

# Way to Wealth

## By Brian Tracy

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**T**here are more than eight million millionaires in the United States today. Most of them are self-made. They started with nothing and earned all their money within one generation. The 10 wealthiest multi-billionaires in the US all started with nothing and earned their money in a single lifetime.

Fully 80% of self-made millionaires are entrepreneurs or salespeople. Starting and building your own business is and always has been the high road to wealth in the United States.

The good news is that the United States is today the most entrepreneurial country in the world. Fully 70% of Americans dream about starting their own business someday. Fully 1/12th of Americans working today are working in a business start-up.

Entrepreneurship is natural and normal for most people. You have within you, right now, the talents and abilities that you need to start and build a successful business, to take complete control over your life, and achieve financial freedom. You just need to learn how.

If you can drive a car, you can learn to be a successful entrepreneur. As Richard Branson, founder of Virgin Records and Virgin Airlines said, "Once you learn how to start and build a business, you can do it over and over again. The principles are the same."

The good news is that all business skills are learnable. You can learn any business skill you need to achieve any business or financial goal you can set for yourself.

Once you learn a skill, you can use it over and over again. Each time you use it, you get better and better, and as you get better you achieve the same financial goal with less time, effort and energy.

*Fully 80% of self-made millionaires are entrepreneurs or salespeople.*

To succeed in your own business, you need a range of skills. The absence of one key skill can hold you back, or even be fatal to your dreams of business success. Fully 80% of new businesses go broke within the first four years; 86% of current businesses are under-performing.

### **The Purpose of a Business**

The purpose of a business is to create and keep a customer in a cost effective way. Profits are not the purpose of a business. Profits are the result of skillful, successful, customer acquisition and customer service.

Business is quite simple. It consists of three basic activities. First, you must find or create a product or service that people want, need and are willing to pay for. Second, you must market and sell the product or service in sufficient quantities to cover all your costs and make a profit. Third, you must manage and administer the people, money and business activities. Give yourself a grade on a scale of 1-10 in each of these three areas. Wherever you are weak, that will be the source of all your problems.

### **Three Qualities of Successful Entrepreneurs**

There are three qualities of successful entrepreneurs, based on studies of many thousands of them. First, they have the courage to launch, to step out in faith, with no guarantees of success. They are willing to face the prospect of temporary failure in the pursuit of opportunity, freedom, control and financial independence. Second, they have the quality of optimism. They have a positive mental attitude toward themselves and their business opportunities. They have the self-confidence to keep moving forward.

Third, entrepreneurs are persistent. They never give up. As far as they are concerned, "Failure is not an option!"

### **Three Keys to a Successful Business**

If you are not now in business, how do you determine what business to go into? Jim Collins, in his book *Good to Great*, analyzes more than 1000 companies to determine what makes a business great. He finds that the ideal business is one that has three qualities. First, it is something that you have a passion for. It is a product or service that you really like and enjoy, and you want other people to experience it as well.

Second, a successful business is something in which you have the potential to be the best in your area. You may not be the best when you start, or at the moment, but you have the potential to be the best if you keep improving.

The third quality of a successful business is that you are offering a product or service that is highly profitable. If you do become the best in your field, you will make a lot of money as a result.

The way you find a product or service is first, find something that you really like believe in, care about and want other people to use and enjoy. You must be excited about your product or service if you want your customers to become excited about it. Second, go to a potential customer for your product or service idea and ask him or her if they would buy it, and how much they would pay for it? This is called “Fast, cheap, market research.” The only true test is a customer test. When you ask a customer for their opinion, they will always tell you the truth. This can make or save you a fortune in the course of your business career.

*Always test your assumptions before you invest.*

The three questions you ask before you introduce a new product or service, or start a business, are these. First, is there a market for your product or service? Is it something that is better, faster, or cheaper, or all three, than anything else available? Never assume. Always test your assumptions before you invest.

Second, is the market large enough? Are there enough people to buy enough of what you sell to make it a prosperous business? Third, is the market concentrated enough? Is it possible for you to reach your market with conventional advertising or promotional methods?

The key question in marketing is always this: “What exactly is to be sold, and to whom is it to be sold, and how is it to be sold, and at what price, and how is it to be billed, produced, distributed and serviced?”

You can ask and answer this question over and over again throughout your business career.

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### **Three Ways to Increase Sales**

There are only three ways to increase sales: first, you can make more individual sales. Second, you can make larger sales per customer. Third, you can make more frequent sales to the same customer. You must be continually thinking of ways to do all three.

### **Customer Satisfaction**

The primary job of the entrepreneur, which determines his success, is to innovate and market. Innovation means finding faster, better, cheaper, easier ways to serve customers. Marketing is to find better, faster, cheaper and more efficient ways to sell your product or service to your customers. Innovation and marketing goes on throughout your business life.

There is one primary job, goal and measure of business success. It is "Customer Satisfaction." The entire purpose of your business, and your success, will be determined by how well you satisfy your customers in comparison with other people who want to satisfy the same customers.

