

Dear Maverick Business Insider,

I'm writing this in the air heading from Aspen to Miami. A bit of a whirlwind week with me flying into Aspen for a quick 2-day stint for Summit Series and now flying to Miami to race super exotic cars 200mph+.

I made the decision to head to Aspen to be part of Summit Series because of some of the incredible young entrepreneurs and philanthropists that my friend, Elliott Bisnow, gathered. I knew some of the people there like the COO of Zappos.com, Alfred Lin and my buddy Eben Pagan. But there were lots of others I don't normally associate with – like the #4 person hired at Facebook.com, founder of \$150M Azoogle.com, founder of Healthcare.com, etc.

The idea of Summit Series is to bring together successful, young entrepreneurs for fun, networking and to create change. Elliott and I are talking about a joint program at some point since it shares some common DNA with what Maverick Business Adventures® is all about.

I got some good skiing in for 1-day with a few new friends plus Maverick Members, Adam Schran and Frank & Cynthia Goldsmith. We got a couple inches of fresh powder (or pow-pow as the locals call it Cynthia informed me). It felt pretty good getting out there since I don't think I've skied in 2 or 3 years and my knee held up pretty well...even after hitting the double-diamond on the final run. I need to get this picture from Adam of all us wearing our ski goggles and drinking beers après ski. Not surprising, we captioned it, 'Beer Gogging'.



But the biggest impact for me at the Summit Series was hearing from some of the incredible philanthropic ventures there. Sitting across from me on the plane into Aspen, I met Elizabeth Gore, founder of 'Nothing But Net' which uses simple netting to do away with Malaria across Africa. She was presenting on the Saturday I left to head down to Miami. But on Friday I had the opportunity to listen to the impact being made by 3 different charitable projects:

- Grass Roots Soccer – www.grassrootsoccer.org
- FEED BAG – www.feedprojects.org/
- Invisible Children – www.InvisibleChildren.com

I took something away from each one that I'll share with you...

Grass Roots Soccer is an educational charity started by Ethan Zohn after he won \$1,000,000 on Survivor. Ethan was a professional soccer player in Zimbabwe before appearing on Survivor. He witnessed first-

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hand the ravages AIDS had on the African people and wanted to do something but didn't know what. After winning Survivor he had the means and a bit of fame to create an educational program with professional soccer players educating children and teens about AIDS through experiential learning. In Africa, soccer players are some of the biggest heroes for the kids growing up and this makes for a perfect vehicle for spreading awareness and educating. Ethan's non-profit has impacted over 220,000 kids and growing. With World Cup coming up next year in South Africa, his charity was selected to be engaged in bigger outreach programs throughout the continent. I had the chance to speak to Ethan and there might be something cooking for our Maverick 2010 trip to South Africa together.

What I loved about Ethan's story is that he took his passion (soccer) and turned into something that made (and is still making) a tremendous difference for a serious epidemic. The statistics he told us about AIDS were incredibly eye-opening and grim.

The next panelists were Lauren Bush and Ellen Gustafson from Feed Bag. The story behind Feed Bag is pretty inspiring too but there's a bigger lesson I'll share in a moment. Lauren Bush was a student at Princeton University when she saw the UN World Food Program was looking for a student spokesperson. She applied and went to work first-hand with a program that delivered meals to impoverished children in third world countries. From that on-the-ground experience she was forever changed and wanted to make an impact. She had the idea of combining some of her fashion contacts she made as a model with this idea of charitable giving.

Her idea was simple but profound. Create a fashionable bag that people would want and that also feeds X amount of children per year – hence the name FEED bag. The only problem was the UN is not an entrepreneurial venture. They didn't get the concept of selling at retail to donate a percentage for a specific cause. Lauren

had a deal set-up with Amazon.com but they needed a vendor name for the application so she enlisted Ellen from the UN, a kindred spirit, to create a company on-the-fly for this.

From that small beginning Feed Bag was then sold in Whole Foods and has ended up raising nearly \$4M for the hunger program. Enough to cover the entire Rwandan program by itself.

Now the big lesson. Feed Bag is actually a for-profit enterprise with a social conscious. I love the idea of creating something (that's wanted) with a by-product for good, i.e. buy a fashionable bag and feed 10 children. There is no guilt involved like many charities play on however there are is strong psychology at work. The bag is very prominently printed with the words FEED on it and it gives the user a feel-good story to tell others. Plus anyone else who knows what the bag stands for will recognize the person as having a social conscious. Win-win.

To me, it's exceptional to have a tangible result instead of a percentage charitable donation. As you know, we donate 5% of our sales to charities that we support but that's a bit nebulous. Yes, it's hundreds of thousands of dollars but what is the impact? With the FEED bag you know for 1 bag bought, you've fed 1 child for the whole year. That to me is the big idea.

At a previous Summit, Elliott brought in Blake Mycoksie founder of TOMS shoes, who has a similar model. You buy one pair of shoes and one pair of shoes goes to a child in need. It's tangible and easy to understand. (I've included an article on Blake at the end of this newsletter.) Once again a 'wanted' product with a charitable by-product. I see this as one of the most innovative charity models. We saw this a bit with the one laptop per child program but I don't think that was that big of a hit because not too many people wanted the laptop for themselves or their children. The Feed bag and TOMS shoes are "cool".

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This tangible and specific charity by-product of a sale got me thinking. I don't know where it will end up in my business but I think something will stick. I'm considering something like this where you buy product X and one micro-business gets started by Village Enterprise Fund. Or you buy product Y and one student gets taught at the Branson School of Entrepreneurship in South Africa. Who knows how it'll play out but there's something here.

And finally the last charity to present was Invisible Children founded by filmmaker Bobby Bailey and his friend Ben Keesey. Invisible Children created a film to cast a light on these invisible children in Uganda who have been forced into military service by the dictator there. It's a 20+ year old war that so many people have never heard of (me included).

Invisible Children does a great job of organizing high school and college students to participate in events throughout the country to highlight the plight of these children. They put on sleep-ins and other publicity generating events.

But what they've just done and seen moderate success from is something I've long believed many charities should be doing and that's using continuity. They started a program called 'Give Peace a Tri' with people donating \$3/week on an ongoing basis to support stopping this war in Uganda and the million+ displaced people. This concept is a great example of micro giving that's time has come. Regardless of politics you saw the tremendous results Obama's campaign had from lots and lots of tiny donations.

This concept of micro-giving could easily be extended bigger and further by integrating checkboxes at the point-of-sale on huge transaction sites like Zappos.com or thank you pages. I think you'll see some sort of joint charity-commerce activity like this in the future.



Maverick Business INSIDER RECAP:

You get privileged access to a network small, distinct group of self-made millionaires who make up Maverick Business Adventures®. Quite simply you're looking at true 'Who's Who' of successful entrepreneurs, CEOs and business owners.

More importantly, each member shares a common 'DNA' of wanting to live to the fullest, creating business breakthroughs and giving back through charity and education to empower future Maverick entrepreneurs!

You'll hear their success journey and exact techniques of how they've done it. But you won't just hear their best moneymaking advice but you'll get their philosophy on creating MORE in your life... Maverick style. You'll find out how to make more money, have more fun in your life and ultimately give back more!

Maverick 2020 Mission:

- 'Maverick-tize' 1,000,000 entrepreneurs
- Impact 1,000,000 young entrepreneurs
- Have 1,000,000 Cumulative Items Checked Off Members Big Life List

Quite frankly, we're out to change the game of how business is played to help shift the focus beyond just the bottom line and have entrepreneurs create their own fun-filled experiences and maximize what the impact they have in their communities.

With 1,000,000 entrepreneurs and a percentage of them giving back the 5% charity pledge (as you promised) - the ripple effect will be staggering. And that doesn't even count the 5% our company would provide.

