

Dear Maverick Business Insider,

It's that time of year again...the Capitals are going to the playoffs, and as I write this we're up 3 games to 2 in our first round match-up against Montreal. It's been an amazing year with the Caps actually favored as the #1 team to beat.

Last year we fell in the second round to Pittsburgh, who ultimately won the Stanley Cup (arg!).

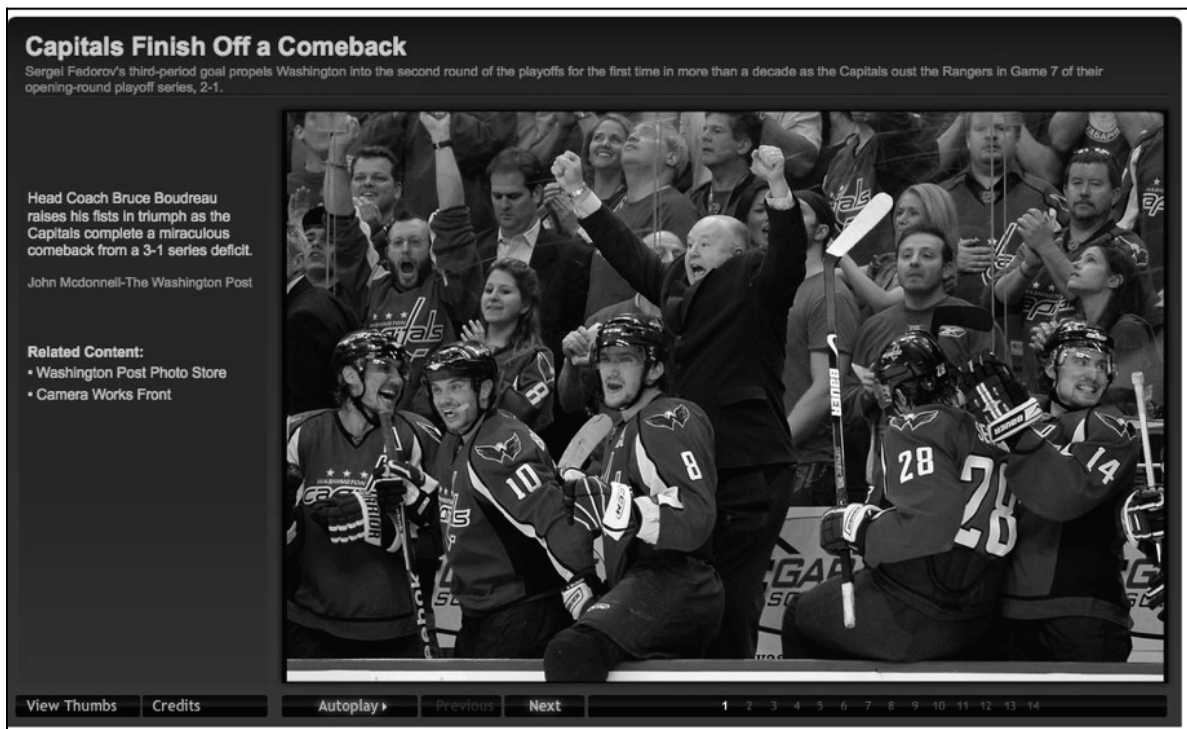
But before that, we had a pretty amazing come-from-behind victory in our first round series. Here's a pic from the game #7 win against the Rangers last year. If you look closely behind the bench you might catch a glimpse of someone you recognize. ;)

I got front row seats to for my wife, Missy, my brother, Adam and my pops, Joe. Missy wasn't exactly thrilled since it was her birthday - she thought they'd lose and her birthday would be ruined. The Caps had to come from behind 3-1 in the series to win it.

I brought my dad as a present for taking me all those years as a kid and fueling my love for the game (I still pay 1x a week in a men's league).

And this season as a little 'gift' I set-up a surprise meeting with the Caps owner, Ted Leonsis. It came about after an interview I did with Ted on his new book "The Business of Happiness." (If you haven't heard the interview yet you should take a listen here:

www.maverickbusinessinsider.com/call-ted/)



Here we are in the owner's suite:



Yanik, Bob Patterson (works for my Dad), Ted Leonsis, my dad, Joe and my brother, Adam

Creating Unique Experiences for Others...

I always like being able to surprise him with something crazy like that. Actually the last time was about 2 years back when Joe had been threatening to take flying lessons for nearly 3 years.

He's got a bit of an adventurous spirit that's been squashed somewhat by my stepmother, Adela. She'll say, "*Joseph, don't be stupid. Only Yanik can do such stupid things.*" Or, "*You're not a young man anymore.*" Of course she means well but she's got to be the biggest worrier on the planet.

Seriously. If Missy and I don't answer our phones she automatically thinks the worst. Or if I call and don't leave a message – she checks caller ID and wants to know what's wrong. I don't get it – but whatever. So anytime the subject of flying lessons came up – Adela would promptly shut it down. Fine.

I was reading a book by Phil Keoghan called "No Opportunity Wasted." Phil and I must

share a little bit of the same DNA because the guy is a pretty amazing adventurer and his book is designed to get people to get off their butts and go experience life to the fullest. (You might recognize Phil because he's the host of the Amazing Race TV show, and if you know him we'd love to get him as an icon guest for a Maverick trip.)

One chapter in the book presented the question about what dreams you could make come true for someone else you care about. I immediately thought of my Dad and got to work on my plan to ambush him. I told him I needed a ride to the private airpark on Saturday because Missy couldn't take me, and then I made up some excuse about not being able to leave my car there for a week. I said I was flying private to Vegas for my Mastermind meeting.

One of my hockey teammates owns a Cirrus 4-seater jet and one of my other hockey teammates is a pilot so the trap was set. I could tell he was a little annoyed at having to pick me up at my house and drive me over there. We pulled up to the tiny airplane and Joe asked me in his thick Russian accent, "Are you sure you're going to be ok in this to Vegas?"

And I turned right around with a big smile and told him, "***Actually hopefully you'll be ok in there.***"

I don't think it quite registered, and then I told him this was his first flying lesson for his birthday (which was the next day). He kinda stood there for a moment wavering and deciding whether he should follow his heart or do what his wife would want him to. He took about 5 seconds and said, "Let's go."

Even though Missy told me I shouldn't get in the plane with him, I thought better of it and jumped into the backseat. I was a tiny bit worried because Joe couldn't hear Brian (the pilot) in his headset telling him

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to NOT touch the pedals. Yikes! But he got the headsets figured out and Brian even let him take off and land (with his help of course).

