

ShowBiz Blueprint – Module 9

Hey, everybody. Barry. With Showbiz Blueprint and we're back for week number nine. Number nine, number nine. The importance of number nine in history well, we don't even need to go into that, but the importance of it today is that we are going to talk about money and not pricing. We're going to talk about money and having it long term and having it be a valuable part of your business or as one of my favorite podcast hosts, Joan [Sodkins 00:00:31] says, "Money is a part of your family. Do you treat it like a love child or do you neglect it like a bad step child or something, from some battled paradigm?" What do you do with the money?

I have brought in an author, I reached into the golden network again to find an author who can give us a perspective on money that ... Well, it's revolutionary, he's become a New York Times bestselling author. His name is Michael Michalowicz. He wrote a book called "Profit First" which I instituted quite a while ago. I think it was early 2016, late 2015 when I put "Profit First" into my business and it is literally taking the shadows, the darkness, the heaviness about money and removing it from your business.

Instantly, the second you set it up, doesn't matter. It's a system that's made for turning a business to be cash positive right from the very beginning. It's been tested on big companies, small companies, my company. I can't wait for you to hear Mike talk about it with such passion and so clearly.

This is a big follow up to reading the book "Profit First" which there's links on this page. You should pick that book up. You should have already picked that book up and started looking into it and at least gotten through the first couple chapters. There's some more resources on here that I will share about "Profit First" that Mike gave me permission to share.

Let us go into that. Also know that we're going to talk on this call about Conversational Calling 201. We're going to go a little deeper into Conversational Calling now that you've had a handful of weeks to play with it. Bring it into your body and see how it feels. I have some producer bonus tips that I just came up with since I talked in the last module about it. Some extra things that you can do to work with producers even more powerfully.

Finally, I want to talk to you about viral videos and introduce three bonuses that you didn't even know were coming on Showbiz Blueprint. I'll tell you about those when we get there.

All right. Let's begin our interview with the author of "Profit First," "The Toilet Paper Entrepreneur," other books that I can't even think of right now but the pictures are on the screen. Let's get into my interview with Michael Michalowicz.

Mike Michalowicz is the author of really some must-read books for entrepreneurs, especially those of us who live and die by the level of excellence, creativity and value that we bring to this very specific market that we work in. His books "Surge," "Toilet Paper Entrepreneur," "Pumpkin Plan," and the subject of today's call "Profit First" which literally deals with the cash management systems that ensures any business, any size in any industry no matter how much debt it carries or how many years it's been operating or if it's just starting will be profitable.

This was mentioned in our group, like I said, six or eight months ago because six months ago I set it all up. I got going and I can't tell you what it's done to me. I get choked up even thinking that we're getting to talk to you. You said in an interview recently, in a podcast that you can get the best consulting for \$20 by buying somebody's book.

Certain books in my life have had legendary returns and I thank you. Without any further ado, without anymore ado, let me just welcome you to Showbiz Blueprint. Fantastic head of hair, maybe the best head of hair in the whole group.

Mike: Oh, really? Thank you.

Barry: It's always worth mentioning here, David. Yeah. Thank you so much for being here. Pleasure.

Mike: It's such a joy to be here. Thanks for having me. Yeah, I hope in our time together I can have a little bit of an impact and serve you guys and gals.

Barry: Big question first off the bat, do you juggle or do magic or sing or did you have a happy childhood?

Mike: I was, as a child, an aspiring magician. I do carry a thumb around with me.

Barry: Thumb tip?

Mike: So I can pull out a trick every so often. I can do a couple rope tricks. That's about it. I love magic. I love being entertained by magic. It's actually one of my favorite things.

Barry: Is that how Simon ended up at your event? Were you looking for someone?

Mike: Yeah. They were like, "We got to get like a rock band." I'm like, "No effing way. We are getting a magician." If I was only allowed to make one decision it was we're having a magician.

Barry: I love it.

Mike: I think it's just, I don't know. I just think it's the coolest thing in the world, personally.

Barry: Yeah. All of us in here certainly engage corporate crowds and look for opportunities to make meetings come a little more alive so that's great. I've seen a light through "Profit First." Six months into it now. It's fairly automatic for me, although I still have battles with myself. Really, the main thing comes up for me when I think about "Profit First" is I wish I could go back 30 years. I'm sure you've heard that from entrepreneurs before.

Mike: Yeah.

Barry: It's a big piece. I don't want to waste your time going over what you explain so beautifully in the book in other interviews. What I really wanted to ask you if you could do is maybe do your 30-second, 50-second version of what "Profit First" did just so we have a baseline for anyone who hasn't read it?

Mike: Yeah, sure. I'll give you the 30-second overview. Also, regardless where you stand, the first thing I want to share is not to have regrets because I found many people say, "I wish I knew 30 years ago. I wish," but if we didn't go through 30 years of experience, I don't know if we would have been ready to try something because it is while a minor shift in behavior, it's an extraordinary shift in our behavioral response and we have to be in a position to do it. I think us not being successful or not getting the results we want over a period of time is necessary in so many cases to trigger the benefits that I think you would derive.

Barry: Good point.

Mike: What "Profit First" is, is a way to manage cash that works inherently with our- or the vast majority of people's natural behavioral path. Hopefully, a little more simplified or easier to understand version of that is, I notice my own behavior. I had grown multiple businesses. I had employees. They were doing millions of dollars in revenue and so forth, but I was broke. I was cash broke. We financed my house to cover payroll. I was in constant panic mode.

I've been a solo practitioner too when I became an author. I think I'm in a similar space, I do tons of public speaking. Just as I started making out, before I implemented "Profit First" I could make money but I never could take money. It kind of just seemed to flow through the bucket. I couldn't ever capture it. I developed "Profit First" to solve my own problems, my own challenges and then found that many others face the same thing and addresses it.

In short, what "Profit First" is, it is the envelope system, something I'm sure someone in your family tree has done, where you pre-allocate money to purposes that it's going to serve prior to spending any money. Money comes in, you divide it up into different envelopes and then you work with each envelope based upon its responsibility to run your business.

It's the pay yourself first mental- pay yourself first process. It's these basic behavioral principles, one of them is called Parkinson's Law. It's these basic behavioral principles of how we're wired. It allows us to stay how we are, not have to change ourselves but be consistently the same and just puts guardrails around it so we are channeled down a path that ensures profitability.

Barry: As simple as that sounds to everybody here, I want to promise you, there are lessons that will extend way outside of money if you do this. It reminds me, actually, of the old days. I think when I was growing up like Montgomery Wards or something had like layaway and you would go put \$2. Before everybody had credit cards and just flooded with that, what I took from "Profit First" during the second reading of the book was that "Profit First" shines a light on the shadow that a lot of us carry around money. The "I'll deal with it later," "I'll steal from Peter to pay Paula." This system just took a big light and just took all the shadows and the darkness out of it. It forces businesses, as you say, to be lean and mean, how a lot of us started.

Mike: Yeah.

Barry: Would you share quickly, this is so emotional, I look around this and I see most people in this are parents of some sort. There was your piggy bank moment and if you don't know, I know you've shared that but it's so emotional. I'd like just to open that for people.

Mike: Yeah. This is the old book over here. I've re-released it but the original book was this. There's a reason there's a piggy bank on it. I sold a couple companies and I don't know if you've ever gotten to that experience. People ask me, selling a company is that a good day? The answer, quite frankly, is it's not.

It's a fantastic day. I wish it upon all of my brothers and sisters out there. I wish you guys the same experience. Because what happens is it was the culmination of, "Oh, I have something of value," so filled my need for acknowledgement and the flow of cash all of a sudden this wad of money came in my pocket. I remember the day I got that money. The only thing that was bigger than my bank account. I became a millionaire, I was 32, 33. I was like ... the only thing bigger than my bank account became my ego.