The key measure of customer satisfaction is "repeat business." This means that your customers come back and buy from you again and again.

The ultimate question for customer satisfaction is this "Would you recommend us to others?" Your customer's answer to this question will tell you everything you need to know about the efficiency and effectiveness of your business operations and your products or services.

Your goals in building your business are three. They are, 1) To get the customer to buy from you for the first time. This is the major focus of your sales and marketing efforts. 2) They are to get the customer to buy again because he or she was so satisfied with the first purchase. In reality, the second purchase is the most important because it is proof that you delivered on the promises you made to get the first sale. The most important is number three, that your customers bring their friends and recommend their friends, and refer their friends to buy from you as well.

The primary purpose of marketing and advertising is to make selling unnecessary. If you have chosen your market accurately and you have advertised effectively, people will automatically say, "That's for me!"

The rule is that "good advertising sells." If your advertisement is a good advertisement, it will trigger immediate sales. If it does not trigger immediate sales, you must stop that advertising immediately and start advertising in a different way or a different place.

## Four Strategic Marketing Principles

There are four keys to successful sales and marketing.

- 1** Specialization – you must specialize in a particular customer, or market area. It must be clear to you and to everyone who deals with you that this is your area of specialization.
  - 2** Differentiation – the title of the book *Differentiate or Die* is quite true. To be successful in business, you must have a competitive advantage, an area of superiority that makes you different and better than any of your competitors. Your competitive advantage must be something that your customer wants, needs, values and it willing to pay for.
- This is often called your “value offering.” It is what makes you the “only supplier” for the customers you have chosen to serve. Sometimes it is called your “area of excellence.”
- Finally, in differentiation, you need a “Unique Selling Proposition.” This is something that you do or offer that no one else in the world can offer to your customers.
- As Jack Welch of General Electric said, “If you don’t have competitive advantage, don’t compete.” Your ability to develop a competitive advantage, a unique selling proposition, is the key to your success in business.
- 3** Segmentation – this is the process of identifying your ideal customers, the customers who will most appreciate the product or service in which you specialize, and the way in which your product or service is superior to anyone else’s.
  - 4** Concentration – this requires that you concentrate all of your sales, marketing and business efforts on contacting and selling exactly those customers who can most benefit and enjoy from what it is you do better than anyone else.

*Your competitive advantage must be something that your customer wants, needs, values and it willing to pay for.*

## Seven Strategic Questions

There are seven strategic questions you need to ask in the process of specialization, differentiation, segmentation and concentration. Here they are:

- 1 Who is my customer? Who is my ideal customer? Who is my perfect customer? You must be absolutely clear about the age, income, education, tastes, history, background and desires of your ideal customer before you begin a business, and especially before you begin advertising.
- 2 Why does he or she buy? What need or desire does he or she have that causes him or her to buy in the first place?
- 3 What value, result or reward does he or she expect when he or she buys from me? What is my value offering to my customer?
- 4 What do you do better than anyone else? What is your competitive advantage? What makes you superior to any other choice the customer can make?
- 5 Who or what is your competition? Not only your direct competition, but any other use of the same amount of money, or any other way to satisfy the same need. You must be crystal clear about who you are competing against if you are going to compete successfully.
- 6 Why does your customer buy from your competitor? What value does he perceive that he receives from your competitor that he does not receive from you? How could you counteract this?
- 7 What does your customer need to be convinced of to buy from you, rather than from anyone else?



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Once you have answered the above questions, ask yourself, “What are the 20% of your activities that could account for 80% of your results?” Remember, only a small number of your decisions and actions account for most of your financial results. What are they?

## Seven Key Result Areas of Selling

There are seven steps to selling more of your product or service.

- 1** Prospecting – this is the process of lead generation. Where are your prospects? Who are they? How do you get to them?
- 2** Establishing rapport – your ability to build trust, credibility and confidence in your prospective customer is the key to making the sale.
- 3** Identifying needs accurately – this is the process of asking focused, targeted questions to make sure that you fully understand what your customer wants and needs and is willing to pay for.
- 4** Presenting – this is where you show, teach and explain the benefits of what you sell. You focus on what your product “does” rather than what your product “is.”
- 5** Answering objections – this is where you answer the normal and natural concerns that prospects have about price and capability.
- 6** Closing the sale – you must learn how to ask for the order and tell the prospect exactly what he or she has to do to complete the sale.
- 7** Getting resales and referrals – this is the “acid test” of success. Do your customers buy from you again, and recommend you to their friends and associates? This is the key to the future.

*All sales activities are essential, but prospecting, presenting and closing are the keys.*

The Law of Three says that there are three activities that account for 90% of your sales results. They are prospecting, presenting and closing. All sales activities are essential, but prospecting, presenting and closing are the keys. All your business problems will arise from a weakness in one of these three areas.

The good news is that these are all learnable skills. You can become excellent in prospecting, presenting and closing, and you must commit yourself to excellence in these areas if you want to build a successful, profitable business.

### **The Marketing Mix**

There are seven parts of the marketing mix that you must continually think about and revise in the face of fast-changing market conditions.