We truly believe in business as a force for good.

- **Fun and profitable events** in different parts of the country (and even the world).
- **Open Call-in Days.** Throughout the year, I'll set aside significant blocks of time only for Maverick Insider members.

make more money

Astonishment Architecture™

This is a concept that is still somewhat in early stages of development and not totally polished but powerful enough that I wanted to share it with you in its infancy. Would love to hear your comments on it because I really think it can revolutionize how you think about your business and what your customers are saying about it.

Let me give you a little background on why I think this is such an important concept:

1. The marketplace and consumers are always trying to grind down products and services into commodities unless there is something unique about them.
2. Consumer expectations for most products and services is extremely low because they've frequently been disappointed by poor service. Easier than ever to stand out and gain market-share if you have a reason to.
3. Incredible transparency now in the marketplace regarding the conversation and reviews of your product or service. (i.e. think Twitter, review sites like Yelp.com and/or blogging, etc.) Let that work for you.

So here's the concept behind Astonishment Architecture™ and it's easy once you grasp it:

For any product category or service there is an expected level of satisfaction and value by the end user – our job is to astonish them at each point of contact or interaction plus provide surprise and delight beyond the expectations.

It's simple but extremely powerful if applied. I want to give you an example so you can see this a bit more concretely and

then I'll show you how I'd weave it into your business.

One of my favorite examples is Virgin America

They've really done a wonderful job breaking out of the typical U.S. Airline glut. I fly quite a bit and there's just about no difference to me between our U.S. carriers. I could close my eyes in First-class in United and not miss a beat waking up on American or vice versa. You get the same semi-surly flight attendants, lame food selection and hum-drum experience.

Now when you fly Virgin America you realize there really is something different here. There is mood lighting in a soft lavender/purple that seems more like a lounge than an airline. There's a cheeky sense of humor to the safety announcements. They actually seem to care about you and your flight experience. Hmm... novel idea. There are outlets for your laptop or iPod built into your seat. You can order your food when you are hungry so you don't have to contend with jamming into the service cart in the aisle.

In First Class you've got seats that really stretch out so you can sleep on the red-eyes home. All of this makes a difference and I've even selected a connecting flight on VA instead of a direct flight on United because of this.

Essentially they took everything that sucks (or is typical) about most U.S. airlines and tried to fix it. But then they also added in features to 'surprise and delight' their flyers beyond what was expected. For instance, now they've also added wi-fi on many flights and that's all you see on Twitter when you search for Virgin America.

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So let me break this down for you in my new, super cool Astonishment Architecture™ Matrix:

Virgin America Astonishment Architecture Matrix:

Expectations	Exceptional
Appearance: Old planes	New and cool with purple glow like an exclusive lounge
Food: crappy and delivered when flights attendants want to serve it	High quality food delivered when you would like it.
Seats: Uncomfortable	Nearly flat in first class to actually sleep.
Entertainment: No choices except for main movie/TV shows	Multiple choices at your seat including chatting with other seat mates

As you can see you start at the very beginning of the customer interaction and touch points and continue until after the sale to see where you can develop exceptional remedies to their usual. So for Virgin America that would be thinking through the ticket research and buying part all the way to after the passenger gets off the plane to their destination. (They don't take it that far but I might in totally applying this concept.)

I'll give you an imaginary example of how to re-invent the car dealership using this concept.

Ultimate Auto Group Astonishment Architecture Matrix:

Expectations	Exceptional
Appearance: Typical car dealership	Hip, lounge-like setting with no sales person desks
Salesperson: Annoying with high pressure	Appointment only and invitation-only
Process: Hard negotiating	No negotiating
Follow-up: Never hear from dealership	Invited to special events, experiences, rallies, racing adventures. Free detailing on your birthday, etc.

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As I said I made this up – but in 2 minutes you see how truly different this car dealership would be than any other on the planet. It's a process for really breaking out of your typical industry dogma with the best experience for the customer.

By creating exceptional counter punches to what is expected you cannot help but create word of mouth.

But we can even take this one step further by one simple question...

We can start using open ended thinking to surprise and delight your customer. Possibility-based thinking from a question such as –

“What would the ultimate _____ look like?”

For example, Virgin America probably asked themselves, “What would the ultimate airline look like?

And for answers to that question they are constantly adding features/benefits that are much appreciated and talked about. Look at me, I told you about the AC power source in the air. Simple, but extremely useful. Another surprise and delight feature they just added is the wi-fi Internet access onboard flights. Do a quick search on Twitter and that's exactly what the conversation regarding Virgin America is about or how cool the airline is.

When I look back at some of my biggest successes it's always tried to figure out what a “typical” experience would look like and then deliver something conversation-worthy (if possible) or go the opposite direction competitors are headed. I call it “Creating the Conversation”

We both believe you have to have something extraordinary today to create or ignite a meaningful story. That's exactly what I attempt to do with Maverick Busi-

ness Adventures® by giving members access to people they wouldn't normally meet and hang out with (i.e. Jesse James) and in situations they wouldn't normally find themselves (i.e. Baja racing). I believe with the power of the Internet (blogging, twittering, reviews, etc) your word-of-mouth stories (good or bad) will be multiplied 10x over.

You can truly do this in any sort of business. How about shoes? Absolutely!

Over the last year I've talked to Tony Hsieh, CEO of Zappos.com numerous times and I just had a conversation with their COO, Alfred Lin in Aspen. The biggest thing we discussed was how Zappos.com manages expectations and then exceeds them. Simple but extremely effective. They promise you that the shoes will be delivered within 3-5 days and then they show up next day many times. That's exactly the surprise and delight that creates cult-like loyalty and real long-term value.

If you think about this – you can truly do it with any buying experience. Let's take another example – books. My friend Mike Michalowicz sticks real \$100 bills in random copies of his “Toilet Paper Entrepreneur” book. Here's what he says on his site:

So, a few of the books are being discovered and the cat is out of the bag. Random copies of The Toilet Paper Entrepreneur do in fact have \$100 bucks stuffed inside them. Actually there may be even more cash in certain books too - not sayin'. Just sayin'. Email Mike if you find the next book filled with cash. It could be at Amazon, could be at the TPE store, could be at an event. You just never know!

Starting with a blank slate and an anything-is-possible attitude will get you a long way to delivering an exceptional product or service. Follow me at www.Twitter.com/yaniksilver and please let me know if you use this and any feedback on the concept.



Under the 'Have More Fun' banner it's hard to ignore April Fool's Day as a day where you can see which companies have fun and a real sense of humor.

One of my favorites this year was from WOOT.com. They were selling a bag of crap for \$3 plus \$1,000,000 for s/h. Yup. You got to read some of this copy –

woot! Log in Hi, are you new? Start here. today's woot blog community write us what is woot?

Random Crap
\$3.00 + \$1,000,000.00 shipping
 CONDITION: Crappy
 PRODUCT: 3 Random Crap

DISCUSSION ON TODAY'S WOOT

joshaw cries foul, "I want to know how omnicDn figured this out in 11 seconds... I call cheat."

fashnek shouts, Hahaha @ all the people who didn't read the whole description!

ChefRAZ hints, shoot forgot about the coupon code. =>

doml is quick to point out, Reviews for this product seemed crappy

Join This Discussion 1118 comments

sold out!

If you can see this, our servers haven't crashed yet. Good luck getting some crap.

BAG O' CRAP XXXVIII: CAN YOU BELIEVE THIS SHIP?

Your three dollars get you three craps - and your million dollars for shipping gets you a personal crap delivery from our CEO.