Once we landed, Joe gave me a hug and told me what a surprise it was and thanked me repeatedly for making it happen. My step-mother, Adela, had called his phone several times trying to track him down, and he got a bit of an earful from her (and so did I). But I wouldn't have changed a thing. That element of surprise and letting people experience their dreams was so rewarding. Its well worth setting something like this up for someone you care about. I think you'll be amazed at the response and how it makes you feel. Personally, I get incredible joy and a sense of accomplishment when I knock things off my own "Big List," but this was a different feeling helping my Dad get one of his done.

Do you know what this is?



It's a round "tuit."

And we all have things we plan on getting around to (get it - round tuit?) but somehow they slip off the radar or don't get scheduled. As entrepreneurs we make shit happen so this

week your mission is to create an experience for someone you care about. Something they've been meaning to get around to or have been talking about forever. Let me know if you follow through on this.

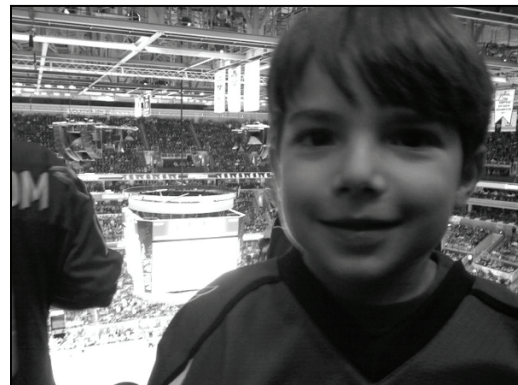
Also, I've just finished up a new booklet to help you with your own life list including cool things you want to surprise others with. It's called "**Creating Your Own Ultimate BIG Life List**" and has a bunch of fill-in-the-blank pages for your "Top-5" in several different categories to jumpstart your progress. Download it and enjoy!



Download it now for free and pass it along!

<http://www.Maverick1Million.org/lifelist>

Finally, to close out the Caps storyline...for the last game of this season, I thought it was fitting to invite my dad when I brought my 4 ½ year old son, Zak, out for his first game. It was pretty cool having 3 generations of hockey fans there. (Though Zak only made it 2 periods.)



Ok let's get moving – some really interesting items this month...



Get Paid Before You Create Just About Anything...

I'm a big fan of starting small and testing your idea before blowing 8 months working on something and tens of thousands of dollars to discover nobody frickin gives a damn! Aaack!

One of the coolest sites I've seen in awhile is **KickStarter.com**

If you got some sort of project in mind and it has legs you can check the pulse of the market here first. It's pretty easy to get going with this

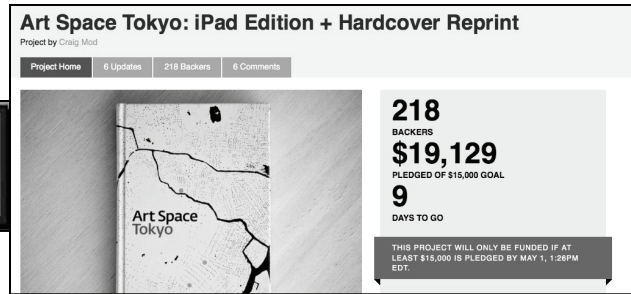
- You just need to work on explaining the project in print or ideally in a video.
- Come up with the dollar amount you want to raise
- Date for the deadline to raise funds
- Cool and unique gifts to reward the backers (i.e. autographed copy of work, unique access, acknowledgement somewhere special, etc.)

That's about it. If the project gets funded you receive the dough less Kickstarter's 5% fees. If you don't raise the amount all the money is refunded back to the supporters.

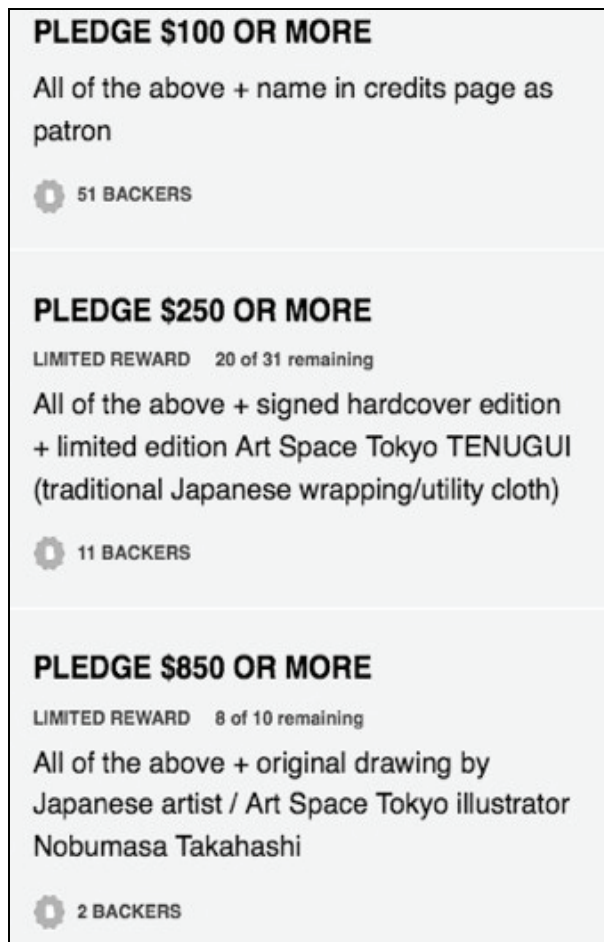
So let's take a peek a few of the successful projects.

Here's one that has 218 backers and already raised nearly \$20,000. Pretty sweet.

<http://www.kickstarter.com/projects/1790732155/art-space-tokyo-ipad-edition-hardcover-reprint?pos=13&ref=spotlight>



They've done a couple really smart things. First, they've made the levels quite high instead of just donating \$5 or \$20...there are backers at the \$250 and \$850.00 level. This helps you get to your goal quicker.

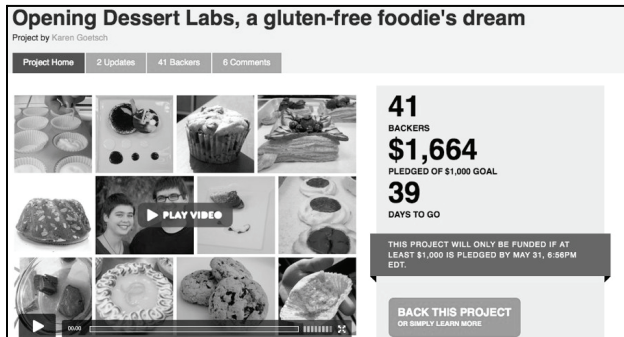


Secondly, there's a personal story behind why they are reprinting this book and what it means for the backers to be part of something special. Not only is it described as a unique piece of art but they feel like they might be part of a movement to develop new

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story-telling technology since the book will have an iPad edition too.