- 1** Product/Service – what exactly do you sell? What exactly does it do to improve the life or work of your customers? Is this the right product for you, and for your market, at this time?
- 2** Price – how much do you charge, and how do you charge it? Could there be a better way to price and charge for your products?
- 3** Promotion – these are your methods of marketing, advertising and selling. What revisions do you need to make in your promotional activities to increase the sales of your products or services?
- 4** Place – where exactly do you sell and deliver your product? Could there be a better place?
- 5** Packaging – this refers to the external appearance of your product or service, your business, your way your people dress and groom, and every visual image that your customers see or experience. 95% of the first impression that you make on your customers will be visual, and the visual appearance can often determine whether you make the sale or not.
- 6** Positioning – how are you positioned in your customers mind? How do they think about you when you are not there? What do they say about you when they think of you? What words do you trigger in your customers mind when your name is brought up?
- 7** People – who are the key people in your business who deal with customers? Who are your key salespeople? Who are your key service people? The fact is that people do not buy products or services; they buy the people who sell those products or services. Sometimes, one change in your key people can change your entire business.

One of the most important business skills you will ever learn is called “Zero-Based Thinking.” In zero-based thinking, you continually ask this question, “If I were not now doing what I am doing, knowing what I now know, would I get into it again today?”

Is there any part of your business, your product, price, promotion, place, packaging, positioning or people that, knowing what you now know, you would not start up again today, if you had to do it over?

It takes tremendous courage to admit that you have made a mistake, or that you are doing the wrong thing based on the current market. But facts are facts. If you would not get into it again today, your only question is, “How do I get out of this, and how fast?”

The only measure of any business activity is this: Is it working? Are you getting results? Are you generating sales, revenues and positive cash flow? If you are not, be prepared to change or even abandon the product, service or activity.

In your business, there are only two types of activities – revenue and expense. You should only invest money in your business to increase revenues. To increase sales.

There are four ways to move faster down the road to wealth.

- 1 You can do more of certain things.
- 2 You can do less of other things.
- 3 You can start up something brand new, something that you have never done before.
- 4 You can stop certain activities altogether.

Always ask yourself, “What should I do more of, less of, start or stop?”

On the road to wealth, you have three key concerns. First, apply the 80/20 Rule to all of your activities, customers, prospects, methods of sales and advertising, services, cash flow and people. Remember, 20% of your activities will account for 80% of your results. That is where you must focus and concentrate.

Second, profitability – examine every activity of your business to determine the most profitable things you sell or do. What is number one? What is the second most profitable? What is the third most profitable? You must know, with unerring accuracy, where your best profits are coming from so you can do more of those things.

***20% of your activities will account for 80% of your results.***

Third, efficiency – keep asking yourself, “If I could only do one thing all day long, what one activity would it be? What one activity would have the greatest impact on sales, revenues and cash flow?” Whatever your answer to that question, focus on that single-mindedly every single day.

## The Road to Wealth

Your key to success on your road to wealth is very simple. It is to “add value.” All success in life, and in every area, comes from adding value in some way. The more value you add, the more you will be able to capture some of that value for yourself, in the form of commissions, profits and ultimately business success.

You add value by finding a product or service that people want and need, and then by offering that product and service in a quality and quantity that people are willing to pay for. You sell it effectively, deliver it efficiently and service your customers in an excellent way.

The way to wealth is, and always has been, your ability to start and build a successful business. Fortunately, if you can drive a car, you can learn how to be a successful entrepreneur. You can start a business and put yourself on the road to wealth for the rest of your life. And I hope you do.

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## About the Author

**B**rian Tracy is Chairman and CEO of Brian Tracy International, a company specializing in the training and development of individuals and organizations.

Brian's goal is to help you achieve your personal and business goals faster and easier than you ever imagined.

Brian Tracy has consulted for more than 1,000 companies and addressed more than 5,000,000 people in 5,000 talks and seminars throughout the US, Canada and 69 other countries worldwide. As a Keynote speaker and seminar leader, he addresses more than 250,000 people each year.

He has studied, researched, written and spoken for 30 years in the fields of economics, history, business, philosophy and psychology. He is the top selling author of 70 books that have been translated into 42 languages.

He has written and produced more than 500 audio and video learning programs, including the worldwide, best-selling *Psychology of Achievement*, which has been translated into more than 28 languages.

He speaks to corporate and public audiences on the subjects of Personal and Professional Development, including the executives and staff of many of America's largest corporations. His exciting talks and seminars on Leadership, Selling, Self-Esteem, Goals, Strategy, Creativity and Success Psychology bring about immediate changes and long-term results.

He has traveled and worked in 107 countries on six continents, and speaks four languages. Brian is happily married and has four children. He is active in community and national affairs, and is the President of three companies headquartered in Solana Beach, California.

Brian is the president of Brian Tracy International, and Business Growth Strategies, an internet based company that helps businesses of all sizes increase their sales and profitability by implementing the best practices of top businesses worldwide.

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