Today I'm extraordinarily embarrassed of this but it became an aha moment. I hope I don't offend anyone, I know the words define what I became, but I became a dick. How that manifested for me is I remember the day I got the first installment, it was like \$400,000 and it came in [inaudible 00:10:41]. They paid you over a few months and then there was a buyout and earn up. I said, "Oh, I never got \$300,000."

I went out and got a Dodge Viper, a Land Rover LR3 and a BMW all within about four hours.

Barry: Wow. The new kid's in town. Hey!

Mike: It was this sense of I needed to have trophies. I went on a sabbatical in Hawaii, rented a house out on Lanai, one of the islands out there with my family because this is how the rich live. This is the new definition of me. I moved into an expensive town. Just was trying to show the world, to show you how great I was and just was full of myself. I thought, here's the big thing, I thought I was better than others. Clearly I know the answer to everything now so I'm better.

What happened next, I deserved. I very rapidly lost all my money through arrogance. I was becoming an angel investor. I know call that phase of my life, the angel of death phase. Worst angel investor of all time. I stepped into a space where I had no competency, no understanding, just blind faith in myself and started blowing money.

It took me about two years but I blew literally every penny I had earned, everything. I got a call on Valentine's Day, 2008. My accountant called me and he said, "Mike, you have to ..." what it boiled down to was like, "You should declare bankruptcy. I didn't have enough money to pay my taxes. Literally up to, not the day before, the minute before that phone call I was just thinking I just need the one big project, the one big gig, the one big client to come swooping in and we'll finally hit that turning point.

I had been digging deeper and faster and harder and I was totally blind to it. Then this was the moment I couldn't deny it anymore. I had a tax bill I couldn't even afford to pay. He said, "Declare bankruptcy," which I never did, by the way. I don't think I was deserving of that.

Barry: You scraped by.

Mike: What he did say, "You're going to lose your house. Your cars are going to be reclaimed." Everything was gone and I had to go home to that day to my family, I have three children and my wife, and tell them that everything was gone. The car literally was being, the Land Rover was being repossessed as I was talking to my kids. I started sobbing. I was so ashamed of this moment because I believe part of our purpose as entrepreneurs is to provide for ourselves, our friends, our family and the greater family, perhaps our friends, our colleagues.

Barry: Big family.

Mike: That's our definition. We are to provide. I was the guy who effing ripped it all away. When I was telling my kids this, to see your father breaking down in front of you. I don't know if your father ever did this.

Barry: Yeah, one.

Mike: My father never did.

Barry: No.

Mike: I'm sobbing and ashamed and my daughter, eight years old, nine years old, runs out of the room. I remember, Barry, when she ran away I said that's the solution. I don't know if you've ever felt like that. Life is so bad, if I just got up and went to someplace in this planet where no one knows who I am, no one knows what I am about and I just restarted from scratch, that's the answer is to run away.

The thing was she wasn't running away. She went running to her room to get her piggy bank. She came back with a piggy bank very similar to that. Put it down in front of me, slid it to me and said, "Daddy, I'm going to support us."

Barry: Yep.

Mike: That moment is so vividly etched in my head, I cannot stop but get emotional about it. I can't stop it. It's the weirdest confluence of events. I was ashamed, embarrassed, angry at myself and the same time humbled an eight-year old girl decides to put her life savings on the line to save the idiocy of her father. There's pride and shame combined.

There's a saying, we all, I know everyone on this call has had a rock bottom moment. I know it. I know you've had your piggy bank moment and maybe it was a disease or maybe it was financial challenges or maybe it was abuse. There's some ugly, ugly parts of our lives and we've been told that when you hit rock bottom, when you're at the very bottom there's at least one bit of good news, the only way to go is up.

Here's what I found out about that line, it's total bullshit.

Barry: Totally. Yeah, yeah, yeah. [inaudible 00:15:40]

Mike: When you are rock bottom, that's when your face gets dragged along and shards of glass and shell and stuff tear your soul apart. I went to two years of depression. I went through ugliness. I went through resentment of myself. I went through all the degrees of despair and anger. It was only after two years of a form of anguish, I guess, is when I finally started to turn and it was a discovery that everything I thought was true was wrong. I did not know how to manage money. I thought I did because I made money, I did not know how to manage money. Never returned that.

Barry: What a huge ... Thank you for that, by the way. I mean I think that opens up where we can now fill in. You do it so beautifully in your book. I feel like I would be short-selling this group, this crowd if we only talked about "Profit First" but that's a big piece of it. You're an entrepreneur at heart and these are entrepreneurs, we are all. None of us. I mean we are the purest form. A lot of us start on the street performing. There is no purer form of entrepreneurship. That's it. Like suck or am I good? Here's my hat, tell me.

Mike: Yeah, yeah.

Barry: That's really big. What do you think, having worked with so many entrepreneurs, what do you think entrepreneurs fear most?

Mike: I'll speak for myself, what I fear is ... Money's huge because money translates to sustainability. I fear that my life will be endeavored to survival and not to impact. Yet the reason I got my business, the reason I do speaking from the stage is I truly want to change lives. In a moment I want people just to feel that impact, but my fear is that my endeavor is that I have to put that on the shelf for yet another day so I can just survive and eat tonight. That's my deepest fear.

Barry: I love hearing that. I think there's some version of that that each of us carry around that we will lose our creativity, our impact, our influence, our passion, what we do to live because it becomes down to that point. Oh, boy. The confluence of Simon introducing us was huge. That was just really thinking about it. I've helped so many entertainers make more money and I feel like I've sold them short and this is a real turning point.

What is it about "Profit First" system that surprised you most? Having created or written it and worked with it?

Mike: The irony is that I believe that money ... It had to be hard. I don't know if y'all feel the same way but the money part is the stuff I wanted to do last. I want to be out there creating. I want to be out there serving. I want to be out there doing what I love to do. The money part was something that begrudgingly on a Saturday morning, with a football game in the background, I am just trying to play around with the numbers and it was so hard to do.

What surprised me is I was convinced for well over a decade of my life, my professional entrepreneurial life that what accountants told me was true. I believe that you have to read an income statement, you have to read a balance sheet in a cash flow statement. You have to know how to tie those in together. You must have a budget. You must have KPIs, Key Performance Indicators. You must integrate this all and monitor constantly and you'll know where your

business stands and you must never look at your bank account and see where you stand because that is not a reflection of what your business is doing, it's those statements.

What I was actually doing, I'm looking for my phone, what I was actually doing is every day I would actually, even though I know the rules, I was logging into my bank account to see what my bank balance was and if there was a lot of money I felt good and if there was no money I felt bad. When I developed "Profit First" I said, "If this is what I do, I log in my bank account, I've got to have a system that works by allowing me to look at my bank account and ignore that other stuff."

What surprised me is it worked. It actually worked. I don't know how to read my bank statements. Bank statements, I know how to read those. I don't know how to read my income statement or balance sheet or cash flow statement. I can make my best guess. I don't look at them. I don't ever look at them. Ever. I look at my bank balance every day and by setting up the envelope system.

One of the basic premises is no longer have one checking account. That's what I had, I had one checking account. Set multiple accounts for different purposes. One to pay myself, the most important employee is you. You are the business we must pay you. Have an owner's pay account. Profit is something for taking and having the courage to start a business. You're rewarded for having the courage to starting a business. You're a founder. You're an equity owner. Tax reserve to pay my taxes.

By having these different envelopes, the operating expenses to buy the materials, the stuff I need to entertain. Having accounts for this predesignated changed my perspective. It's funny. I knew that this could work because I heard about the envelope system. I heard about these different systems. What surprised me is when I actually did it for myself.

Before I wrote the book I did it for myself. The instant change in confidence. Day zero, the day before I was doing "Profit First" and the day after, while I didn't get rich overnight. This is not a get rich quick.

Barry: No, no.