There are lots of book authors, print makers, artists, musicians, etc who have embraced kickstarter and this unique crowd-funded patron model. Here's a different project that's really getting a mail order dessert business started:



This has 39 days to go (still awhile) and has already exceeded it's minimal \$1,000 donation goal. I definitely think they'll hit \$5,000 or more. Here are a few of the pledge benefits:

PLEDGE \$50 OR MORE

One LARGE Box of delicious, gluten-free desserts, a sample of cupcakes, cookies, brownies, and a special treat!

7 BACKERS

PLEDGE \$100 OR MORE

LIMITED REWARD 43 of 50 remaining

Six Month Dessert Subscription! Try out new flavors, and get a treat once a month. 6 SMALL boxes of delicious, gluten-free desserts, one each month for six months.

7 BACKERS

PLEDGE \$400 OR MORE

LIMITED REWARD 25 of 25 remaining

Twelve Month Dessert Subscription! 12 MEDIUM boxes full of delicious, gluten-free desserts, one a month for a year!

The other thing I really love about this model is the kind of stories it creates from the first backers of any project. I'm always talking about how to create stories for your marketing message to get passed along. And by having your customers feel like they are on the inside and truly part of the start-up like this creates that. When they get their beautifully reprinted book or first selection of gluten-free desserts – won't they talk about it? Absolutely!

Poke around KickStarter.com a little bit to see some of the funded projects and then go ahead and start your own for any crazy idea to see if it'll fly. You never know!

You don't have to just use Kickstarter – you can always go direct to your customers or list with a 'pre-creation' offer. I did this with an ebook I had about 75% done all about broadcast faxing – but getting the orders coming in helped motivate me to finish it.

Here's another example of a boutique manufacturer who is only going to manufacture their 100x100 lamp if they get 100 customers to pre-order it. (The light is EUR100 hence the 100x100 name.) More info at:

www.danielschipper.nl/projects/100x100/



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Authentic Altruism or Quick-dry Charity make-over

It's been incredible to see so many new companies and products adding charitable components to what they're doing or even being created as a socially conscious capitalistic company. I love it and I'll keep reporting on cool developments in our "Give More Back" section...

Sometimes though, you wonder if companies might be doing this just for the PR value and not really for authentic reasons that resonate with their brand, their customers or the owners. For instance, I just came across a campaign for Kentucky Fried Chicken to donate 50 cents for every pink bucket of chicken they sell. Hmmmm....



While I'm all for breast cancer research and help (my Mom died from breast and ovarian cancer), I don't see the connection. And I'm not the only one. I've seen some snarky blog posts about how KFC is trying to use this do-good campaign to gloss over the fact fried chicken could lead to obesity and heart disease. It just doesn't fit the KFC brand and I cannot see customers really getting behind this in a genuine way. Plus, they're already seeing some negative backlash for their "good corporate deed."

If you're going to use your business to promote or support a cause there should be a personal

reason. Case in point, a recent rosé wine I just had produced by former Olympian Peggy Fleming is called "Victories." Peggy went through a fight with breast cancer and now for every bottle purchased a significant portion goes to breast cancer causes. I like this authenticity, plus it really ties into the product itself, a rosé, since pink has become the color for breast cancer awareness.

Here's another interesting example that fits the



product personality - Elvis and Kresse make high-end luxury goods out of discarded fire hose and other recycled material. Yup, I said fire hose!

<http://www.elvisandkresse.com/>

They've also used waste coffee sacks, scrap sail cloth, used air traffic control flight strips, parachute silk and all sorts of other industrial waste.



They donate 50% of their profits back to Firehouse Brigade charities and that fits perfectly with their brand and actual product. It's a beautiful congruent element that once again gets customers talking.

So the big questions to ask yourself are:

What causes matter to me and my customers?

What is the personality of my product, service or company?

How does what we do help create zealots to spread our message?


Here's how I incorporated my adventurous personality into a fundraiser for Virgin Unite. Me and my buddy, Mike Filsaime, joined up to do a "Fall-a-Thon" where our goal was to raise \$1 per every foot we fell out of the sky. (Oh...did I mention it was from 30,000 feet – the cruising altitude of a jet?)



Best,

Yanik Silver

Yanik Silver



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 life 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.



Interview with

Marc Ostrofsky *April 2010*

Yanik

Silver: Hi, Everyone, this is Yanik Silver with another Maverick Business insider interview. And with me, I'm really pleased to have one of our Maverick Business Adventure members, Marc Ostrofsky from the Houston Area.

Marc has had, what would you say Marc, 6 to 10 to 12 business lives?

Marc

Ostrofsky: Yeah, probably half a dozen different Markets that I've played in and taken a few dollars off the table for each of those Markets.

Yanik:

So let me give a little background on Marc, and I'll ask you to fill in a couple blanks. You're probably best known right now for starting an enterprise which is an internet IREIT, which was partnered up with Ross Perot and Howard Shultz who is the founder of Starbucks.

From your extensive knowledge and background and domaining, which you're probably best known for the record sale of Business.com in '99 for about 7.5 million, which at that time ended up in the Guinness Book of World Records which is pretty impressive.

You've been involved in all sorts of industries, everything from the pre-paid phone card industry, magazines and trade shows that you sold off. You're also the author of the upcoming book, Get Rich Click, which will be pretty exciting when that comes out at the end of the year.

So, I know I've left off a whole bunch of other things on here. You're an owner of blinds.com, which I think is doing incredibly well, a 40 or 50 million dollar a year company.

Marc:

Well, last week it was 50 million. This week we acquired a company doing 35 million. So we're an 85 million, and should clear a 100 by the next 8 to 12 months.

Yanik:

That's amazing. You're not only sold impressive domain names, you've built up the properties around that. You've been involve in so many different things.

Why don't we start with how you got going in this crazy, wild entrepreneur life of yours. What was your first deal?

Marc: I think I would start out with saying I'm a serial entrepreneur.

Yanik: (laughs) Yeah, I think that would be a safe bet.

Marc: You know I say that to people, and they look at me as if I'm crazy. I kind of define the distinction between an entrepreneur and a serial entrepreneur is people who've done it over and over and over specifically in different Markets as opposed to one Market.

It's one thing to say I'm the owner of a corner gas station. It's another to say I own 50 gas stations. And it's another to say I expanded into convenience stores and own the real estate underneath them.

I like to play and I'm always looking for the new next thing, but relative to the knowledge I've got so that I have a competitive advantage over the people I'm competing with.

Yanik: Let's start at the beginning. Where'd you get this gumption that "I'm going to start doing my own thing." Did that come from family or friends?

Marc: That's an easy answer. My dad was a business professor at the university of Houston for 30 years, and he said when I was very young, "If you don't go out now and try to do your own thing, you'll probably never do it."

I said, "Why do you think that?"

