so now you've got the foundation. That's really the foundation. That's the base mentality that you need to have if you're going to be successful in business, either in a career or as an entrepreneur. But you're not done. You've changed your mind. You've changed your mentality. You're every day growing your skills and getting better and better and better at solving this kind of problem, every day you're becoming more and more and more remarkable, every day you're taking more risks, more risks, more risks in the specific area with these specific problems only. Next comes the very practical stage and that is to create a demo. Can you do this as an employee? Absolutely. But don't ask the boss first, don't ask for permission.

This is another thing you've got to really change your mentality. Don't be a freakin' child. I don't want to say freakin', I'm going to speak like a real adult here, don't be a fucking child at your job. You are an adult, an intelligent capable adult. Do not let a boss treat you like a child. Do not act like a child with your boss. They are not your parent, ok. They are there to provide some structure and leadership and vision, hopefully. But as we all know in many companies, I'd say most, managers do not provide much leadership or vision. In fact what they do is they act like teachers in an elementary school or they act like parents and they just worry about following the rules and controlling people. Well it doesn't matter. That's not you anymore. You're not going to be a child at work anymore. You're going to be a capable adult and you're going to make decisions and you're going to do what you think is right and best and you're not going to always ask permission like you're a child asking your parents, "Can I please do this?"

There's a great slang saying in English which you need to memorize and use and that is, "It's easier to ask forgiveness than permission." It means don't ask if you can do something first; just do it. If your boss is unhappy after, then you ask for forgiveness, "Oh I'm so sorry, please forgive me, I didn't now, I made a mistake." Ask for forgiveness if you need to later but just do it. Make decisions. You've got to decide that you're an adult not a child and take those risks. So you create demos. This is what you're going to do. You're going to create demos. Now as a business person it's pretty easy, if you're an entrepreneur it's pretty easy but even within a company you can create demos. What would a demo be in your department in your large company? Well maybe it's a new system for doing your job. But don't ask permission, just do it, try it. If it works great, then later do to your boss, "Look at this cool thing I did," or go to your boss' boss, I don't know. If it doesn't work, oh well, try something else. Point is though, you follow the same process within your job at a big company as you do if you were an entrepreneur, as you would if you were an entrepreneur.

So create demos, create products even, why not? Even if you work in a giant company you can cre-

ate a little blog and little rogue demo product or service, offer it to your internal customers, people within your company. You could even charge them for it; not personally, you wouldn't take money personally but you would take money and put it into the budget for your department for example. If it worked well then you share it with everybody. So that's how you do demos. You can do demos as an employee.

Now I did this. I'll give you an example. I mostly know myself and my own experience so most of my examples are going to come from my career. So for example, as a teacher every class I had I created my own curriculum. I basically would throw away the school's textbook. I'd put it in a text and never look at it again and I created my own curriculum for my classes and I created that curriculum to fit the students I had in my class and the goals of the class and the goals of the students. So I did not follow the rules and procedures. I created my own curriculum. I found my own materials, never used textbooks, or almost never. I had my own teaching methods. I did not follow the school's recommended system. I used my own and I was constantly testing my own so I would try something in class, a different kind of curriculum, a different kind of method, and if it worked really well, I got a great response, I got great results with my students then I would keep that and I would try something else and keep improving it, build on it.

Now a lot of times it didn't work so well. I had many lessons, even sometimes several classes in a row that went very badly, didn't work. Well I still learned something. I learned that that didn't work; at least it didn't work for me or didn't work for that situation. So I got rid of it, I didn't do it again, I tried something else and over time I built a better and better and better system. Over time, my students were happier and happier and happier in my class, more and more and more excited with my class. They got better and better and better results. So even before I started my own business, my career started going up, up, up. My bosses, most of my bosses actually were quite happy. Now if I had told them in the beginning, if I asked permission, "Can I please use a different method and can I please create my own curriculum and is it ok if I don't use the textbook?" If I had done that in the beginning they would have said, "No, no, no." They would have been very unhappy, criticized me, and then I would have been very unhappy as a teacher. Nothing would have changed. I did not ask permission, I just did it. I never asked, "Can I do this?"

I just did it and after the fact, because it was working so well, more and more and more students were coming to the school because they're happy with my class and then also my class was usually the largest class in the school, had the most students and students were always talking about my class, "I want to go to AJ's class," they started going to my boss, "Can I go to AJ's class," and he would say, "Well no actually it's not the right level," and they'd say, "Oh please, please can I go to AJ's class?" Well because of all of that my boss was quite happy with me. You think he's happy that more and more students, new students are coming to the school and paying more and more money and his business is growing and I'm helping that? Of course he was very happy then. But if I'd ask for permission like a child in the beginning, none of it would have happened and I would have still continued at the same level. Instead my career got better. He started paying me more, I got more hours, more responsibility. He actually later asked me to be a teacher manager and I said no because I was starting my own business, but anyway, even as an employee in a career this method, this approach, this entrepreneurial spirit helped me a lot.