Mike: My confidence in my ability to determine my financial outcome changed radically. I had huge confidence. That was the surprise.

Barry: That's one takeaway and I just want to hold a mirror up and just show you an effect you've had on a business person across the country who read the same material, operated the same thing. I had the confidence but I didn't have faith in it. I had ... this "Profit First" system gave me faith. I've always had money, never worried about it. It came in, I got paid very well for what I did. I've taken business challenges. I've expanded my business into this kind of thing and other businesses, but what this has given me is a peace of mind to be calm about money.

I grew up with such a shitty financial footprint, Mike. I mean everything that I asked for as a kid was, "We don't have enough money for that. What do you think I'm made of?" I mean these sentences that are just so destroying to the soul. I didn't have a kid for 15 years of my first

marriage. I didn't want to repeat that. Now I have a 14 year-old but I've cleaned a lot of that stuff up. This, I go back to this.

Anyone listening to this, there are so many outcomes that can come from this. The one Mike had, the one I had. The ones you'll have. Really at the bottom of it is we don't have to fear that number. We don't have to depend, and you said it so well, to look at that thing and say, "Do I feel good? Do I feel bad?" That is brutal. That's destroying to everything we do as entrepreneurs, creators, business people.

Mike: Yes.

Barry: Is there a time, this is interesting, is there a time when the "Profit First" system was the standard? How the hell did gaps become the norm?

Mike: Yeah, so there was a time.

Barry: Was there?

Mike: That there was a standard. It was the envelope system. It was actually it was also the pay yourself first system. If you ever read the book "The Richest Man in Babylon."

Barry: I don't. I haven't read the book.

Mike: "Think and Grow Rich" is based on one of these principles too is that if we pre-allocate funds to an intention, in "Think and Grow Rich" they talk about how the intention will manifest meaning I just actually made a note down that said, "We don't have enough money." That just triggered a thought that everyone says that. What we need to say is we need to allocate the money. Whatever our vision is, if we start to allocate toward it, we start to manifest on a physical level because we're putting money away at it.

This principle has been around forever. In fact, the greatest savings mechanism in US history, in US history has been the 401K. The 401K is a pay yourself first based system. When if I get a gross paycheck because I have \$1,000 a week working for someone, I don't get the full gross amount, I get the net amount. I get my taxes withdrawn first and I also get, if I have a 401K, my retirement savings withdrawn first.

What's so fascinating is maybe my net check now is \$700 or \$600. I adjust my lifestyle to live off of the residual but I become rich behind the scenes with the 401K savings. These principles have been around forever but it's accounting traditional gap [inaudible 00:24:32] came about around 150, 200 years ago as a way, a logical way, to track our numbers.

Now here's the irony, I am not poo-pooing accounting, it is a very logical system. It's great when we have a problem in our business we can use accounting to pinpoint the cause of the problem and resolve it, but its negated our use of these behavioral principles, the envelope system, the pay yourself first principle that we've been taught in the beginning. We've now replaced one with the other. They're actually complementary.

What I'm trying to do with "Profit First" is say let's bring back the envelope system. That's an umbrella over your accounting, now we don't have to worry about accounting until the umbrella reveals there's a hole in it. There's an issue. Something's leaking, then we look at the basis in the accounting to figure out the cause, plug it up and march forward again on profit first.

Barry: How do you think gaps became what we normally accept now? Was it a Band-aid over some pain that was happening or was it to fix the umbrella?

Mike: No, so accounting came about for accountability. It was actually a derivative of accountability. If you owned a part of my business but didn't work in my business, how did you know that I'm telling you the truth or not? Cash is invisible. Accounting has a checks and balances system. You can inquire about my system. You can do what's called reconciliations. You can use different processes to ensure the accuracy of the numbers. It is a powerful mechanism that the government uses to collect taxes. We use an accounting system and therefore, we submit our taxes based upon our accounting system so they can track how much money we have to give to them.

Accounting is a derivative of accountability. That's why it shouldn't go away but it doesn't match our normal behaviors of money managing our books, our personal books, I should say, our numbers. We are behavioral beasts and I'd love to share, if I have time, Barry, real quick the principles of how we operate around money.

Barry: Please. Love that. Perfect place for what I want to talk about.

Mike: Perfect, then. It's called Parkinson's Law. Quite frankly, I think it's the most important message I can share on our call today. Parkinson's Law was derived from a guy named Parkinson. He died in 1970 so he's a modern day philosopher. He challenged the traditional economic understanding of the supply and demand curve. I know everyone knows this.

The economic theory is this, the more demand there is for something, the more supply there is. The more people want to consume something, the more vendors will appear to service that demand. This guy Parkinson looks at that and says, "Yes that's very logical but actually it's a total lie behaviorally." Humans, us, are wired actually as supply increases, the more available something is, the more we consume.

One of the examples being a plate of cookies. If you like cookies, if I put a plate in front of you of two cookies, I suspect you'll eat one, probably two cookies. If I put a plate in front of you with 15 cookies, I suspect you'll eat more than two cookies. You may have four or five. The more available, the more we consume. Now this applies for cookies, it applies for all resources. Toothpaste, toilet paper. When you go to restroom and there's no toilet paper left, you can pull miracles out of the sky. When there's a full roll we're just tearing through it.

Barry: You mentioned toothpaste too. That's a great one. You can make that last inch of a toothpaste last for almost half a month.

Mike: Yes. My argument is a brand new tube of toothpaste lasts two weeks. An empty tube of toothpaste lasts two weeks. Parkinson's Law. Our behavior adjusts around the supply. What

Parkinson argued was one thing is obvious. We become frugal when there's less. We all know that. The other thing, more importantly, more impactful that's not obvious is how innovative we become.

Barry: Yeah, innovative.

Mike: If we use that tube of toothpaste as an example, when that tube of toothpaste is almost empty we twist it, we turn it, we push from both sides. We cut off the end any way to extract more toothpaste. We demonstrate behaviors that we would never with a brand new tube of toothpaste. You don't squeeze and twist a brand new tube, but you do an empty tube.

Now the last I want to depart here is this is true for all of those things and it's absolutely true for money. The problem or the challenge we face is this according to Parkinson's Law, when that deposit or check comes in. Say you get a gig and I don't know say it's \$5,000, it's a nice, for me that would be a nice gig. \$5,000 comes in. You get that check, you deposit that \$5,000 check and you log into your bank account and you see \$5,000 of new cash sitting there. If I ask you in that moment how's business? Pretty good.

Barry: I'm feeling pretty good right now.

Mike: Not bad. Not bad. Then what we do is we look, we see we have \$5,000. Those bills have stacked up. I can start chipping away at those. Pay, pay, pay, pay and then if I ask you the next day when the account's zero, how's business? Business sucks. I got to do a gig anywhere. I'm going to go to the rotary club for \$500 just to get something.

Barry: Right.

Mike: Parkinson said that if we intentionally restrict how much of a resource is available, we'll become more innovative and more frugal. When we have money flow into our bank account, instead of having one bank account what we want to do is have multiple accounts. When the money flows in we divide it up. Now the one account that's used to run our operations, we'll call it the operating expense account, instead of a \$5,000 check coming in, we're going to take \$1,000 and reserve that for a profit distribution in the future. We're going to take \$2,000 and pay you immediately for being the key most important employee the business has, of course. We're going to reserve a little for taxes.

Now instead of 5,000 to operate the business we see it's really 2,000 or maybe it's 1500 to operate the business. This is when you look at that account and you're going to have that same reaction, "Oh my god, that's an empty tube of toothpaste. How do I survive?" The thing is, you'll find a way.

Barry: Just fine.

Mike: Yeah, when you started your business you didn't get the most expensive props and stuff, you probably borrowed it. Let's do that again because the money is not there. I was saying when you look at that operating expense account and now that you've pre-allocated money to its true

purpose, it's rewarding you, paying you and there's a residual left, if you don't have enough money in those accounts to pay your bills that means you can't afford those bills.