He said, "You're not married, you don't have debt, you don't have a car you have to pay for, and a family and college tuition, and all of the things that come with getting older and getting more set in your lifestyle. And if you do it now, you just don't have that far to fall."

And it's a very insightful comment.

And I did just that. I went out and I tried and, you know, you gotta' marry knowledge with luck. Keep looking for luck and you do find it. In between all the different things I played in, I slowly figured out where I'd play.

The very first thing I did out of college, I had a bunch of offers and I took a job with a long distance company in the deregulated telecommunications Market.

"If you don't go out now and try to do your own thing, you'll probably never do it."

So I played and had some fun in that Market, and while I was working, making some pretty good money selling long distance, the pay phone industry deregulated.

That sounded really interesting because that instrument – if you really thought about it – just sat on the wall all day long and just took in money. And that's it. Rarely were they broken if they were inside a building. And all they did was take in quarters, and that was interesting. Not only was it a cash business, but it took in a lot of cash.

Long story short, a very short time later, I had a newsletter which turned into a magazine which turned into a trade show on the deregulated pay phone industry. And I found that my niche – at least at that point – was buyer needs seller, seller needs information about buyer, and I'm the guy in the middle of that new Market, providing that information.

And with that as my core, we did a trade show. At the trade show, we had topics. We'd add new topics each year, like alternative operator services. Information services. 900 services. And each time a new subject came out, we kind of incorporated on that same path.

And suddenly we had this huge trade show for deregulated telecommunications opportunities.

Yanik: Was anyone else in that Marketplace at that point doing tradeshows or magazines.

Marc: They were, but I think most people didn't have the philosophy that it's not that you're a magazine publisher, it's that you're in the Market to satisfy your client. If your clients want a trade show, you give them a trade show, and if they want to rent your mailing list you find a way to rent them your mailing list.

What we did is always kept tabs on what our clients wanted and tried to stay one step ahead of them.

We'd know that something big was coming, and we'd set up for the oncoming train so when it came by we had product to put on it.

Yanik: A lot of people talked about that if they realized what business they were in, they're in the transportation business, not the train business. They would be the ones running the airlines today, or whatever the next mode of transportation is for the future.

So really, that comes back to that. You weren't married to "we're a magazine publisher" or whatever. You said "we're in the Market to make sure our customers get what they want."

Marc: That's right. Listening and asking, and always asking and always changing. It drives your staff a little bit crazy. If they're older, more set in their ways, used to writing an article, turning it in, and that's the end of it and they go home.

Where the new Market – especially the younger generation that's playing on the internet – it's a 24/7, 365 kind of a world where things are moving faster. Your blogs need to be updated, you emails need to be automated, etc.

“No reason to get a product out there if the market doesn't want it.”

Lucky enough, I was kind of at the end of one era and at the beginning of the other. I took out a very nice sum of money out of the last Market and said I think I'm going to have some nice things happen in the future.

Yanik: So one of the things that you and I talked about was this formula of the equity and making a killing in lifestyle business. I think this is going to be a common thread that we come back to and talk about.

You said you sold this company, which was the magazine, and for anyone that hasn't sold a company, was that the end goal. You start with the end in mind. I've heard that before. Any time I've started my business, which for good or worse, has been not necessarily knowing who I'm going to sell it to, what's going to happen to it. What would you say to that?

Marc: I always give advice to entrepreneurs when I see them at trade shows when they come up to me after a speech. Some of the common threads is “I'm trying to start this business and I don't know where it's going to go and I don't know what I'm going to sell or who I'm going to sell to.”

And I'm going to tell everyone that reads this that research and knowledge is much more important than getting your product out there. No reason to get a product out there if the market doesn't want it. Even though you think it's a good idea, if the Market says no, figure out why they're saying no.

So research and knowledge is key. I would say to people when they ask, “What do you do?” At the core of what I do, I'm a researcher. I research everything to the nth degree.

I haven't put my book out, as you know. It's been done for a year. The core of being a successful publisher seems to be distribution and Marketing and PR and

social media and mailing lists, etc.

Of course, I wouldn't have known all that had I not researched it. I would have put the book out and wondered why I only sold 5 or 10 thousand books. The plan was to sell 50 or 100,000 books and develop a brand that I can play off of for the next few years.

So I practice what I preach. I'm researching the dickens out of what it takes to make this thing work, so that I have more chance of success and less chance of failure.

I think anyone who has either gone to the MBA or PHD route or knows that route, which is what my dad taught and said, "I want you to go the street smart route" is they're just teaching you to minimize the chance of failure. But they sometimes hit people and that Market gets so caught up into analysis paralysis, they don't get it out the door.

There really has to be some sort of a deadline about what you're going to do, but work very hard to minimize those problems ahead of time.

And back to your question, I'm a big believer in knowing who you're going to sell out to before you start up, and why.

One of my companies was called IDnames.com. It was a company in a domain name space, and it would register a domain name in other countries. So when domain names were popular and we were all buying them up, what people weren't looking at was that a domain name was not just a US moniker, it's a moniker in other countries.

.RU for Russia, .JA for Japan, and FR for France, and I would register names in those countries. So at that point, I knew I had something and I had to get it out fast, so we immediately said we're the experts at doing this, and our very first client was McDonalds. Harley Davidson was number two and AOL was number three.

And what it was was registering their name in other countries, so they owned their domains and they wouldn't get stolen.

Harley Davidson wanted the name Harley Davidson and Hog in something like 68 countries. So we charged a thousand per country per name. That was a nice living.

We immediately flipped that company to Network Solutions, which is now a 60 or 80 million dollar division of their own company, because we did it faster, smarter, and quicker than they did.

And it was easier for them to buy me than it was for them to create it themselves.

The mistake that I learned was that I should have kept a piece of equity, which I didn't.

So you learn along the way. I took the money off the table and didn't get the equity that I should've probably gone for.

**“I could have made
– literally – 100 times
more than I sold out for
if I had demanded
equity.”**

Yanik: Yeah, that's a great little vignette of quickly how to move into a scene and seizing an opportunity and then realizing who you're going to sell out to for the big pay day.

Marc: And maybe you still learn. People would think, "I'm so smart," but I'll tell them no. I could have made – literally – 100 times more than I sold out for if I had demanded equity. Or at least options in the sale of the company. And so you live and learn.

Yanik: Yeah. That's another lesson. Something you told me before was, going back to your first big venture with the magazines and the trade shows around the deregulation of phones, when you sold that one, you sold that for – I think you told me – six times what you thought it was going to sell for?

Marc: I had a company that we had magazines and trade shows everywhere from the Jabot Center in New York across the country.

We had a very nice, healthy profit margin, but when I went to sell it I thought I'd get 8 to 12 million, and I was told you must use a certain research merchant banker out of New York that specializes in your field.