He'll land in your front yard or on the roof of your apartment building in an AH-64 Apache helicopter and kneel before you to present your crap on a pillow woven from threads of pure platinum and stuffed with manatee whiskers, to fanfare from an 84-piece mariachi orchestra. If there's a better way to spend a million dollars, we hope you don't think of it.

Of course, that may seem extravagant to those of you of more limited means. So for a mere \$350,000, we'll hire the most beautiful skydivers we can find of the gender of your choice to parachute down to you with the crap concealed somewhere on their bodies. You'll have to search them for it. Whatever you find is yours. And take as long as you want - you paid for it. Just enter the coupon code BODYCAVITY when you check out.

If your budget doesn't permit that, we do offer another choice. A troupe of authentic circus freaks will parade before you in a grotesque pageant of human oddity and pathos, each adding one more piece of crap to your pile as you contemplate the infinite variety of creation. Just don't call Barba the Bearded Lady "sir". She'll mess you up bad, no problem. You can receive your crap via this method by entering the coupon code GABBAGABBA. Shipping charge: \$100,000.

True bargain-chasers might prefer a more no-frills alternative. For just \$15,000, we'll arrange an authentic Bedouin-style feast in your home, with your crap stuffed inside the traditional main dish, a whole roasted camel. Vegetarian options available upon request. For this shipping method, enter the tasty coupon code CAMEL.

Of course, if you're the average Wooter, you're more of the frugal type who might find an even better shipping deal. The kind of deal you only discover when you're slow and methodical. The kind that goes to the sort of person who never comes out of their shell. And maybe will be afraid of salt. There's got to be some kind of coupon code for those types.

However you choose to receive it, the world-famous Woot Bag o' Crap is sure to provide all the disappointment and regret Woot is known for.

THE HOLY CRAP COMMANDMENTS v3.0

- I. Thou shalt expect nothing beyond ONE bag of some kind and THREE crappy items.
- II. Thou shalt not whine and complain when some people's crap turns out to be nicer than yours.
- III. Thou shalt take a moment to consider whether you might be better off just not buying this crap.
- IV. Thou shalt not expect better crap just because things are different this time. Crap is crap.
- V. To paraphrase Stephen Stills, shalt thou not get the crap you want, want the crap you get.

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The options start at \$1,000,000 s/h and the CEO of WOOT.com will arrive in an AH-64 Apache helicopter and kneel before you to present your crap on a pillow woven from threads of pure platinum and stuffed with manatee whiskers, to fanfare from a 84-piece mariachi orchestra.

And then the more bargain-minded buyers can get their bag of crap delivered via

beautiful skydivers and you get to search them or to hosting a Bedouin-style feast in their home. All funny stuff and obviously done tongue in cheek – though it makes me wonder if anyone actually paid for one of the options.

This is certainly one of those 'do as I say not as I do' lessons because I ended up being so busy I didn't plan an April's Fool's joke with my company. Next year promise.

Upcoming LIVE Event

As a charter member, you're getting a HUGE bonus for FREE! 1-day LIVE Event "Maverick Business Insider Extravaganza".

Ok we've set the date! July 17, 2009 you'll be invited to come out as my guest for a jam-packed 1-day event combining everything about Maverick – namely more profits, more fun and giving more back. It'll take place in the DC-metropolitan area and you'll start with a ½ day business workshop covering my latest secrets and insights into making more money. (Considering I've run workshops from \$995.00 - \$10,000.00 this is already a significant bonus.) Then for the other half of the day we're going to have a great time! It looks like the fun event is going to go-kart racing...but we'll get you more details very soon via email. So stay tuned!

This will definitely be one day you don't want to miss...the only 'catch' is you'll need to be a member in good standing for 6 months to attend on my dime. That's it. And don't worry if you cannot attend live because we'll send you the DVDs of the business section right to your door. Pretty cool, right? More details as they develop.



Interview with

Buck Rizvi:

March 2009

Yanik Silver:

Hi everyone. Yanik Silver here with another Maverick Business Insider exclusive interview with one of our Maverick Business Adventures members. Today with me I've got James Schramko all the way from Australia.

I was just asking James what time it was, and it is either midnight or one A.M. over there, wherever he is. I really appreciate James getting on the phone essentially at all hours of the night to do this interview with us and to share some of his secrets.

I will let James tell his story, but James and I met at Underground IV, I think, is the first time you and I had met. At that point, James had one of the dirty words that we always don't like to hear which is a "job."

He was really just getting into the online world and making some significant progress. He has just had leaps and bounds since that point. He has been on a couple of Maverick trips and just really taking to the whole philosophy of making more, having more fun, and giving more back.

I am really excited, James, to have you on the line. How are you doing?

James Schramko:

Excellent, thanks. It is great to have a chat with you, too, Yanik.

Yanik:

Yeah, it should be fun. Fill in a couple blanks for us, if you will, on your background there on what you are doing, and then we will dive into it.

James:

It is exactly right what you said. We met, and by the time we met, I had sort of arrived at the point in my Internet marketing career where I realized I had to go and seek the best information possible, and I had to get myself on a plane and go to the United States from Sydney, where I live. Pack up in one of those suits and learn from the best.

I only started out in 2005 by buying a domain name. In 2006, I was still trying to build my own Web site. I did lot of research,

and I started being able to get my sites to rank well. By 2007, I was creating information products and then making affiliate sales as well and building up my customer list.

It was 2008 where things really started to take off. I went to the Underground seminar and got so much information on a bunch of really switched-on people.

I went home and quit my full-time job because just making a few little changes and really focusing on going fulltime; it was just so clear that that was what I had to do.

By the time I went back to meet you guys in Las Vegas, I had already handed in my notice and had just a week or two left to work my job out when I went back. From the first of June, I was a full-time Internet marketer and have not looked back.

Yanik:

What I think is really exciting about doing an interview with you is you literally have just recently left your job, left what you were doing. It is not like you didn't have a family. It's not like you don't have a wife there who was probably a little more security-conscious than you were.

Take us back to that decision. You have come over to the United States which is a 24-hour flight for you for the most part: 18 hours or 22 hours or whatever it is. It is a damn long trip, an expensive trip.

You said you had to learn from the best. Where did that philosophy come from, and then how did you get the confidence to decide or when did you know it was time to leave your job?

James:

I was building up my business over here, and it wasn't until about 18 months into Internet marketing, sometime I think around 2006 or 2007, when I went to my first seminar in Sydney. Some of the speakers there I remember very clearly. Mike Filsaime was there.

The American market is just far more advanced with Internet marketing sort of things. We are a very small country here. There are only 20-something million of us. We draw a lot of stuff from the American market, Internet marketing.

I was lucky enough to be inspired. Mike Filsaime gave me some great advice. I managed to meet him. I remember going out to dinner with him and another successful Australian Internet marketer, and my mindset just shifted because he showed slides

at the event where he was making something like \$550,000 a month in sales.

At the time, I was on a \$300,000 a year job. I just thought about that. He had a very similar background to me. He worked in almost the same sort of role. I met the guy, and he had a pulse, he breathed oxygen, and he was a very nice, normal person.

*"I had to go seek
the best information
possible"*

I thought, "Gosh! Maybe I am selling myself short!" I think the bug sort of bit then. I went home to my wife then and said, "I am just going for broke. I am just going to do this."

I just spent every single night working on my Internet marketing for hours every single night. I did it for years. In fact, the thing that triggered me coming to the United States was I bought Traffic Secrets sometime in 2007 when it was on discount. It was at the end of the line and you can not buy it any more. Originally, \$1000 was too much for me to pay for that, but when it was about \$600, I just bought it.

I went on a one-week vacation at the beginning of 2008, and I took the whole box in the car much to my family's horror. They are used to it every year. I only get a week off, and I sit there with every single CD, every single DVD, and I sit on the couch, and I watch them when they go to bed on my holiday. She just knows that is what I do.