We're doing things in our business that we truly can't afford and we're pulling from Peter and stealing from Paul to just to cover expenses. By allocating it out, Parkinson's Law becomes our advantage. We have intentionally serve up an empty tube of toothpaste, we use less and we find new ways of extracting and achieving the same results.

Barry:

Man, what a beautiful- And I've known these people in this group long enough to know that the heartbeats have picked up in pace right now and thank you so much for making that so real. What is, you guys use that comment box if you're on the computer, if you're on the phone you can't. Just what came up for you while Mike was talking about that because I really want to hear if we're in touch with this.

What comes up because when you started talking about I can go back to where I was sitting in my house when I was reading "Profit First" Kindle version so I can't hold it up right now, but when I was reading you talked about opening these four accounts, I just went, "No, what's he talking about?" I did like what I did with so many programs I've bought after I get it through the initial shutdown and he's not talking to me and this doesn't apply, this applies to everybody but me then I just said, "I bought this. I've made the drink. I'm going to drink it now."

When I did it, I can't even tell you what it felt like to take a big paycheck and break it up. It felt like I was six inches taller. It felt like I was a better person, a better father, a more lit-up entrepreneur worthy of talking about to some of the people I get to talk to on a regular basis. All of that was from a very simple step.

So what are the big objections you hear from people about "Profit First" and just maybe a bullet point or two about getting past those blocks? My hope is that someone, everyone who's here will see him or herself in one of these examples.

Mike:

Yeah, sure. The most common resistance I get is, "Mike, I'm not profitable now. I'm surviving check by check and you're telling me to take my profit first? This will never work for me, you idiot." It usually ends with people calling me an idiot. I get it. Listen, I was there. I get it.

My response to that is, "You are living the definition of Parkinson's Law. Remember, as supply increases, our demand increases but it's a subconscious response. As our business grows, meaning more revenue comes in, we automatically start consuming more, spending more on bills. Then that's therefore, we are always stuck in the check by check.

I was an example, I told you my own story. I had a million dollars come in and I instantly, literally within hours was living the million-dollar lifestyle. I was still surviving check by check until I lost it all. I'm saying if you live check by check, you are the definition of Parkinson's Law. You are proving you consume what's made available to you and therefore, you are perfectly set for this system. You will see an immediate impact just like Barry. You divide this money up, you will be empowered and you'll have a realization.

The second thing I say to people too, "When you started your business, when you first got started, I know you didn't have the resources yet so that you didn't have the money that you had today." You had to find a way to get it done and you did. This is going to force you back to that. That's one thing.

Another resistance is, "Mike, I got debt. I got credit card debt. I can't be profitable now. I got to get rid of my debt first and then maybe after my debt is eradicated then I can become profitable. My response to that is the only way to eradicate debt is through profitability. Let me get clear on what debt is. Debt is this. When you had an expense that you couldn't afford to pay in the past you borrowed money from someone else. Maybe a credit card company, maybe a friend.

You took money from someone else to buy something that you couldn't afford then. The only way to pay back that person is to make more money than you're spending today, that's called profit, so you can return the money to the person you borrowed it from. Some people say, "I can't be profitable if I'm coming out of debt." Our response is, "The only way out of debt is to be profitable."

Other people say, Barry you already hit on it, "My business is unique. It doesn't work in my industry."

Barry: It won't work for me.

Mike: I've yet to find an industry this doesn't work in and we have 30, that is an optimistic but realistic estimate, 30,000 companies running profit first.

Barry: Whoa.

Mike: There's 2,000 documented cases and the vast majority of [inaudible 00:35:26] people read the book and they don't send us a letter of how they're going. We estimate, there's about 50,000 books in circulation right now. Yes, maybe about 30,000 people implemented "Profit First" to some degree. We've never had a report of someone saying it hasn't worked. We've had many reports of people saying it will not work. When they've implemented it, it does.

The reason is, is "Profit First" is flexible. There is a foundational, we used to call it the Core Four, now it's the Foundational Five. I rewrote the book. Actually, you can ...

Barry: Yeah, the new one.

Mike: This is the new one so it just came out. When after implementing it with all these different companies, we studied, I studied what was working, what wasn't and we found every business benefits from a foundational five accounts because there's this consistency. Also realized, your business is unique. You may need to get props and different materials to do your performances. A public speaker like me, all I need to do is speak. I don't need props. Maybe a wardrobe, but that's it.

Every business is unique. "Profit First" allows you to set up more accounts or accounts specific to your needs. Those are typically- Oh, and the last thing is, the last resistance doesn't sound like resistance but people say to me, "I'm not going to get ready yet. I'm going to start in the future." That is the beginning of the death spiral, when people deffer and delay. It's like saying, "I'm going to start exercising in about three weeks from now."

Barry: Yep.

Mike: Are you really? Are you really? You got to get started now. For people that say, "I'm not ready yet," I say, "You have to be ready now. If you're dissatisfied with where you are, if you aren't as profitable as you want to be, you have to get started today but you need to get started in a small step. Don't do the entire system, that was my fallacy. I used to say, "Do the entire system," that was wrong. Start with a very small baby step. Instead of here's kind of a call to action.

If what I'm talking about is kind of connecting with you, maybe you don't get it fully, that's normal. That's cool. Just set up one account at your existing bank today, one new checking account and literally change the nickname of that checking account to the word "Profit." Then starting today, every time money comes into your business, whatever day or time it comes in, take one percent, a very small amount of that money and put it into your profit account.

Say you get a \$5,000 deposit, I'm saying take \$500. Because if you can run your business- No, I'm saying \$50. If you can run your business off of \$5,000, you can run your business off of \$4,950.

Barry: \$4,950, yeah.

Mike: It's so insignificant. It's just a little droplet. What happens is it starts the shift. You start seeing that, "Hey, I can take one percent, maybe I can take two." Two becomes more and you'll build the momentum.

Barry: Michael offers some amazing resources at his website, MikeMichalowicz.com. Go there. Really just beautiful resources that the core chapters of the book. I mean it's a huge giveaway, really, what you do these sheets that I'm showing on the other screen here. This, figure one and figure two is sort of a outline depending on how much money you're making, a good starting place. These are great numbers. I use these verbatim when I got started and now I've applied them a bit in these looking forward into looking into column D here in a steady form.

Mike: Nice.

Barry: Yeah and changing those numbers again, man.

Mike: Yeah that's right, brother.

Barry: It's a remarkable time and to not be tied to that number. When you told that story about being tied to the number of what the banks showed, man, you were like hiding under my desk. It's unbelievable.

Mike: You know, Barry, some people go to me and they say those numbers you saw, I did an analysis of the fiscally elite companies across all industries. Literally, there's performers on there to I studied manufacturers and everything in between. That's what the fiscally elite do. Now those are also growth-oriented companies so column A, if you look at it, well, kind of just tell you what they are. Profit, the real revenue, don't worry about that. That's more of a higher level kind of conversation but the four below it, profit, is, as I told you earlier, the distribution we give to ourselves as the reward for owning the company.

If you own stock in some public company like Ford, when Ford does a distribution it's not because you work in the company, you took the risk for owning part of that company. That's what profited. You took a risk to do the business that you do, you're an equity owner. This is a reward that comes to you. Owner's pay is actually your compensation for working inside the business. Tax is your, listen, we start our business in part to do what we love to do, to serve others and for financial freedom. One of the definitions of financial freedom is when April 15th hits and-

Barry: It's not only my birthday, it's tax day, yeah.

Mike: That's your birthday, oh, what a great birthday. When that day comes, your business is going to pay your taxes. The operating expenses is what we run our business off of. Now here's the deal, these are businesses that are often growing. Sometimes I've found that individuals that are in column A, they make less than 250 but they're a solo act and intend to stay that way, enhance these numbers even bigger. They can run their operating expenses as low as 10% or less.