So you've got to take the risk and do it and you have to understand, don't get upset if sometimes you do get a bad boss or a bad situation and you know, you do get criticized, possibly fired. I was

fired from one job in Thailand because I used my own curriculum, my own teaching methods, my own way of grading tests, my own way of giving grades. I pretty much did my own thing completely and they weren't too happy. It was a big bureaucracy, a large huge company with lots and lots of rules for school actually. But you know what? That's ok because I still learned a great deal. I became a much, much better teacher because I took risks and tried new things. I became a much more remarkable teacher and while ultimately my bosses weren't happy, the students in my classes were very, very happy and because I had learned so much as a teacher I very easily got another job here in San Francisco and my career continued to go up, up, up. So if you're willing to take the risk it will pay off.

Finally let's talk about another one of our entrepreneurial tasks or mentalities or things to do and that is this idea of creating communities and then getting feedback and improving constantly. This idea of constant improvement, the Japanese call it kaizen. It's a word that's sometimes used in English now and it's this idea of constantly and neverendingly improving, small improvements, little tiny improvements. It means you're always trying to improve some little thing again and again and again. You're constantly trying something a little bit different that you think might be an improvement. Every day you make a tiny improvement, a tiny improvement, and all those little tiny improvements eventually add up and get this kind of synergetic power. It's a kind of synergy that they add up and it creates this amazing huge improvement. But the best way to kind of get that kaizen, to get that constant improvement, is to get lots of feedback from a community of customers. You can figure out a lot of improvements by yourself but you figure out even more if you have a community of customers that you communicate with frequently. So you create a community of customers.

Now again, we've talked about this already if you're an entrepreneur, business owner, we've talked about how to do that. what if you're just in a career? You're in a big company again, you're an employee. You can still do this and it doesn't have to be so formal. You can do it informally and seem casual, but it still works, right. So you find again who are your internal customers. If you're working in a marketing department, maybe the sales department is one of your customers, the people there are your internal customers, right, because your job as a marketing person is to help make their job easier, make it easier for sales to happen. Or maybe you also have some internal customers in the product, or product development departments. Again, you're working with them on how to sell what they made. I don't know, every situation si different, but the point is find who your internal customers are. Who are your customers? Do you have direct contact with people who buy the company's product?

Well easy, make a community of those people. You could create forums, you could have a blog, tell them about it. Say, "Hey, read my blog and give me some feedback about what we're doing at our company." Create forums; it could just be some little private forums. It doesn't have to have the name of the company on it. it could be your forum and you could say, "Hey these are my forums but I just want to get feedback from our customers and it's informal. This is not official for the company but it will still help me do my job better." Tell your customers that. If they're internal customers, other employees in the company, maybe different departments, maybe even the same department, it's ok; get them on the forums also. Start getting feedback and them making improvements. You do these things, just these things that we just talked about, you are going to be so remarkably different than 99.9% of the other employees in your company, just by thinking this way and doing these few simple things we've just discussed, demos, making a community of your customers, constantly trying to improve, focusing on solving a few problems very well, just doing these things, it makes you

remarkable right away because everybody else is trying to fit in, everybody else is playing it safe, everybody else is following the rules, everybody else is asking permission.

Just by doing this you are going to be remarkable, your career is going to get better and better and better and even if for some reason you got fired from a job you're going to be able to get another job at another company, probably a much better situation. You're going to be able to do it quickly because you're going to have a great reputation and you're also going to do very well in job interviews. Most people go to a job interview, they have to kind of bullshit and lie about stuff and give kind of normal standard answers. You can talk about the demos you did. You can talk about the improvements you made. You can talk about the problems that you are an expert at solving and you can give specific real examples from your last job, even if you were fired from your last job. So that's why I had such an easy time getting a new job in San Francisco because I just started talking about all the interesting things I had tried and was doing in my last job and in the interview the guy was like, "Wow." He hired me immediately, didn't have to come back for a second interview, immediately offered me a job and that'll happen to you too because this is such a powerful way to be remarkable even as an employee.

So there you go. This chapter was really focused on helping employees, people who are career minded, take the same ideas and use them in their jobs. So these same principles apply to both employees in a company who want to improve their career and also of course to business owners and freelancers, people who are truly entrepreneurs. I hope you enjoyed this program. I hope you remember and use these few basic but very powerful principles and I hope that you'll go to the forums, our forums, our Effortless English community and write your success stories. We have a forum there that says "Success Stories". Write your success stories. Write your English success stories about how your English is improving and you can also write your business and career success stories. We also have a forum, a specific category, just for business and just for these lessons and you can write about your ideas, your experiences, your questions regarding business and career and other members will share theirs as well. So we have a nice community there. I hope you'll join us at the forums. Ok, I hope you've enjoyed this. Good luck with your career or with your business. Take care, bye-bye. I wish you great, amazing, fantastic success. I hope that you reach and achieve all of your biggest dreams.