I got this great idea from one of the discs. It was just an absolute fusion of inspiration. It was suggesting that if you've got a good site, then duplicate it. I thought, "That is so simple!"

So we went home. I registered a new server, I duplicated my best site, and I literally doubled my income straight away. I thought, "I am too far behind the curve. This seminar was a year or two ago. I need to get up to date."

I actually had been holding your sales page, and as much as I wanted to go, it was very expensive and a long travel like you mentioned. I just thought, "I've just got to do it. I've got to try it this once."

I booked the plane, and I took another week's holiday off, which

is very hard to do. The thing that was most amazing is that I got on that Jumbo. I didn't know a single person at the conference or anyone in the United States. I hadn't been there since I was 12 years old.

I was on holidays I couldn't afford to have with money I didn't really have because I had well over a million dollars' worth of geared property and shares, and now I've got a family of four kids, and my wife is a full-time mom. I was really pushing it.

Through something that happened and your invitation for me to go to Las Vegas six weeks after that, my heart sort of sank in a way. I went home, and I said to my wife, "I can't afford to go on another trip and spend more money," but then she said, "You have to go. You have to go. There is no choice. This is your one opportunity."

Something had happened at work. I had put in a long report and suggested how they could improve things in the Web business. At this time even though I was earning a big income at work, my Web business was already doing well and truly in the six figures.

My customer list for my Internet marketing business was actually bigger than my customer list for the whole \$50 million place that I worked.

I just rang up an old client and said, "You know, I am thinking of going off on my own. Are you interested?" They said, "Sure." Then I rang another one: "I am thinking of going on my own. Would you be interested?" and they said, "Sure." Two of them said yes, so I went and did a contract with them, and went and handed in my notice.

Now I was really out there. It was just like an incredible moment in time. That was in May 2008. I really just knew at the time things were getting difficult. The finances were tightening up, and I just went and quit my job.

If I can do this well off three hours a day at my Internet marketing business, but I am not at my prime, and I am talking between nine at night and two in the morning every night – and that is why this is my prime time because I have trained myself that way for the last year or two. If I can do that part time, imagine what I could do full time!

Sure enough, I went and hung out with some of your friends who taught me some amazing things and extended incredible

friendship and generosity.

I ended up doing business with a number of people just in a very friendly way just really me actually seeing how I could help them. I didn't have anything to offer, so I could only help them, serve them in some way. Some of the deals that came off were just unbelievable.

"I was lucky enough to be inspired"

Yanik:

Yeah, I definitely want to get to that because that is part of your philosophy of giving back and serving.

I just want to point out to everyone who is listening or who is reading this that what you were doing with your spare time is so important. You weren't watching TV. You weren't just hanging out and doing what most people do. They waste so much of their free time and don't think they have any available time for improving the position that they are in.

I was the same way. When I first got started, I just devoured everything I possibly could on direct response marketing after the hours of my regular job. You were doing the same thing. Putting in that time, putting in that effort, and sometimes there is the pain you've got to go through. But then the reward is well worth it, as you are living now.

Let's talk about – you have this notion of having a clear vision of what you want to achieve. Do you want to talk a little about that, James?

James:

Yes, I just realized that the leverage available on the Internet and doing that type of business is definitely, definitely the future. I had such a clear vision that it actually turned into a knowing; there was no other option.

I had such full intent and expectations that nothing could get in the way of that, not even my full-time job that paid all of my bills. That was almost a hassle until the end, it was a major inconvenience getting in the way of my desire to be independent of having a job.

It really came about from asking questions about what it is I actually wanted. I would get into my nice car and drive off to work in my nice suit with my nice accessories and talk to people during

the day that I didn't necessarily want to. I dealt with issues that really weren't mine to deal with. It was someone else's deal.

I answered the question with "No, this is not ideal," and then I really took time to think about what it was that I did want. Usually the most obvious answer is the right one.

In this case it was I clearly need to build a business for myself. I am at an age where if I don't do it, I will get stuck. The last thing I wanted to be is a sour, negative employee when there is a world of opportunity out there.

I have always had a very strong drive. When I see what I want, I won't let anything get in the way. I didn't watch TV. In fact, the last few months at my job, I didn't get more than three or four hours of sleep a night because I was prepared to pay the price.

I couldn't have continued on; I probably would have killed myself. For the last few months, I literally would work until three in the morning and then wake up again at seven-fifteen to the alarm clock, which I hated. I put on my prison clothes and go to work, you know, in my suit.

The first thing I did when I got home was get out of that suit. Put back on a t-shirt and then do my other business. I literally worked two jobs so that I could get rid of one of them. It wasn't going to be the hobby. It was going to be the full-time day job because it was going to kill me.

You are always only two weeks away from being broke. The fear of being sacked or the lack of control, it is not secure, being employed. It is very insecure.

What happened after I left was I had this immense feeling of freedom and control. I can't possibly be sacked; no one can sack me. Just letting that burden go was a major thing, because as things tighten up and you are on a high salary and your whole family is depending on you, you can easily get stuck into a debt trap.

Yanik:

I totally agree with you there. You talked about how you have a combination of info products, and I believe you also have some services. I don't know if you still do or not, but SEO services for other businesses. You have done affiliate marketing.

What is the progression of that, the evolution, and what would you tell people that they should consider? There are so many options out there. I think so many people –

*“Now I was really
out there”*

James:

That is a funny thing. Today I was presenting to a group of people on this exact topic. In fact, about 1000 people probably, so I put a fair bit of thought to it.

I sort of identified there are some core skills I needed to learn that relate to most of the business models that I employ. I do quite a few different business models, and when people discover what I do, they are usually shocked that I can do so many different business models, but they all have the same core skills.

I don't know if you want me to tell you what the core skills are.

Yanik:

Absolutely!

James:

Let's have a look here. I figured out that you need to do your research first. One of the core skills no matter what business model you want to choose is you have to be doing it in the right thing, you know? That is feeding the starving crowd sort of stuff. I notice a lot of people online trying to sell stuff that no one wants. It is just insane.

Then there is getting content. After you have done all of that research and you have decided what people actually want, then you have to have good content or unique content, something that is worthwhile or useful or adds value because if you are just putting out junk, you are not going to get anywhere.

Then there is the copywriting side of things. You have to really be able to convey the message to move people to take the sort of action you want.

The other component I thought that was a core skill was to concentrate on building my list of customers. I really valued my list of customers from my previous role. Your customer is your future, so that was something.

Another core skill I really focused on and got particularly good at was traffic. I think I explored every possible means of traffic to get to different Web sites. I did a number of different traffic

from SEO right through the paid search.

Then of course there is mindset. That is all worthless unless you've got the right mindset to carry it off.

The final one is tracking and testing, being able to eliminate losing campaigns or stop wasting efforts on things that have no dividend is a big thing, like the 80-20 rule.

There are the core skills. What are some of the profit models that I can use around that? One of them was to service offline clients. As you mentioned, I just went to brick and mortar stores or service professionals who have expensive products who I thought would probably really like these sort of services.

I applied those core skills to their business, and that is sort of like a super-expensive membership club. They will pay thousands per month, so you make one sale, and that keeps paying each month. That was a really good thing. That was the one that got me out of my job, and I do still do that. It is a very good return of investment: time invested to the rewards.

Yanik: Right, and that is a nice way of on the side, do something that will then set up an income so that you are not that fearful when you do decide to leave.

James: I just put some short contracts in place that would allow me to launch off knowing that I have enough spare time to be able to do other stuff. In fact, my first four months out of work, I made far more than my actual job in addition to my Internet business because the clients wanted new Web sites as well. Then there were unexpected bonuses in terms of the affiliate stuff that I took on.