Barry: Of course. We don't have a staff or yeah.

Mike: You don't have to have a staff. So these are often companies that are staffed and trying to grow. That's what these percentages are.

Barry: It's lovely. Anyway, I just wanted to bring that up. You guys I'll share that in the replay link, of course.

Mike: Here's the other thing I wanted to share.

Barry: Sure. Of course.

Mike: One other trap, this percentage reminded me, is when I talk to people they say, "But, Mike, you don't know my industry. Here's how my industry performs. Here's the industry average. The average magician makes so and so. The average ..." I'm like, "Stop! Stop! Don't say the word 'average.'" I'm throwing up in my own mouth here.

When would you ever tell your child to aspire to be the average student at school. The average grade is a C, you should aspire to hit average. Don't go above average. We're aspiring for average. No. We aspire to be the best you can be. We tell our children be the most of yourself. Aspire to your highest standard you set for yourself which may not be the average of the industry.

The danger, though, I see with businesses is we say here's the mark for the average performer. Here's the mark for the average company. We pin ourselves on that and we're actually setting such a horrible standard that we actually aren't aspiring for the stars, we're not even aspiring to get out of the mud.

Set a standard that's unexpected in your industry, that no one else achieves and therefore, you'll be the first one to figure out how to actually get there.

Barry: Just by being there and doing that, we will bring the average up which is a wonderful legacy. I mean what a legacy to bring. Hey, do you have a few more minutes? I would love, there's a member on here-

Mike: Sure.

Barry: -who's really ... I could share my own story, my own screenshots, my own but really, I do so much of that in the programs, as you can imagine. One man named David, great magician in Indianapolis. He's such a cool guy. Anyway, I want to make his- David, you can unmute yourself, that would be awesome. You did.

David: Can you hear me?

Barry: Yeah. Hey. That's David [crosstalk 00:42:40]

David: Hey, how's it going?

Barry: That's Mike down below you, at least on my screen. Can you talk a little bit about what this has been for you, David? I was in a group with David for a year. We met every Monday morning in a Mastermind group. He was looking to increase his the amount he charged and we took care of a lot of that inside his Showbiz Blueprint. The profile, the clients he worked for.

Then there was this piece and knowing David so well and listening to his story is what really made me look in the mirror and say, am I serving these people by not talking about this money shadow? Really keeping it in the dark. Boy, so anyway, David, just yeah. Share what happened to you. Where you were, what came up.

David: Sure. I mean I didn't really get a good I mean an amazing financial education growing up or anything. I would estimate that the average person kind of doesn't, living in America. I would say that I mean I wasn't completely idiotic with my money, I just didn't have a system to it. Pretty much my wife was about to give birth and then she was going to quit her job and start sort of like a part-time thing because at least the business was generating revenue but I was like I don't know how to handle being the sole income for our family or anything like that.

Then you turned me out to the book and I was able to really quickly, I mean I got right to work on it.

Barry: You were amazing.

David: Put it into place and yeah, I don't know what I would've done if I didn't have the book and this system in place.

Barry: What came up for you? Some of the stuff we were talking about. What did you feel and think when you first discovered "Profit First"?

David: I was, well, I was very easily sold on it because my wife's grandfather actually, he was very successful businessman and he set up profit accounts for his grandchildren.

Mike: Awesome.

Barry: Lovely model.

David: His grandchildren had different revenues coming from the business for their college and everything like that. I was already aware that the idea already exists- there was something out there. Somebody knows something that I don't know yet. This was pretty much the link to it so I was like, "Oh, the profit already goes there. You have to set it aside ahead of time. Oh, okay. That makes sense."

So I just put it together.

Barry: What did you do at the beginning about, going back to the toothpaste analogy, I mean were there times when you'd grab a check and you were normally living off that? You got a \$2500 check, or whatever, and you were like, "Oh, we have this now." What went through your mind and your behavior and your family when you allocated that out at first?

David: Like allocated specifically for us to be paid?

Barry: Yeah, for you to be ...

David: Well, I mean it was a confidence thing because the way that I was doing things before was I had a checking and a savings account and I pretty much just guess how much I was going to save for taxes, guess how much I was going to be paying out for certain expenses and everything like that. It was a big stress relief doing that because I looked at it and I was like, "Oh, it's all set. I know I don't have to go over that number as far as expenses are concerned. I'd estimate that I won't." Now that I know how to actually budget the money.

Barry: Incredible.

David: Yeah, it's a confidence thing, for sure.

Mike: Did you- Let me ask, I'd like to ask a question.

Barry: Jump in, Mike.

Mike: Did you compromise your lifestyle? Did you feel that when you were taking less ... not taking less but you were dividing money up preemptively, did your personal lifestyle get compromised?

David: I wouldn't say, I mean we already were, I mean we live below our means. We try to have some leftover. We already tried to do that as best we could. I didn't feel like we were making any sort of sacrifices. If anything, when I looked at the numbers and I looked at projections and everything I was like, "Oh, we're fine if we stick to this monthly net coming out of the business anyway." When I looked at it I was like, "I could pay myself for the next three months and not worry about it." I don't have to sacrifice anything, if anything, I have more room. I'm confident enough to take a risk to aim for a bigger client now that I know that I can allocate the time for it.

Mike: Thanks, man. Thanks for sharing that. That's awesome.

Barry: Yeah, great. Thank you so much, David.

David: Yeah, no, thank you for writing the book.

Barry: Hey, let's just open this up. Anything that I haven't asked that you guys wanted to get into Mike's ear and output out of his mouth about while we have him here? You guys maybe ...

David: Oh, I have a question, actually.

Barry: Yeah, go ahead, David.

David: I usually get a deposit from clients. Long story short, even with that in mind, like a gig came up recently where I was like, "Oh, you know what, I should buy a hotel for that gig," I didn't necessarily budget for it when I did the month, sort of like looking at the next month, how much I'm going to allocate. Long story short, I put the 20% aside for business expenses but I don't want to spend all of those business expenses, all that money month to month. I have a nice spreadsheet and I just take a month a certain amount out.

On Thursday I had to get a hotel room for a specific gig. Should ... Since that expense wasn't allocated for out of the other funds, should I take that, whatever \$200 for the hotel room, should I take that off the top line of the paycheck when I get it in my hand and then do all of the other percentages off of that? Since I technically already know I didn't make a profit off of that due to having to book the hotel room.

Mike: Yeah so the rule of thumb is no special circumstances. When that next check comes in, it goes through the same process and you've got to pay for that hotel out of operating expenses. Then what the pain will be is, "Well, I don't have enough money in my operating expenses for other stuff." That's an indicator either you're spending too much or you're not allocating appropriately. That's kind of the aha moment. You may need to increase your operating expenses.

The other thing is, for something like this where you get pre-paid, that is not what's called "earned income" in the traditional accounting sense. Meaning, you collected the money but you haven't earned it yet because you haven't delivered the performance. Technically, the customer could say, "We canceled the gig and I know you had a contract with us but we need that money back." I recognize that you may say, "Well, we have a conflict here. I'm keeping that money and you agreed," but we haven't earned it nonetheless.

What we do is we set up another account and the rule of "Profit First" if in doubt, set up an account. What we're going to do is set up an account called the unearned income or the retainer account. This is what happens. Say that deposit, just picking a number, was \$2,000. That deposit comes in, you put it into the unearned income and it just sits there. Then the trigger event is when you deliver the service. Once you deliver the performance, you come home and you transfer the money from that unearned income into your income account and then it disperses out.

David: If I get a deposit, say it's \$2,000 for a gig that's in two months, I should not be putting it through "Profit First"?