They'll make up for their own expense, meaning if they cost you 500,000 dollars, they'll make you more than 500,000. And the beauty is they don't get paid unless they sell the products, so that worked for me.

So we worked with them and they did a competitive bid and the competitive bid went out to the top 30 firms. The 30 firms narrowed it down to 6 and we got 6 bids. And the bids ranged from a low of 6 million to a high of 35 million from the same firm that we were selling.

And the reason the company paid 35 million, which was who we sold out to, was something I would have never known. And it's the most insightful thing that no

one had ever taught me.

Public companies have quarters and if they don't make their quarters they get killed by their stock value. So a lot of public companies schedule acquisitions right before the quarter ends so they prop up their numbers and they pay for the acquisition. So think of a company that's worth a hundred dollars, the stock is worth a hundred dollars.

If they make their quarter, the stock stays at a hundred or goes to 105, but if they miss their quarter, it goes down to 90.

So if they make an acquisition, and it props their hundred to 101 or 102 because of the acquisition, they've just paid for the entire acquisition out of the increased value of the stock.

Brilliant! I never knew it. No one had ever told me. So now I try to teach that to people that I deal with, because not only can you sell it, but if it's done right to the right party at the right time, you can make a whole lot of money.

Much more than if you'd sold it on your own, because these people are head up day after day and they only usually deal with the investment bankers out of New York.

Yanik: So getting the experts is one of the big secrets or one of the big lessons at that point.

Marc: Absolutely. Big secret. Big Secrets should be the name of your next book. You take the top 5 or 10 things you hear on your calls and put 'em in the book called Big Secrets.

Yanik: (laughs) There you go.

Marc: Everybody likes big secrets.

Yanik: That's a good one, because many of us don't exactly know how to sell our companies or what they're worth, and getting those experts in who have the relationships and can approach public companies.

Marc: Yeah, and you learn things along the way as an entrepreneur. I had no money, I started with no money. And today it's a 100 million plus. And you learn things like hire your weaknesses. If you're not an accountant, don't do your own taxes. Hire that person. If you're not a lawyer, hire the best lawyer you can afford. And I teach them about hiring internally. Two 50,000 dollar people is nowhere near as good as one 100,000 dollar person.

People don't understand that. They think more people is better, but it actually isn't true. In the day and age of the internet, it's very untrue.

And the kids that are making it today are doing it virtually. I don't know how many people are on your staff, Yanik.

Yanik: We just increased it to a whopping 2 more people head count.

Marc: So now it's what?

Yanik: Between virtual people it's maybe, max, 8 or 9.

Marc: And that's a multimillion dollar company, and people that are 50, 60, 70 years old do not understand how you can do that.

“I started putting out a magazine, and it just took off.”

So there is tremendous opportunity right now for entrepreneurs that understand how to leverage all the things that are out there on the internet and social media and networking and outsourcing that the older generation, let's say, 50 and older, just aren't used to. A lot of them don't understand, or are so used to having control that they can't let loose.

It's really interesting.

Yanik: I agree. I think it's an amazing golden opportunity right now. Let's talk about this right now. You've been incredibly good on trends, and figuring out where a lot of Market places are heading. I like the way you talk about your definition of serial entrepreneurship and doing it in different Market places.

Marc: Well, I follow trends, I read everything I can on what's going on in the Market, but what's fun is when you see something happening in multiple Markets and you can put them all together into one package.

Yanik: Give me an example if you could.

Marc: Voicemail. Voicemail is going on in multiple Markets at the same time, but no one put it into a package so we started a magazine called voice processing. The movement storage manipulation/retrieval of voice. It's stored as data but it actually comes out as voice. It goes from analog to digital and back to analog. It's really interesting –I'm not a tech guy, I'm a Marketing guy – so I started putting out a magazine and it was all applications of using voice technology in today's Market.

And it just took off. And the trade show became huge. We had them in London

and in New York and in LA. They were everywhere. And it was cause Voice and in Europe, it's still a major trade show.

The US people who bought it screwed it up. They were smart to leave the Europeans alone because they knew how to keep it alive and the show over there is still alive and it's a big trade show called Voice.

Yanik: Interesting. What year was that when you came up with that concept?

Marc: Well, the Voice show came out of an issue... I had a magazine called Payphone Magazine which came out of the deregulated payphone Market. Again, no one knew anything about the Market, so I put out a magazine that overnight became the knowledge leader because I had more knowledge than who I was talking to, which made me the expert.

It didn't mean I knew very much, it just meant I knew more than they did. So the Wall Street Journal would call and say, "We're doing a story on payphones, and you're the guy."

As long as I knew more than that reporter and most of their readers, that made me the expert. That was a very interesting distinction.

So the magazine was Payphone. One of my clients had come to Dallas and was doing something really cool. He put a button on the front of his payphone. The button said: "Push this to leave a message for a busy signal."

So you'd call, it would be busy, you'd push the button, and it would come on and say "Hi, this is your voice recorder. Leave a 30 second message," like, "Hi honey, I'm sorry you were on the phone. I'll pick up eggs on the way home and be there at 6:30."

You hand up, it delivers the message until someone on the other end picks up the phone. That was voicemail. It was voice processing in its infancy.

I took that and created an entire tradeshow and website that I sold for tens of millions of dollars out of that one visit to that one client with that one application.

Yanik: And you realized that was where the future was going.

Marc: It was unbelievable. It was very cool. And his whole goal was to keep the quarter that was put into that pay telephone and not have to deliver it back. So he did that while I turned around and made a hundred times what he did, with the same idea and the same knowledge, just implementing it differently.

Yanik: That's a great example of being able to see a bigger picture than someone else.

Marc: And it's interesting. It's happening every day, Yanik. Here's an example of something we're playing with and it's going to hit. It's such a good idea. I've got the book coming out, and one of things that you and other people have taught me is that you gotta' do giveaways. Do a giveaway where people get something for free. Right?

And they'll buy what you want because they want the free stuff that comes with it. So we're out researching premiums. Then of course, it's, wait a minute, these are really digital based premiums.

So I start researching digital based premiums. I can't find anything. Now, they're out there but that's not what people call them. I think that's what they are. They're premiums and incentives like the old world. But in the new world, they're digitally based.

So I went looking for digital premiums. And of course, the domain name was available. I paid eight bucks, and I bought the name digitalpremiums.com. Now we're putting out a website that'll be out this year called digital premiums.

It's a website you can go to as Yanik Silver and say, "Look, I want to give away \$5000 worth of freebies. You go to digital premiums. We'll have all the freebies there for you to get. And you'll get a code and that code will drive people back to digital premiums to pick up their premiums that Yanik Silver has offered them".

That'll also allow me to capture the email addresses of all those people, instead of just giving you the premium, we're now going to give the premium away, but we'll be able to capture the database for that premium and know what kind of premiums those people are wanting.