Some of the relationships that had formed created opportunities that were quite unique, and I had just a huge influx in income. I have done it several months since them. I have had a couple of six figure months which is sort of like a third of my previous year's salary just in one month.

Yanik: Let's talk about maybe some nuts and bolts. If you want to talk about maybe some of the cool ways that you found that are kind of universal that people can apply today without necessarily screwing you over by revealing something that is totally proprietary. But I think you have a lot of stuff that you share anyway.

James: I am happy to share. I would love to see more entrepreneurs

because entrepreneurs can help re-source things without draining, and they add value. They can't succeed unless they add value. Maybe just a couple more profit models and how I used them would be useful.

"There was no other option"

Yanik: Yeah, that would be great!

James: Recurring memberships: they are a good one to talk about.

Yanik: Recurring membership services, kind of like going into local businesses and selling them an SEO package?

James: I categorize membership sites as simple and complex. If you want really simple memberships, how is this for an idea? You go and buy a reseller hosting account for \$24 a month, and then you go and sign up all of your friends on hosting for \$10 a month each, or \$50 a month each.

That is a very simple recurring business model. You make a PayPal button for \$10, and sign up ten people, and there is \$100 a month. Now there is absolutely no effort involved on your part once you have sold that hosting service.

Yanik: That is a simple one.

James: If you have a nice customer list, and you decide to charge \$9 a month for a "Special Tips" report or something, then you set up an autoresponder with a couple hundred messages. Set it up once, and it pays for a long time.

Yanik: You decided to go with fewer customers and a bigger recurring.

James: I have a few different ones. I actually have a few simple recurring memberships, and I've got some professionals who I have created videos for and hosted them, and they pay a monthly fee for streaming video hosting.

I have complex ones in terms of the businesses. I've got the medium ones such as the \$100 a month-type forum, paid forum-type membership where people pay and there is some user-generated content.

I can sort of leverage my efforts. I can help a few people at the same time by sharing information. That works well for them

because it costs less to join that than it does for one-on-one stuff, but also it is easier on me as well.

Yanik: That makes sense. Give us a couple other business models. Actually, before you do that, talk about maybe the process of selling a local business.

A lot of people who are listening to this or reading this may not look at themselves as a top-level Internet marketing expert or marketing expert or business expert.

The truth is for Main Street, USA, they are probably an expert already, and they just don't realize it.

James: If they even know that they are an Internet marketer, then they are far more qualified than any business owner.

Yanik: Right.

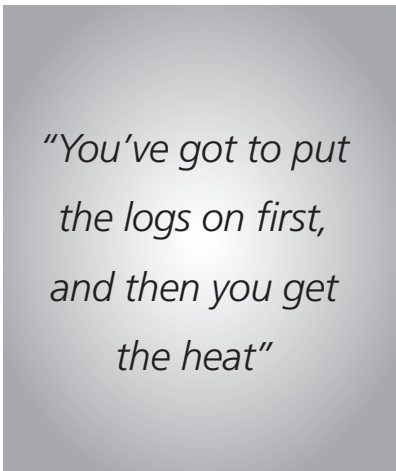
James: Business owners are good at what they do. They are not that savvy with Internet marketing. They know that agencies charge a fortune. They find it hard to get good advice or anything that is even remotely within their budget.

There is also a growing trend of businesses that want to know what tools they can get to do it themselves, so there is that middle market of helping them get access to the right tools, and again, this is where you could be selling hosting services or Web site software or autoresponders.

You could actually resell them with affiliate links at the lowest possible level, or you can say, "Look, we do these things, so if you would like us to do it for you, there is a little monthly service fee." It is actually quite simple.

How would you approach it? First you would probably build a Web site for yourself or have someone build it for you to represent your little business, and then you just use that as an example. You really only need one site to show them and say, "You could have one like this."

That is how I started. I just started building my sites, and because I was sort of interested in it, I kept telling



*"You've got to put
the logs on first,
and then you get
the heat"*

other people about it, and then they wanted one.

Eventually, all of my Web site building jobs were word of mouth in the beginning. It started with family. My mom is a marriage celebrant, and she still gets people inquiring almost every single week wanting her to marry them from a Web site I built a couple of years ago. I don't even know what the password for that server is.

"I sort of identified there are some core skills I needed to learn that relate to most of the business models that I employ"

The word of mouth thing is a good one. If you do one, you will get more. If you are worried about the technical, or you don't know how to do it, that is okay. You don't have to; you just need to know to find someone that is technical. You are just the deal broker then.

You find someone that has a problem, and then you find someone that has the solution. Then you just match it up for a fee, or you manage it and keep them blind, and handle the transaction directly.

Yanik:

Perfect. I know you have been doing a lot with affiliate marketing which is another thing people can get involved in pretty quickly. Give us some tips there.

James:

That is a great one. There are a few ways to do that. There is the evergreen affiliate marketing where you pick things that are already selling and have been consistently selling for a long time. You go and create a fast-start guide or a complementary guide or interview the actual product creator.

Say I wanted to sell your product. I would actually ask if I could interview you, and I would provide extra value if people come through me because they are getting something from the actual product creator. It is such a super-simple thing to do.

Most product creators are more than happy to help sell more of their own stuff. I don't think many people are actually doing this.

Then there is the other type of affiliate marketing where you find things that are hot, and it leans more into that trend marketing thing. I call it an "affiliate pounce," but you jump all over the biggest thing.

It is literally like finding a huge wave to go and surf. It is going to be big; it is going to be fun. Everyone is generating all this buzz, and they are doing all of the excitement about the product.

The customer is so ready to buy that all you need to do is literally reach out and offer something interesting that complements the product that is a little bit unique and attract a bunch of sales.

I have been doing that for 18 months, maybe two years now. Until very recently, that has been by far the most lucrative things.

Yanik: James, that is just realizing what is about to be launched and kind of stepping in front of that launch, or is that something else?

James: Yep, that is exactly what I am talking about.


Yanik: Alright, so give us a couple thoughts on that. Obviously a lot of people see that; they see a bunch of e-mails coming through. Maybe walk us through a couple of ways that you have done it. I know you have done some interesting things on discussion forums. Do you want to talk about that?

James: Yes, there was one product that came out that was quite controversial, and I could see that it was going to be popular. It was very bare in the information. There was a big interest and desire and demand to have this information, and there wasn't that much out there. Someone was breaking the silence on it.

Because the kinds of income were quite high, there was a huge amount of skepticism and controversy, and when that happens, places like forums start inflaming. They get these big heated discussions.

What I learned from that one is if you've got thick skin and you are ready to step into one of those discussions and just try and keep a moderate interaction with it, just keep yourself on each page; some of these discussions have 20,000 people looking at them.

Because it is a forum, it is a very passionate, focused environment, and if you can just dangle a nice little link in your signature line, and that forum has something that relates to



*"Set little rewards
for doing cool stuff"*

that specific product, everyone is going to click on it.

I was generating nearly \$96 per click in a forum for that particular product launch. In fact, I generated over \$140,000 in sales of that product in a three-week period. A good slice of that came particularly from a forum, and the other part of it came from search engine optimization.

"I figured out that you need to do your research first."

Yanik:

Excellent! That is a really cool thing. Looks like we have been bombarded with telephone issues. I've got to call back in on a different line. Hold on.

You have this matrix to filter opportunities. Do you want to talk about that?

James:

Yeah, absolutely! Particularly in what I am doing, mostly online stuff, there is an unlimited amount of opportunity, and as soon as you open up your mind to the fact that there is unlimited opportunity, the big problem is filtering it. You have a lot of things competing for your attention, so I look for a few things. I am happy to share those.