Mike: Right, not yet. The part of "Profit First" is a holding account. Then in two months it gets transferred over. Now this puts your business exactly in sync with when you're delivering things. Again, it'll be painful because it's another adjustment to your business but most, many of our businesses we are actually running our business off retainers, meaning we're spending money that we haven't earned yet. Technically, those gigs could go away or something could happen. We want to adjust our business to live off of what we've truly earned when we earn it

David: All righty.

Mike: Yeah so it's another adjustment with your business. It'll be painful but once you do it and you get through the cycle then you'll be extremely grateful.

Barry: I will add to that that painful means there's change. That change is incredible because the one time when you do get to withdraw from that account, really it's just we are familiar with our money. We're not, it's not living just a number on a screen on our phone so to be familiar with it may be painful at first but boy, is there a freedom that comes out of that. That's really just a great catch on that. Good question too, David. Thank you for that.

Anyone else? Any other questions before we go? Even though I asked for 45 minutes and we're three over that.

Mike 2: Yeah, I got a question.

Barry: Jump in, please. Sure.

Mike 2: I recently opened up all the accounts and I started the process maybe about a month ago and I just revised edition so I just got that.

Mike: Thank you.

Mike 2: I guess my question is so far it's going great but I'm in the process of establishing an LLC for myself.

Mike: Good.

Mike 2: Now I'm kind of confused because all the accounts are now in my name, but now I'm going to kind of have the business name. So should I transfer all the accounts as far as the business or I'm not sure how I'm supposed to adjust my accounts.

Mike: Yeah. Great question. The answer is you do set up business account. It's not even, I mean the money should be transferred over but you actually will have to close your personal accounts and set up your business accounts. LLC is its own entity. The perception of the world is it's its own person. It's like a different person and they control the money. Now the reason we want it at the business is it forms a level of protection.

If someone sues you, they can't sue the business or vice versa. If someone comes after you because they got injured and all that money from your business is in your personal accounts, they can try to grab that money legally. If it's in the LLC it's protected and vice versa. If someone sues your LLC they can't get to you personally. You're separating church and state. That's a technical protection afforded to you.

When you set up the LLC all the money gets controlled through there. You'll get what's called a Federal ID Number, a tax ID number. That's the Social Security number for your business and those checking accounts will be controlled under that. Then when the business gives a payment to you, often and now you'll see what you get is called a distribution. When you get your distributions which is your paycheck, it'll transfer the money from the bank account to your the corporate bank account to your personal account and that's when you'll incur ... Well, the taxes will be addressed through that transfer effectively.

That's actually how to explain that part is a little bit hokey, but you do set it up this separate, these accounts with the business specifically, not yourself personally.

Barry: Yeah, and I hope that's clear, Michael. There's some interesting stuff in there and I know it's covered in the later chapters of "Profit First" a little deeper. Mike has trained accountants to handle this stuff so beautifully. One of my goals for 2017 is to sadly let go of my tax person of 36 years and bring in somebody who's actually in tune with this because I have conversations with her now that I haven't had in 36 years and she's not tracking.

That's good because I know there is some way like what Mike is just asking. Whoa, two Mikes here, well Michael's just asking of you Michalowicz is where does that taxing happen? Does that happen before it goes into the personal while it's still in the LLC? That's something that should be handled professionally, really.

Mike: Yeah, right. The interesting thing is as you increase your profit, the natural thing is your tax liabilities will increase which it sounds kind of weird. It is a blessing but it sounds it doesn't sound like a blessing because you get taxed more but it means you're taking home more. The goal in "Profit First" is not to pay more taxes, it is still to mitigate the taxes, it's to increase how much you take and that's outside the scope of the book, how do you make more money? That's what the book's about. How do you have the government take less from you? The book's not about that but there are accountants and bookkeepers out there that really are talented at that.

We happen to have vetted out a list so if you want that, I can give you the access to it or you can find someone on your own. There's some accountants that just process numbers. The other ones that really understand the tax consequences and will position you strongly.

Barry: Whole different game, good.

Mike: Yeah.

Speaker 5: Yeah, I had a question back to the LLC thing real quick, to Mike, were you referencing being taxed as a corporation or as a sole proprietor because they can be taxed as both, correct?

Mike: Yeah, yeah. So LLC is a unique situation. An LLC you will be taxed similar to a sole proprietor at the end of the year. So your money goes into LLC and if there's money sitting there at the end of the year, you will be taxed on it. Now the nice thing about an LLC is you can have the LLC buy a car for you because you need to travel to your gigs and to the airports and where you guys go, that car is now an expense.

As a sole proprietor, that's a little more difficult to do. An LLC provides you with the ability to incur money that does truly- incur expenses that benefit you personally and reduce your taxes and there's that protection mechanism too. If you guys are sole proprietors, strongly encourage you to talk with an accountant and look at the advantages of being in LLC. It's pretty significant.

Barry: Yeah and it's another piece of the financial responsibility of ownership of getting it out of the shadow and this thing that we just do when we have to do. Instead of something that we do because it gives us more freedom. Always a big piece.

I want to thank you from the bottom of my heart.

Mike: It's my pleasure.

Barry: There's certain people in the world that I'm just happy I'm alive at the same time as them. I look back and I think, "Wow, I would have loved to have been alive when they were alive. I'm alive of the time of the greatest juggler the world's every known and it's fun to watch him."

Mike: That's cool.

Barry: Also, what you've brought to business you're doing huge work in the world. One of our members was at your perennial bestseller that you and Michael [Pork 00:56:07] did in Florida recently. Boy, he just talked so much about how powerful that was and yeah.

Mike: His name wouldn't be Bob, would it? Because he was a magician.

Barry: It is. Yeah, ventriloquist, Bob Baker, yeah.

Mike: Right, yeah. He was teaching me some more magic tricks.

Barry: Oh, yeah. Great guy, yeah. He had a good time there and yeah, just really connected him well. Yeah, everything I've thought about you. What resources would you recommend people tune in to be a part of your world most effectively?

Mike: Yeah so thank you. If you wanted to get more stuff from me like the stuff that Barry was showing on the screen, it's my website MikeMichalowicz- Listen, I know my last name is impossible to spell so there's a couple of hacks. If you go to Google and type in Mike, my first name, M-I-K-E, space bar Mic, M-I-C, Mike Mic, the longest most Polish name on the planet, that's this guy. Click on that, that'll bring you to my site.

My nickname in high school was Mike Motorbike, even though I never have ridden a motorbike. If you go to MikeMotorbike.com that will forward you to my site. On there, all the resources. I used to write for the Wall Street Journal too. There's articles up there. There's just a lot of resources all available for you for free. I think that's the place to get started.

Barry: You're a huge giver. I will also just put a plug out for your podcast, which I really enjoy. Great length and I enjoy those episodes very much on hikes and bike rides. Well, thank you so much.

Mike: Thank you.

Barry: Can't thank you enough, man. It's a small group and it's people who are impacting the world in a whole different way and the stuff you've brought in will really help them play bigger.

Mike: That means a lot. Thanks, guys. Keep doing what you're doing. You're changing the world.

Barry: Thank you so much.

David: Thank you very much.

Barry: Bye-bye.

Mike: Thank you all. Take care.

David: Bye everyone.

Mike : Bye.

What'd you think about that? I mean is that a remarkable opportunity to see a guy so casual? I know, of course, my favorite question in the whole interview was when I asked him at the very beginning, do you juggle, sing or do magic or did you have a happy childhood? Love that moment.

Anyway, you guys let's just take a quick look back. I wanted to jump right into Module 9 here with that interview because it's so important that we start really planting the seed of long-term money. You know it's funny, there's a point in my career after about 30 years when I started measuring my success by the number of days that I was home. Used to always measure my success by the number of days I was on the road and that shifted. It could've been age, it could've been age of my career, how many years I'd been in the career, or it was just focusing forward and looking how could I stay home more? I had a son,

a wife, a place I loved to be and yet I was spending two and a half days running out to Orlando to do a one-hour show.