So if Mr. A wants ABC, but Mr. J wants XY and Z, I can slice and dice that data into a bigger picture.

Yanik: Interesting. That's a good segway into... you said you bought a domain for eight bucks. How many domains do you guys have you think?

Marc: At internet Reit, we raised 60 million, we leveraged it up to 90, we then had a company that was doing very serious money. We now sold off most of that com-

**“Do a giveaway
where people get some-
thing for free.”**

pany. It was venture backed. Venture capitalists want in and out over a certain period of time. My investors were Howard Shultz from Starbucks and Ross Perot, as you mentioned, and some others.

Big family money out of New York. And that company's winding down. Me personally, that company had as many as 364 thousand domains. The concept behind it was, if you can buy an asset for eight dollars and make ten dollars, twelve dollars, fourteen dollars a year, that's a good business. It's not a great business, unless you scale it.

And if you know what scale is, that changes everything. So there were people that were doing this in the 5, 10, 20, 30 thousand domain range. We went and bought a bunch of people doing 20, 30 thousand domains in a package, got more of them into one package and went and cut a bigger deal at Google, so that every time someone clicked on one of our links, instead of getting 50 or 60 cents, we'd get 70 or 75 cents. So the roll up worked for several reasons, but the biggest part was the more you rolled into a package, the more you could get out of Google. That was the long and the short of it. Things didn't work the way I wanted them to, but it was still a very cool venture. The way it worked was, if people wanted to buy a domain name along the way, if they would offer more than a minimum of a hundred times what it made, we would sell it. So I may own Westwood golf club, and if someone wanted to buy Westwood Golf Club and it made 20 dollars a year and they offered me over 2000, we would sell it. Which we did.

We tried not to own tradeMarks, copyrights, and patents. The problem with that is tradeMarks, copyrights, and patents aren't just in the US. They're in every country in the world. So if someone in Zimbabwe owns a tradeMarc on Yanik Silver, and you own it, but they precede you, they're going to end up with your domain. So it's a hotbed for lawyers to sue you.

So no matter what name you thought was great, someone somewhere may have owned it before you. And the lawsuits were just killing us.

Yanik: Let's back up one step. One of the interesting things you've done is business.com. How did that get started? What was the flip into domain names.

Marc: That's an easy one. Back when I was doing all these things with the web industry and it was starting out... I should say when I was doing the magazines, my sister invited me to University of Texas where she was a professor of computer science and taught me about the internet.

The first thing I said was, "How do you get one of those names? If you have to use that to get to the site, how do you get those names?"

So we looked up Avis and Hertz. One of them was available. One of them wasn't. She said, "What are you thinking?"

I said, "It seems logical to go get all those names because they're going to need those if this becomes a business thing."

Yanik: What year is this?

Marc: This is in 94. So at that point, domains were free. There was no charge in 92, 93. They started charging in 94 or 95, \$70 for 2 years' registration. I decided not to do it, but I couldn't get it out of my head, because good ideas resonate and they keep coming back.

So I went to the other guy and said, "Look, I'm not going to do this, I got an offer of 2 million." He said, "I'll go to 3."

So one night I stood up and all night I started registering ebusiness, eflowers, eclubook, e-everything. All these things I could think of that were words that might mean something. I then held on to those. I spent maybe 7 or 10 thousand dollars that night.

Then I decided I really wanted in the newspaper – every newspaper had four Markets: News, Weather, Sports, and Business. I only read the business, I loved the business section. So I went and found the owner of business.com and we had a deal to buy it for \$75,000. He thought I was out of my mind. No one had ever done that. It just had never been done.

And that's the number we came up with. The night before we went to close, he called me and said "I want 150,000."

So I went to my dad and I said, "I don't know what to do. This is really upsetting me."

He goes, "You have 150,000?"

I said, "Yeah."

He said, "How much you going to make in the next 5 years at the bank on that 150,000?"

I said, "Maybe 10 grand, at the most."

"How much will you make with that domain name?" He said, "Go buy the name."

So I bought the name – business.com. I held it, so in 5 years... in 4 years, in 99,

I was offered a million dollars and I went to that guy's competitor and said, "Your competitor wants this name, what do you think I should do?"

He said, "Sell it to me for 2 million."

So I went to the other guy and said, "Look, I'm not going to do this, I got an offer of 2." He said, "I'll go to 3."

At the end of the day – actually 24 hours later... I had sold one of them business.com and one of them ebusiness.com, which I bought for 70 bucks. Business.com I sold for 7.5 million, but I got a put right, which was under nondisclosure. I can tell you now. So the put right meant – and I had learned this... again, you learn by reading what someone else did or by learning it yourself. I had read, sale something with a put right, which means in 3 years, I can have cash or stock in the company.

So three years later, I got just that. I got cash and stock. That company, business.com, sold out in 07 for 345 million. So I made a lot more than 7 and a half million when it was all said and done.

That same night, I sold ebusiness.com that I had bought for 70 dollars. It was under nondisclosure. I'm not really worried they're going to sue me at this point... I sold it for 10 million cash.

So the ROI on that one was really good.

Yanik: (laughs) Yeah, that was pretty good.

Marc: It was definitely a good 24 hours in my life. And the reason I didn't take the cash was because I had just sold the previous company for 35 million and I had just paid the IRS 7.6 million in a check for their taxes for that year.

Not a nice thing to have to do, but a nice thing to be able to do.

Yanik: Right.

Marc: I look at domains as mind share. If I ask you this question and anyone who's reading your newsletter... here's the question: You have 10 seconds to answer the question, if you have to dial a phone number and you want to dial a phone number right now to buy flowers for your girlfriend, what are you going to call.

Yanik: 1-800-flowers

Marc: 1-800-flowers. Jim McCann taught the world that a phone number is mind share. And mind share is what we're really all after, so people remember it. That's what branding is all about. And so mind share, in the age of the internet, is a do-

main name. Which equates to – along with mind share – real estate.

So I founded a term back when I started doing this: Internet Real Estate. Internet real estate I defined as domain names of website. And from that you can build a platform to do all kinds of neat things. But the underlying asset, the piece of dirt, is the domain name.

So to answer your question in a long roundabout way, I own 500 domains right now, I have 4 operating companies, blinds.com which does 85 million and should probably clear a hundred million here shortly, cufflinks.com which is a great little company – does 4 to 5 million a year in cufflinks. Physical products. And let me back up. Blinds.com has zero products. It's 100% take the order, outsource the order to make it, and drop ship it. We don't have any physical product in the warehouse. Nothing. We don't have a warehouse.

“My check every year is the same for 100 million dollar company versus a 5 million dollar company.”

Yanik: You just have a group of dealers across country?