The first thing is I look for buyers. I really just want buyers because that makes a lot of sense. I am looking for evidence of people buying and transactions occurring. On top of that, I really want recurring things to sell and create because you do sell it once, and that keeps paying for some time.

Over time, that compounding recurring effect can have exponential growth, and when it kicks in, it is just unbelievable.

I make sure that whatever opportunity that I am looking for has some sort of added value. It is not a worthless thing or a waste of time, or particularly a little fad or something that is going to be a blip on the radar; it is going to be worthless in a short amount of time.

Generally, the test to that is "Does it solve a problem?" If it solves a problem, then that is good because people want their problems solved. I am talking specifically as opposed to just a cure. I am really looking for solutions versus preventions.

There are a lot of preventions out there that don't sell, like in the environmental market or the arts market. They are nice things, but they are not instant problem solvers.

I am also looking for leverage. Can I do something once and then leverage it? For example, if I have a workshop, can I film it and make a product from that which I can then sell over and over and over again?

Or if I speak with someone on the phone, could I perhaps record it and then post it to my blog that people could play over and over again? I like to leverage opportunities.

Profit: I want to make sure there is profit in it. That means you have to sometimes do some numbers to work out how much time you are going to spend on it; what the possible returns could be. Who could possibly buy this? Who is the market?

Sometimes you do the numbers, and it doesn't actually work out that good, and you work out that you would be doing it for \$2 an hour. Other times you look at something that might pay \$1000 an hour or \$5000 an hour, and in some cases – the most extreme case I have seen is \$40,000 an hour, but they are quite rare. You can identify that if you actually think about it.

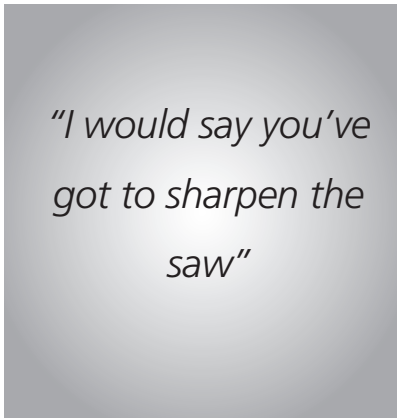
Yanik: What is a \$40,000-an-hour activity?

James: A \$40,000-an-hour activity is to deliver a huge amount of value to a large number of people. Specifically, you could speak in front of a large audience and offer something of value, and if a large number of people accept you and your value proposition, you have just leveraged your time significantly.

Yanik: I like it. That is awesome.

James: There are only two more things on that one. Relationships: I was sending a lot of traffic to some offers and making some huge money on a daily basis, but then it faded away, and I didn't have relationships because I wasn't capturing customer details. If I had taken a little bit less at the time and built a relationship, I would still have an asset.

The final thing is passion. Because



"I would say you've got to sharpen the saw"

I am in an area where there is so much opportunity, I want to do stuff that I am really passionate about because that makes sense. I want to enjoy it as well.

"It started with family"

Yanik: Those are good. Maybe just give us a recap on those again.

James: I am looking for buyers; recurring possibilities where I sell once and it keeps paying. I am looking for something that adds value or solves a problem. I am looking for something that I can leverage for a multiple payoff for that particular activity.

I am looking for profit potential. Does it actually stack up for the time invested? I am looking for relationship because you can just develop them forever. You can keep relationships.

I am looking for something that I am passionate about that interests me.

Yanik: Excellent. Before we get into the have more fun and give more back section, you've got one more part that you wanted to share about making more money, and that is creating the system for it.

James: I am a big fan of systems. I look at it as an acronym that stands for Saves You Stress, Time, Energy, and Money. If you have a system, and particularly when you are doing a lot of activities, it is good to have a system, like even a flow chart. I know you do those. It is something you can pull out and look at and understand how it all works and relates to each other. I simply outline every step involved.

Then I implement it, and then what I do is see if there is any way I can automate this or put something in place to maintain this system, because if I can do that, then I can do another system. I can go and do something else as well.

The final step – I used to focus on optimizing the system, but now what I do is look for breakthroughs which is even more beneficial, and that is a new technique that I have been taught by a fellow Maverick member, and you probably want to talk to him about this because it is a fairly significant thing.

That is how I figured out how you could make \$40,000 an hour

because I was looking for breakthroughs instead of how to optimize.

Yanik: What was his name?

James: Brad Fallon; you might have heard of him.

Yanik: Yeah, I might have heard of him; yeah!

James: He has been reading information from a guy called Goldratt, who is a great business thinker. I read that book on my way back from visiting your event, and I have to say it is one of the most incredible things to go through my mind. It is called The Choice.

Yanik: Give us a little two minutes on that then.

James: The basic premise is that whenever there is a problem, it ends in conflict because there are assumptions in place that could be removed. People tend to look a bit myopically at situations. They assume things, and that stops them from seeing the huge breakthroughs that are possible.

Breakthroughs are always possible, and every complex system has a very simple solution. I used an example recently where if you go down to a crowded beach and everyone is in the water, there are people everywhere, and they are all independent people, and nobody knows each other.

It would be very hard to communicate to them all individually. But with just a single move of sounding a shark siren, it could clear the water. Everyone would come out all at once. So one very simple little action can affect the whole body of unrelated things.

In this case, if you remove assumptions, you can get a breakthrough. It is like the taxi driver when you get in the taxi, and he says, "So are you going for work or pleasure?" He is assuming that you can have only one or the other, that it can't be mutual.


It is about removing assumptions. It is about saying, "Why not?" What if this wasn't the situation? Sometimes it is looking at things in almost the opposite way and you can see the breakthrough that exists right there.

"Also in some corporate environments, there is not a whole lot of sharing or teamwork"

Yanik: What is the author's name again?

James: It is Eliyahu Goldratt, and the book is called The Choice.

Yanik: Let's jump into two of my favorite sections which is have more fun, because we are all about make more money, have more fun, and give more back.



*"The first thing is I
look for buyers"*

What is your philosophy on having more fun? How do you add that to your life? What are some of the things you have been doing?

James: You know, since I started having kids young, and I have four kids, I have been working very, very hard. I would be the first one to admit that I wasn't having too much fun. I did fun things, but I wouldn't say that I was having a lot of fun because I was very serious, and I was working and working and working.

I am doing a lot of stuff now that I actually enjoyed doing as a kid because I think we have that inner child. I love driving cars around. I love mucking around on the guitar, and I've allowed myself not to feel guilty about it or feel like I am being judged for it. I used to be self-conscious about it.

Am I allowed to have fun when everyone else is working? Now I accept that this is a choice.

Yanik: That is their choice. They have made the choice that they can work, and you can have fun. At the same time, you still have income coming in.

James: Exactly. I sort of look at what I used to like, and they are the things that I liked, and I am doing them again. That is just fantastic. A thing I remembered, when you are working a very serious job with a lot of responsibility, it is easy to have the fun taken out of you.

Also in some corporate environments, there is not a whole lot of sharing or teamwork. There is a lot of cutthroat politics. The other thing I've thought is I really enjoy hanging out with people who have a similar mindset and like to have shared experience, doing fun stuff together. That is really cool.

Yanik: What do you suggest to people who say, "Well, that is great

for James because now he is making \$100,000+ a month on the Internet, and he can afford to have fun and screw around on his guitar” and so forth?

James: I would say to remove the assumption that it can't be them.

Yanik: Which part? The making \$100,000 a month?

James: Yeah. I would say, “If he can do it, why can't I?” I would just assume now that it is possible and say, “If I wave a magic wand and that is what I would like to earn, what would have to happen for me to do that?”