The bar of success changed. Proper financial planning throughout the entire career helps that. No matter where you are in your career, using "Profit First" will make you profitable from day one. There's no doubt about it. I mean just listen to what Mike talked about and you'll see it there.

Let's do a quick review of week 8, though. We talked about the holiday party funnel. I don't know if there's been enough time to put into action but I have no doubt that the seeds were planted and there is some germination and sprouting going on inside your brain. You have some time to do this, like I said, late summer fall is a great time to really start kicking in to the holiday funnel to delivering the funnel so the research can happen all year, anytime leading up to that and during it you can find new people.

We had extensive talk in the follow-up group about pricing. What are we doing? Some members have already doubled their price. Some have four to five [timesed 00:59:32] it for certain events. That's what we're doing here. We're replacing the way we're looking at in the market, setting higher value in advance and asking prices that are in accordance with what people in that range are used to playing. It is fantastic.

Did you listen to all three interviews of producers? Are they remarkable? Yeah they are. They're amazing. Did you reach out and contact any of them? Did you drop a line? Julie, I know, has gone on to other things in business. I noted that on the module page for week 8, but her information is gold, gold, gold. Works for any speaker's bureau, exactly what she talked about.

I hope you dug into those two, Cindy and Carl, dear friends, 20+ year clients of mine. I'm clients of theirs, who knows which way it goes. We do a lot of business together. The other piece, the installation that we did, the installation, the completion illustration that we did at the end of module 8 about showbiz blueprint.

Did you come to a place of peace of where you're at with it? Where you've been? The perceptions you had before it, during it and where you're looking at going forward with it? It's important that you do that work. This is and I hope, I've hoped it for every alumni that stays around our group, this becomes part and partial to how you operate your business from now on. As Rumi said, "Don't go back to sleep. Don't go back to sleep." I'll put that amazing poem at the bottom of this page.

All right, guys. Conversational calling six weeks later. After we introduced it what's happened? I know I've heard a whole lot in the live Q&A's and we've talked about it on the groups. I know some people are putting it into use but where is that system sitting right now for you? Has your story changed about using the telephone? Have you had some conversations that you didn't think were possible?

I know for sure I read a Facebook post on the way to the studio today from a woman who's a member of Showbiz's Blueprint who I coached to pick up the phone and call an agent who she had a little scuffle with years ago.

Darn it. Best conversation. One hour on the phone. Back in business together. You guys, and you know who you are, my dear. Don't ever think, don't believe your stories. The most dangerous thing in the world that we can possibly do is believe what we're thinking. She was thinking that this relationship was

over for years and I came in and I said, "Absolutely not." Make the call. Have the conversation and boy, don't believe what you think, no matter how strong. I don't care if it's about your relationship, about politics, about sex, about money, about your abilities in the market. Don't believe what you're thinking, they're just your thoughts. They become instantly stories the second they come out here. Good example for that.

Has your story changed around conversational calling? It must have. I know you've been doing it. You've been having conversations, sending CVIs. That's a huge gift. Congratulate yourself. Celebrate the fact that your beliefs around the phone have changed and it's incredible.

Are you trusting yourself to connect and not sell? Are you trusting yourself enough to connect and not sell? Not to fall into that stereotype of salesmen, of talking about what you do, of how much it is, what your credits are. All that stuff that leads the conversation down a really stinky road. Keep trusting yourself to have the conversations that matter, to have the questions, to listen twice as much as you talk.

I know you guys can do this. I've loved hearing these stories. Make sure your mindset's clear when you go in. Can you tell? Do you know the distinct difference between a clean mindset and a somewhat polluted mindset? I promise you, you're picking up on it to some extent and there's even more. Keep unraveling that onion.

Have you practiced it enough? Have you practiced enough conversational calling? If you have, fantastic. You've taken the risk. If you haven't, I will ask you real clearly, what's at risk? What's at risk for you doing conversational calls? What could happen if you make them? What could happen if you don't make them? Remember those two hands we held out at the beginning. If I do, I have to take these risks because if I don't do it, I take these risks. This area in the middle is where we've been living for the last eight, nine weeks, you guys. It's great in here. It's a feel day. It's an open field of wildflowers where we get to run and play and redefine who we are to this market. Embrace it. Embrace it, embrace it, embrace it. All right. Good.

Conversational calls. Going to this next level of it, I'm going to ask you here on week 9, what's a new commitment you'll make to yourself. Is it the number of them? Is it the pacing with which you hold the conversations? Is it the time of day that you make the calls. Is it being more accurate on your spreadsheet about what happened? Is it recording them, if you haven't done that yet and listening back. Is it practicing them with your accountability group? There are 100 ways to up your commitment about this stuff. Business is the place to use the phone.

You know we're doing everything else on our phones. We're texting, we're using apps. Business is a place that's powerful to master the phone. The real relationships, the ones that'll take you through years, five years, ten years, decades, those are built in person and through verbal communication. Trust yourself. Trust yourself.

Put your number every single place on your website. You can. I know a couple of us have already moved our websites to have the phone number very visible right there on the top. Good for you. Do people call all the time? I put it right in my email signature and I can count the number of phone calls I get. The implication there, or the message there, is you can reach out to me. I'm approachable.

Don't hide your phone number. Don't hid behind a form. You can get a Google phone number for free and have that forward to every phone you own. You don't have to worry about all the privacy stuff. Make a phone number available to people.

Be a person that people can't wait to speak with. Even going back to our LinkedIn challenge, be the person in a year from now that people hope they have the balls to connect to. How's that? Right? Be so available to connect with people in your market, your customers, your prospects, your clients. Do they feel comfortable doing it?

Be the person that a company finds one day and says, "Wow, I wonder if I can reach them. Oh, here's their number right in their profile, right on their website. Boy, what a change in life.

Then the final rule to always hold and have it on your desk if you need it for your phone calls, listen twice as much as you talk, of course. Use the aikido, remember we talked about the aikido of taking the objections and using that energy to move the conversation forward. That's not a problem. That's not a problem.

Karate brings up the stereotype of the typical salesman. Aikido invites the conversation to go to the deeper level.

All right, you guys. I want to cover a couple of insights even deeper insights for working with producers.

All right. Last week I gave you five amazing ways to get inside a producer's inner circle and as I think about it, there's three more that I really want to share with you. Do a simple screen record video. Have their website up on one screen and yours on another. Switch back and forth. Talk about how this can support what they're doing here. Have an event with a picture of a band or a party or a comedian. Go to a picture that looks very similar to yours. Connect dots.

On the screen record you'll just use your old tab or whatever you do on the Mac, to switch back and forth between screens. Connect dots, you guys. Always look to connect dots. If it's something you can do, if you find some wording on their website that they were to customize, to embellish to in rich events cut to somewhere on your website where you're doing exactly that thing.

All we're doing here is we're stopping them from having to think because their lives are way too busy to think. The quicker we can do this, the quicker we can do this in a 30 to 60-second screen record video, we have made a huge step forward in not only going out of focus and out of the light, but creating a relationship that's easier for them to understand. That's number one.

Number two involves the real mail, you guys. That's right, you kids. Get those little things, the envelopes or a bigger envelope. We're going to actually get out a picture or a newspaper clipping or review. Something that's been published, an article in a magazine and we're going to put a little stick-it note on it and we're just going a little Post-It note and we're just going to write a quick note and we're going to mail it to that person, along with a note that says I'll give you a call in a couple of days. That's it. Pretty darn simple.

We're going to find something that's been published somewhere, even if it's just a picture you took. Connect the dots to some event that they do that you know they do. Some festival they run, some

performing arts center. Some corporate client that you've seen they're connected to and you're going to connect the dots with a simple Post-It note and a time that you're going to call to connect. Mail that to them.