Marc: We have a website. The website takes the order, teaches them how to install it, teaches them how to measure it, and videos to support them. Has an installation network if they want someone to help them, and then has it made and 24 hours later drop ships it to the client, they'll have their blinds in 3 or 4 days.

Yanik: Wow.

Marc: That's blinds. Cufflinks has physical products, because again I like to take what I know and try different things, so this'll lead you to how I'm thinking. If this works for blinds, let's try something else. So I went and bought cufflinks.com, with the kid who currently runs it. We have physical products, but the margins are 40 times what they are with blinds. So we have huge margins, so my check every year is the same for 100 million dollar company versus a 5 million dollar company because the margins are that much better.

Yanik: That's a really important point actually. When people are choosing businesses and Marketplaces.

Marc: The third company I have is called summercamps.com. Again, being someone that is believing that domain names are the key to long term wealth, if you've got mindshare I'm buying one word generic domains.

Summer camps, I bought for 390,000. It had a website that made a 120,000 with a half an employee – who was a college kid. I bought it, handed it to a friend of my, she operates it, we paid it off in 2 and a half years, it now makes 200,000 a year like clockwork. It has a half an employee.

It's a listing service. All it does is take listings for summer camps. They get phenomenal value for very low price. For 500 to a thousand bucks, you can list your summer camp, all the things it does, where it's located, what the kids can get out of it – archery, tennis, bowling, hiking, in North Carolina. And you put in those terms and the right summer camp will pop up.

And then the fourth site – which has no employees and is only a forwarded domain, is etickets. Etickets, I bought for 70 bucks, it makes 3 to 5 thousand a month, and all I do is point it to a ticket site and they fulfill. And I don't do anything, and I get a check every month. And I'm trying to automate that where they'll send it right to my bank and I don't even have to cash the check. But today, the only thing I have to do with that site is cash the check.

Yanik: So a couple different business models there. Pretty interesting. There's one an affiliate model, one's an advertising model, one's a drop shipping model.

You've done a lot of different models of businesses, someone starting out or just getting going, what model would you point them to?

Marc: The fifth model of the four that I gave you is pay per click. I currently own 500 domains. They're not developed. They don't have anything on the site. So the domains are pointing to Google, and I get a check for the traffic that those domains generate. And those domains range from mutual funds – which I bought from one of our common friends – mutualfunds.com, bachelor.com. You'd think the bachelor TV show would want that, but apparently they don't. Heartdisease.com, consulting.com, psychologists, insurance companies, beauty products, the list goes on and on.

And those simply point until I get someone that comes to me and says, "I want to build that out, I want to do it as a joint venture," and what we do is we say, "Here's the real estate, we own 50%, you own 50% over and above the value of the asset. You put in your money and time to build it out, and in two to five years we'll flip it for millions of dollars.

That's the business model that I'm now in. So that I look for joint venture partners to build out some of these great domains and we flip it later on and we kind of help them along the way.

Yanik: Interesting. Okay, now I want to get back to that in one second because that's a really important one for all of us entrepreneurs that have tons and tons of ideas

that without the implementation behind it and partnering up. So you've been involved in a lot of different business models. Where would you point someone you think?

Marc: I'm sorry, I should've answered that question.

Yanik: That's okay.

Marc: The model I like the most – the fewest moving parts and the least amount of capital required with the highest upside. And the definition of that leads me to the summer camp's business model.

“The domain is worth, let's say, a million dollars. It's a big name.”

It has very, very high margins because it's nothing but service. And once you have a client they love you because you're giving them great value and they re-up if not automate for the following year. And lo and behold, you don't have to keep working hard to build the site, so your build is for new clients, the recurring revenue comes because they usually come back. Similar to your continuity program.

Yanik: Now, for the summer camp model, is that because the big value in that is because you guys have great SCO listings and traffic for them?

Marc: We are number one – all of my sites... the working model sites – so that helps, but it's not the primary key. It's that we have a great name and we give great customer service and we help them and we give them high value for low cost. So in blinds it's a lot of customer service. Really, really good hand-holding. Cufflinks, is a physical product, but it's pretty straight forward. I have lots of cufflinks. I happen to have a lock on the major league baseball and the NBA and the NFL, so we supply all the sports teams as well through that one. And we make custom cuff links for people.

But the model – both of them have moving parts. As good and fun and high margin as they are, blinds does have moving parts, and needs good hand holding and customer service. Cufflinks, same thing. We only have 5 people, but we still have to have a physical product and shipping and all that.

With etickets, we have nothing. You just point to someone else and they make the money, which is a model I love. Create a website, do 100% affiliate Marketing, but the problem there is you don't own the product and if they want to drop you they can, and your business could change based on someone else's changes

in their business model.

But summer camps seems to have the best of all worlds. I only ask that I own the domain. It's the service, it's only putting up the ad on the website, and then it's a recurring revenue model.

So I started buying domains in that niche. Like insurancecompanies.com, so we can list insurance companies and then sell those leads. Mortgage companies. Cosmetic surgery.net. Those are all listing sites, where we will have listings like cosmetic surgeons. We will then sell those surgeons the interested parties for 5 to 50 dollars a click. Or a link, so someone would fill out a form and we would sell them that lead.

Yanik: So a couple interesting models there. You know what intrigues me... I have a ton of ideas, like you do. Your mind's always racing with stuff. I like this notion of having people partner up with you. Can you explain that a little? It sounds like, you got a profit model where you got the pay per clicks going, making x amount, but if somebody really has the passion or drive, you'll let them partner up with you.

Marc: I think that the biggest Market potential right now, today, are finding all of these domains that are parked and you can see a domain as parked because it comes up with a listing of click links. So look at mutual funds and you'll see a bunch of links on the site. You click on the link, you go to a mutual fund and I get paid on the click. Anyone that doesn't know what that is, that's what a parked site does. So it's a domain that's not in use other than for its lowest common denominator, which is parking. Getting to the owner of that site and saying, "I have a business plan, I want to build it on your premium piece of real estate, you're already getting eyeballs, you're going to get mindshare, and selling it to a major company, I'm going to have more luck selling mutualfunds.com to a mutual funds company, than I will having a website called Yaniksgreatmutualfunds.com.

Yanik: Right.

Marc: And I think starting out with that competitive advantage and knowing you're not going to make 100% of a hundred thousand dollar business, but you're going to make 50% of a 10 million dollar business is a better way to go.

Yanik: So what is your deal with – and if you don't want to fully explain it that's fine to – but you mention 50%...

Marc: No, I want to explain it. There's a person I met at your event, at the underground, and hopefully we'll have that person flying in here – who will remain nameless – in two weeks, and that person will be given one of the domains that we got. The domain is worth, let's say, a million dollars. It's a big name.