“I am probably going to have to spend a fair bit of hours learning something new, and I am going to have to spend a few hours taking action on this new learning, and then I might get a different result.”

I would actually pursue what it is that you want. Sometimes if I find someone who is a little bit negative, I just say, “Listen, write down every single excuse why you can't have what you want. Just write it all down. Do me a favor then. Would you just rip it up? That is your excuse list. Just tear it up! There are no excuses!”

One of the wealthiest people in Australia came out to this country with nothing. He just had one dictionary of English because he didn't speak it. Someone gave him a dictionary, and he found the word, “Impossible,” and crossed it out. I like that story.

Yanik: That is pretty good. What about for those people who feel guilty about taking time off or having fun?

James: I would say you've got to sharpen the saw. That means you can try and cut that tree down all day with that saw, but if you don't stop and sharpen it, you get blunt. You get worn out. You are not being productive. I have found, and I was lucky enough to have some good insight on that from Eben Pagan. You have to step away sometimes and recharge.

You do the same thing. You say, “Turn off the phones. Don't bring a laptop. Have some time off where you are not doing work and where you are not pushing yourself for a minute.” Just relax because you really do reinvigorate. It is quite

“I am doing a lot of stuff now that I actually enjoyed doing as a kid because I think we have that inner child”

amazing, and you will get a lot more done.

Yanik: I agree. People who think that they can work 24 hours and not have a breakdown in their productivity are only fooling themselves.

James: You can only do it for a certain amount of time, and after that, you pay a huge penalty in your health and in your mindset. They are not robots. Everything goes up and down in cycles, so if you are really pushing it hard one way, it will come back hard the other way, too, eventually.

Yanik: Right. Anything else you want to talk about for the have more fun part?

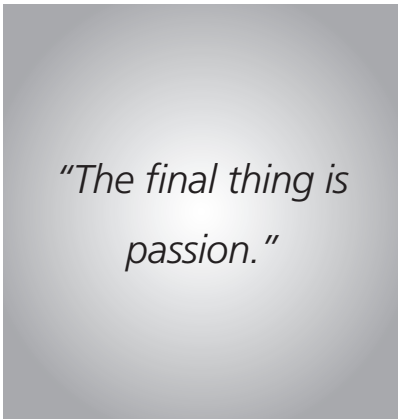
James: No, I would just say find something you really love doing and just allow yourself to do it. Set little rewards for doing cool stuff. If you have trouble justifying it, make it a reward so that you can at least feel like you deserve it when you do actually achieve it.

Yanik: That is a good one; I like that. Let's talk about the give more back part. I think you touched on this originally when you talked about one your first Maverick trip you felt like you didn't have that much value that you could give to the group. You decided to give value in a different way. Do you want to talk about that?

James: I think with a lot of the sort of people who go on a Maverick trip, they are used to people wanting to take from them a lot because they've got rewards and things are going well. They've probably got a lot of people trying to leech from them.

I actually just said, "I don't have much to offer, but what can I do for you? Have you got something that I can help you with; perhaps with SEO?" I did have some good skills at that, and I did have some customers.

It turns out I was able to help some of them. Where no one else was really paying that much attention, I was able to get in there and do some stuff and starting getting really good results with it. They certainly noticed that because if you put a little bit of heart into something and you try your best, I think people really take notice of it.



*"The final thing is
passion."*

I discovered that the more you give, the more things come back if you are open to receiving them. I did push hard with some of the efforts. In the beginning I was almost losing a little bit of money, and spending a lot of time and effort trying to set up stuff that I wasn't really super experienced with.

I just decided that I was going to learn it. I entered into a brand new market. I learned new skills, and I ended up creating a whole process out of it and finding a process that I can repeat over and over and over again and keep getting great results. I even developed tools around the whole industry of that particular project.

It just created all of these opportunities I wouldn't have found if I hadn't offered to help people.

Yanik:

That is pretty interesting. I always think about one of our members, Mike Lally, who you met in Vegas; he talks about for giving back, you can give money. You can give back what he calls, "Treasure, talent, and time." What is your thinking around that?

James:

I think that this whole thing is based on creating value. If you create value, then you are doing something positive. I think it comes down to your beliefs. In terms of what you can give others, I actually try and step into their shoes and think what would help them the most.

Of all the resources available to me, what would help them the most? It could be money or it could be – the other day I built a WordPress blog for one of the members because that is the thing that could help this person the most. He already has money. He has a lot of time, but this was going to be a significant assistance.

Turns out it was just a really cool thing to do. I really enjoyed it. We just did it on the spot. It could be something simple, but it could be a huge thing for them.

I remember the first time that I tried to set up a WordPress blog. It took me more than a whole weekend of my only weekend off; remember, I was working. I spent the whole weekend trying to set up my first WordPress blog. Now I can build them in minutes.

What is something simple for me is a huge thing for someone else. Looking from their shoes, I could see that that wasn't something that they would want to do or manage easily.

Yanik:

Anything else on the give more back part?

James: I think just do it. I read a good book called *The Go-Giver*, and it says too many people have this attitude that the fire should heat them up first, and if it does, then they will throw the logs on.

It just doesn't work like that. I thought that was a good analogy. You've got to put the logs on first, and then you get the heat. Give, give, give because you can't give without receiving as long as you are open to receiving that.

"I am a big fan of systems"

Yanik: Okay, perfect. James, any Web sites you want people to go to to check out what you are doing?

James: Well, the main site that I sort of put lots of free content and cool stuff is called www.InternetMarketingSpeed.com, and they can keep up to speed with my Internet marketing stuff. I put things like interviews with Yanik Silver and other famous people.

Yanik: So that is www.InternetMarketingSpeed.com. Excellent. I really appreciate you calling in and spending some of this late night with us in Australia and doing this interview. I appreciate it.

James: It is really good to catch up. I always learn something when I speak to Yanik Silver. Whoever is reading this or listening to this is definitely on the right path.

Yanik: Thanks. Alright, James. I will see on the next Maverick trip sometime soon, hopefully.

James: It will be Auckland.

Yanik: Okay, excellent! See you then.

James: See you then. Bye-bye.

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Blake Mycoskie donates shoes to the world's poor, and his well-heeled customers foot the bill.



Saving Soles

Former "Amazing Race" contestant and footwear impresario Blake Mycoskie didn't set out to be a hero. But if the shoe fits...

By Gillian Telling Photographs by Brigitte Sire

THERE ARE MEN YOU ADMIRE, and there are ones you envy—like those young, good-looking guys who get to spend their time traveling the world. Blake Mycoskie, the 32-year-old founder of TOMS Shoes, is both. Two years after he launched his footwear line, TOMS (short for "Tomorrow"), the practical shoes can be seen on every ecologically minded Californian surfer (and wannabe surfer) on the beach, as well as on poor children around the world. Mycoskie himself can be seen jetting around to deliver them, while trendy boutiques sell his line like hotcakes. His mission is simple: to run a company that's not only profitable but charitable. For every pair of TOMS sold, a pair is donated to a child in need.

Mycoskie, an "Amazing Race: 2" contestant who fell four minutes short of winning the million-dollar prize, decided to relieve his sorrows by traveling back

to the places he'd seen on the show. While hanging out in Argentina a few years ago, he saw volunteers collecting ratty old shoes in Buenos Aires for people in poor villages who suffered from wounds and infections because they had nothing to put on their feet. Mycoskie decided to tag along on one of the volunteer missions, and he witnessed

the desperate need firsthand. He also noticed that the polo players he was hanging out with were wearing *alpargatas*—rope-soled canvas slip-ons that sheep-farmers had been wearing for hundreds of years. He thought the shoes were cool enough that he could sell them to boutiques in L.A. (where they now retail for between \$42 and \$98 a pair). With the profits, he would

donate new shoes to kids in the villages. That's how his "One for One" program was born.