The third one, speaker's bureaus are very big, you guys. Not only if you're a speaker but I've done a fair amount of my work in my career for speaker's bureaus because they're often asked, "Is there an entertainer? Is there an MC? Is there a spokesman? Is there someone who can do an industrial film for us?" Once a speaker bureau has a good connection with a corporate client, an association, they are a trusted advisor.

We can connect with speakers bureaus especially if we have the ability to customize or create material that's in line with what they do. There are speaker's bureaus that work for tech companies. There's once that work for financial, medical associations. There's all kinds of speaker's bureau. Sports.

Really good ways where you already know what they do, what their audience is all about. Find ways that your work can connect with their work even if it's a photo shoot, you set up an article that was written about you, a video you've done somewhere and connect those dots either through a screen capture video, a printed letter, either. The things I've talked about today or some of the stuff I talked about in the last module about getting inside their inner circle.

Three more tips for getting inside a producer's inner circle. A place where there are tentacles that reach out to places you and I will never be able to touch alone.

You guys, the last big piece of this module, I want to talk to you about, is the power of video. Has done nothing but grow and projects are that one day we won't even be able to read. We'll just be able to click the play button. What I want to offer too us is we are going to combine everything that we've done today, the last nine weeks in Showbiz Blueprints. Everything you've ever done as an artist and we are going to roll it. Think of ways germinating our brain, ways to roll it into Facebook/YouTube videos that are viral.

That we can create. What we do as entertainers just as a base line has viral possibilities. The fact that I can stand here and juggle three ping pong balls out of my mouth with no hands lends it perfectly to a viral video if the content connects with something that's local or timely. Something that's happening local I mean in your city or in our world. Something that's happening and it's timely. If we can connect some skill we have and present a viewpoint, a voice, a new angle on a conversation in a way that hasn't been done. Using our skills as performers whether it's comedy or singing, juggling, magic, ventriloquism, dance. Doesn't matter. If we can do that, we have the ability to skyrocket our popularity, earn money from channels that pay us for bringing visitors to their sites and up our authority, our popularity and end up places that we have never even imagined.

This week I'm going to share in the homework assignments three interviews with you with three people who have felt what it's like to go from absolutely unknown to viral superstar. I interviewed all three of these people for Showbiz Blueprint. All people who have a strong entertainment angle to their story. Did any of them plan? Only one of them planned to become a viral star and went at it with that angle. The other two it happened completely accidentally and their stories will blow your minds. Their stories are a pathway of possibility that we've never, really, been able to think about. Hearing their stories is going to light you up.

They're coming in this week's homework. That traffic that they got and that you can get from viral videos has the ability to change every single part of your life, as you'll hear them talk about. I can't wait. More than anything, I will tell you that I want you to be a piece of that. From my heart right into your heart and your brain, I want you to be a part of that. I want you to feel what it's like to get that viral rush. To take something that you love so dearly, to put a comment or a viewpoint on it.

We have a powerful person in Showbiz Blueprint from the 2017 group who is making killer viral videos and has yet to shrink one down to the length where it has the ability to go truly viral. It's something that these guys will talk about throughout the week and you'll hear about it how every second of the viral video needs to move the story forward in a big and important way. It's a skill, no doubt, and I want it for every one of you.

Let's talk a little bit about the how. What's involved in doing this thing? What steps we can take to actually moving forward?

Number one, perfectionism. Do not, as I've told this from the very beginning, I will not allow you to get stuck on perfectionism. It's not why we're here. You can start making videos, whether you have to publish them or not, there's all sorts of internal and external battles you're going to fight in this thing. Start without worrying about the perfectionism. Start germinating with ideas on paper, on video, on a voice recorder, in front of a camera. Then the tightening can all happen.

The research is finding out what's happening in the world right now. I know this ten weeks we're not watching mainstream media news but it's still impossible to avoid what's going on. What can you find out that's going on that you can add some voice to? You can have some fun with. You can make fun of through video effects, through your skill. What jokes can you play about it? How short can you get it? How tight? How good can the editing be that you can bring something that isn't already being said, use a video title keyword. I think one of, at least one of our guests, talk about that. The importance of the title and what's in the description.

YouTube is cataloging every single word of your video and the titles and the description. It's using that for the search engine. Us being able to have a comment on something that's happening in the news that is a beautifully written headline and then do something that's fun about it. The sharing potential on that is out of control.

What is your 60-second take on something that matters? That's the challenge. The headline is going to help. Just share this all over the place. Get the buzz going. Upload the videos to Facebook. Do not put them on YouTube and share the link on Facebook. They don't like each other all that much and they're not showing YouTube videos with the same virality that they are if you upload it to Facebook. You'll upload this to a couple places and get it out there all over the place. I can't wait.

What are we doing? Why are we doing this? I mentioned a couple reasons for helping us gather popularity, fame, a following, authority if we're talking about something serious and there's ways to monetize this stuff. I've certainly done a lot of it in the sugar-free world with building my list. I send people to a direct squeeze page where I get their email, bring them into the business. We're covering that in our module on passive income. Boy, everything we do has to lead us somewhere.

In the description of the video, you can put a website where you want people to go. You can have it on the bottom of the video. Are we going to send people somewhere to see more? To opt into a list? To sell them something? A service, product, a show, custom script writing, any of- a custom song. Any of a number of items that we can use. If we get a video to the point where it's going viral, we have to tell people what to do next.

During the copywriting module we talked about here's what I got, here's what it'll do for you, here's what I want you to do next. This is that step, the here's what I want it to do next. Brand the video with a watermark, website. Do it in the description of the video as well. Don't leave people guessing what to do next. Don't make that mistake where you don't tell them what to do next.

All right, you guys. Just a recap on the viral video, what we're going to do. I'm going to challenge you. I'm planting a seed today, that's all I'm doing. That's what I do a lot in this program, planting a seed, letting it germinate. I want to invite you to give yourself the time and the place to doodle on this. To have the crappy ideas, to have the brilliant ideas and everything in between.

Give yourself the time maybe it's five minutes, maybe it's every time you're in the shower. Maybe it's when you're driving, a drive you do every day. Let your brain germinate on what's happening in the world and what can my unique take on it be? Always aim to keep the story short and the story moving. Short and keep the story moving. Literally, every frame of a viral video as you watch these, you'll see every single frame moves the story forward in some way. There cannot be any dead time, it's not allowed.

Where do we go for this stuff? If we want it to be true, we go inside. We look for the passion. What are the things that we're passionate about that are happening in the world? If it's a political movement, if it's a regional movement, an environmental movement, a health movement. If it's something that's happening in a certain sport. Places where there's a following and if we have a passion for it, my gosh, that is your gold center. That is your nugget. That's what's at the end of your rainbow to make this video about.

Can you make it about other things? Oh, heck yeah, but is it going to look as if the one that you're living and breathing? Probably not. Make sure, only make sure that there's enough audience. That's really our only cutting off point is making sure there are enough people who are into it to spread it. The big ones for those health, wealth and relationship. Touch something in those in world events, health, wealth, relationship, world events. If you can touch something in one of those, you're ahead of the game.

Farce is a great one. If you can have fun with something, poking fun at something and make it funny gets a ton of shares and views. A new point of view that the people haven't thought about. Keep it short. Keep it intelligent and have a brand new point of view.

That is my challenge for you guys to rock the boat, to kick butt, to share something. I will reward somebody who gets to 100,000 views on a video. Doesn't matter when you do it. Write to me, put it in the group, 100,000 views and we will do some private coaching. We will do whatever it takes to get that thing up to add a new comma to it to get it to the one million and I would love to talk to you, hook you up with people in my network who can make that happen.

That's it, you guys. That is week nine in the can. A great week with Mike Michalowicz talking about some more producer tips, the viral videos and us here together again. I will see you, as usual, in our live Q&As and we will call this one complete.