In 2006, Mycoskie did his first TOMS shoe drop, donating 10,000 pairs in the Argentine village

"Seeing these children in poor villages has taught me a lot about life."

where he was first inspired. Through word of mouth and top placement in stores like Kitson and Bloomingdale's, his retail business exploded. To date, the company has donated more than 115,000 pairs of shoes in Argentina, Ethiopia, South Africa and the U.S. Mycoskie has plans to do similar work this year in Haiti with the help of the Clinton Global Initiative. His goal for 2009 is to put 300,000 pairs of TOMS on kids' feet around the world.

HEMISPHERES: What do you remember about your first shoe drop? How did the children in the village react?

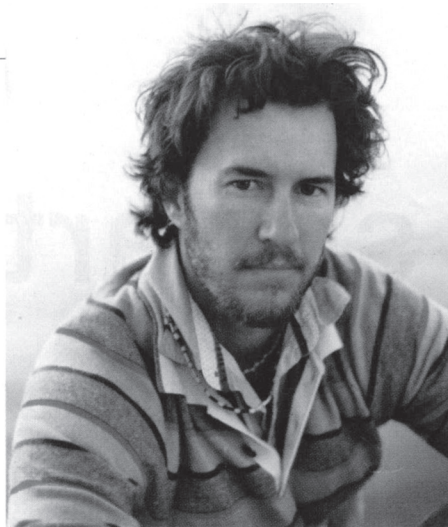
BLAKE MYCOSKIE: I remember it like it was yesterday. It was the same village [in Argentina] I initially went to, and I'd told them I wanted to return and bring 250 pairs back with me. They didn't believe I'd ever come through, but we did. I immediately knew it was something I really wanted to continue doing and make succeed in the coming years.

What's been the most memorable thing about this venture?

Seeing the children in these crippling poor villages has taught me a lot about life. They don't have any possessions or running water, yet they're so happy. It's a very interesting study, to see how they can be so full of joy with so little. During our first shoe-drop, three boys took me to a field where they loved to play soccer. It was full of rocks and glass, and they'd been playing there barefoot for years. When they got the shoes, they were so excited that playing soccer would now be easier, and they'd finally have some speed.

What's next for TOMS?

The company is built on a passion to give, and so our primary goal is to continue the mission of helping others. I want to expand our One for One business model to other products and services. But in the meantime, I also want to improve the fit and comfort of our shoes and expand into other styles. I honestly believe we can become a successful footwear company worldwide, and one day give a million shoes to children in need.



(left) "Amazing Racer" and footwear entrepreneur Blake Mycoskie; (below) a pair of TOMS



You also have a tour program?

TOMS Tours was created as a fun and exciting way to invite our consumers to participate in the mission and witness the One for One model firsthand. I believe life should be about charity as well as fun. So on these tours you spend five days in Argentina visiting villages in need and bringing new shoes to them, and then three days immersing yourself in the culture—we do wine tasting in Mendoza, polo lessons in Buenos Aires and hiking to Iguazu Falls.

How often do you wear the shoes yourself?

I live in California, so I wear them every day. It's great not having to go to the office in a suit. All of my employees are able to express their own personal style and work in a relaxed, comfortable environment. I love it.

What do you do in your free time?

It's pretty rare for me to even have free time. But when I do, it's usually spent reading business books so I can learn new and creative ways to run this company. This whole thing started as a project and has since become my life. I can see myself doing this forever.

Any advice for other entrepreneurs looking to start a similar charitable venture?

Create a company you're excited about. Be passionate about your mission and never lose sight of the bigger picture. Take my word for it—do this, and you'll never look back or want to work for anyone else.

How do you propose other companies remain charitable while still turning a profit in an economic downturn?

I think a lot of consumers are looking for some kind of added value when they buy things these days, and our One for One model creates a benefactor with every single purchase. So that really supports a continued relationship between the consumer and the company. There's certainly a value in operating on a match program like ours. I can only hope other companies see that in us, and would consider implementing something similar.

What was it like being a reality TV star?

It was awesome. Of course it was pretty weird at first, but then you kind of forgot the cameras were there. The show exposed me to places I had never seen, and because of that I wound up doing TOMS. ■

TOMS are sold in Nordstrom and 400 boutiques; find them online at tomsshoes.com.

APRIL CROSSWORD ANSWERS																					
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KIVA loans that change lives

www.kiva.org



\$25 loaned so far
\$375 still needed

\$25

LEND NOW

Kiva.org is a non-profit that is revolutionizing the fight against global poverty by enabling people to connect with and make personal loans—of as little as \$25—to low-income entrepreneurs in the developing world. Most of the poor in developing countries are self-employed entrepreneurs and a small loan to purchase business-related items such as sewing machines or livestock can empower them to earn their way out of poverty.

HOW DOES IT WORK?

Kiva brings together lenders and worthy enterprises on the web.

From Kenya to Ecuador, microfinance institutions (MFI) around the world go to Kiva.org and post photos and profiles of low income entrepreneurs in need of money for their businesses.

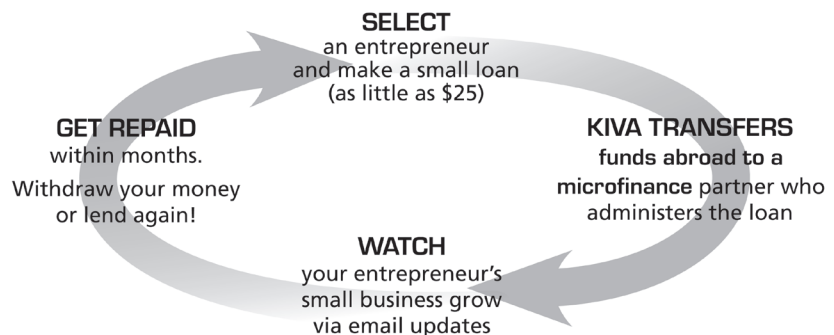
Loans made easy and personal.

Lenders go to Kiva.org and browse through profiles of low-income entrepreneurs—a dairy farmer in Kenya, a man who wants to open a shoe shop in Honduras, or a tailor in Bulgaria. Lenders can then loan as little as \$25 to the entrepreneur of their choice via PayPal, a globally recognized online payment service.

When a loan is funded by individual lenders, Kiva pools the money and transfers it to a Microfinance partner who handles distribution and collection of loan payments.

Journal updates keep the lenders informed about the progress of the entrepreneur they sponsored. Loan repayments made by the entrepreneur over the course of about 6-18 months are sent back to Kiva by the MFI partner.

Once loans are repaid, Kiva users can choose to withdraw their principal or re-loan to another entrepreneur. (80%+ of Kiva lenders choose to re-loan!)



Kiva Shows You Where Your Money Goes

Unlike donations which usually go into general funds, Kiva loans show you exactly WHO your money goes to, WHAT they are doing with it, and HOW you are making a difference. Best part? It's a loan, not a donation. We invite you to make a small loan and make a big difference!

BusinessWeek

"Innovation of the Week:

Kiva.org uses smart design to make a little cash go a long way."

BBC

"Revolutionizing how donors

and lenders in the US are connecting with small entrepreneurs in developing countries."

CNNMoney

"If you've got 25 bucks, a PC

and a PayPal account, you've now got the wherewithal to be an international financier."

the VOICE

"Kiva simply democratizes access to a

worldwide microfinance movement that has been empowering the working poor for two decades."

The New York Times

"At Kiva.org,

a schoolteacher in Kansas can partner with an expert seamstress in countries like Kenya, Mexico and Ecuador to jump-start a tailor shop."