We then say, “Here’s the plan. You can have access to our resources and the people we already deal with, and turn around and help them get the domain started. Now they’ve got a background of proven success in the Market they already play in. But they see that the concept of starting out with a great domain that already has traffic will put them leaps and bounds ahead on a number of areas, including search engine ranking.

“I wouldn’t eliminate them. I just think there’s a marriage that has to be done to maximize our potential of success.”

So if they build the website up, and I give them the domain – it stays in my name of course – but the contract says “you build it up, we’ll own it together and go forward for as long as you build it and maintain it and keep it going and stay with it and we’ll have certain parameters that the contract will define... if in three years or four years, we agree to sell it for 10 million dollars, the first million comes back to me for the asset and the remaining nine is split 50/50.

Yanik: And then you have minimum performance guarantees and then you’re protected.

Marc: Yeah. It wouldn’t be fair if I gave you my asset and you make five dollars a year on it. That wouldn’t work for me, and you claim to own 50% because the Market will take it to where the million dollar asset may be worth two on its own because of the way the Market is and this real estate is really, really valuable. So there’s got to be performance guarantees to make sure the work is being done properly.

Yanik: Yeah, that’s a really interesting notion for entrepreneurs that love ideas and want to partner up with somebody. How do you vet a potential partner?

Marc: Well, we want to see what they’ve done, we want to see if they’ve run a website, we want to see if they’ve been successful, if they’ve got a plan. I can’t tell you how many people say, “I’ve got a plan, but it’s in my head.” I don’t want to see it in your head. I can’t see it in your head. Write it down. Show us what you’re thinking. Put numbers to it. Numbers – as much as you people think they’re not important – you running a business and I running a business know that’s where all the action is where the numbers are.

So they’ve got to have a realistic expectation. If they go “We’ll be the biggest player in the Market, a hundred billion, and we’ll own 5% of a hundred billion” that’s not realistic. Show me realistically, here’s what we’re going to do, here’s how we’re going to get there, here’s the money we’re going to spend to get

there. And even I'll invest in the right deal with my own money, to see it work. So priming the pump is the other side of what we may do. If it's a big enough deal and someone can build out mutual funds and they've built out another mutual funds site or a similar site, and possibly sold it for a lot of money... they've got a better chance than a kid off the street that has an idea with no background and no proof of success.

I wouldn't eliminate them. I just think there's a marriage that has to be done to maximize our potential of success.

We have a domain name – techtoys.com – and I've been dealing with a guy that founded and sold one of the big sites in the tech toy business. And there's only four or five of them, but he came to me and we started talking and it turned out he didn't have any money.

And he said, "Well, I squandered it away." Well, that doesn't say a lot about partnering with someone to build up a site when you don't manage your own money, yet you want to manage mine.

It's a little scary.

Yanik: Yeah, that makes a lot of sense. So when you were overseeing a lot of different businesses, a lot of different models here, been at the forefront, been kind of a Market maker in so many things, where do you think the next big trends are? Where should people be looking?

Marc: You know what, you're going to laugh, but I got more out of your conference than any conference I've been to in years. I came back with more information and ideas after underground, and it's really not a plug for you. It's the truth. I have a white board in my office that's filled from top to bottom with things I wrote after I came back. I am going towards – with the book – to create a brand online which is the book and the book's called Get Rich Click, C-L-I-C-K as opposed to quick... and turn my background and my passion of teaching people how to into a brand, not just called Get Rich Click, but multiple brands.

The next book that's already being written because Get Rich Click is done, the next book is Word of Mouse, and it's teaching people how to use the internet for Marketing, advertising, and PR. And it's everything from once you get people into your funnel –as you know from books to DVDs to webinars and seminars and mailing lists and conferences and trade shows and sponsorships... it goes on and on. It's a phenomenal business model and people now understand the value of data.

And reading your stuff and knowing my background and listening to what everyone else is pitching, it really is a neat Market. You have to look at where you are and where you want to go. And if you don't have any money, what you do have

is a brain. And a brain can create information. It can repurpose other people's information. You can write what the top 10 people said, like we discussed earlier, and said "Yanik's new book will be the top 10 ideas from each of his top 10 speakers, he'll now have a hundred ideas, which is a book that he writes which basically was pre-written by all of his speakers."

So there's no reason that people can't do that in any Market. So if you want to be an information Marketer, or you want to use the internet to Market information, what products do you have? If you have little or no money, but you want to make money, create knowledge and information that people want to buy and are willing to pay for.

And if you don't know what they're willing to pay for, go ask. Go to people... I was looking for information recently on the flower Market because I have a flower website that we're playing with.

And I couldn't find information on the flower Market, believe it or not. How big is the flower Market and how much has it changed from 80% telephone and 20% internet ten years ago... now, it's 90% internet and 10% telephone. That's amazing. And that's information that people are willing to buy because it shows some trends and it shows them where things are going.

So if you've seen changes like that, you could put out a whole book just on changing Markets of the internet and how they've changed, and you can assume where they're going to go within a given range. This is what they teach you in the MBA program. Take all the data and interpellate where it's going by writing a median curve in between the highs and the lows and taking the average.

And that's all people have to do with all this information and knowledge about any Market that's out there.

Yanik: Really, I appreciate you sharing the incredible, diverse amount of experience and history that you've had here. Some great secrets and some great tips here for all sorts of entrepreneurs. If people want to get hold of you and the new book, where will they get it?

Marc: GetRichClick.com . And the book will hopefully be out towards the end of the year. And if I'm lucky, I may get a testimonial out of Yanik Silver.

“I came back with more information and ideas after Underground®, and it's really not a plug for you. It's the truth.”

- Yanik:** Absolutely, we have to check it out. I can't wait to see it. Alright, perfect. Let's say, one of our members wants to actually potentially partner up with you, Marc, on one of your parked domains, what company?
- Marc:** They can leave the information at the Get Rich Click website when they fill out their information and say that. Someone will get back to them at some point. We're not actively trying to find people, but they usually find us if they're persistent and they want to get hold of me and say, "I've got an idea to build out one of the assets you currently own." They'll find it. I think my Wikipedia page has a bunch of them on there.
- Yanik:** Perfect. Alright, cool. People can check out the Wikipedia page on you, and just so they know the spelling, it's Ostrofsky and Marc, so they can look that up that way. And Marc, really appreciate it. Thanks so much for sharing your insights. It's GetRichClick.com. It's worth checking out, I'm looking forward to it to. An amazing title.
- Marc:** It's a fun title. That's kind of the game I like to play is creating fun with names and I stopped speaking for about six years and when the book is out and once I have a date, I'll go back on the speaking circuit and make a name for myself. One of the things I tell people, just remember this... last comment... you don't have to be the one that everyone knows to make the money. It's what you put out there that makes the money. And I've always created magazines and tradeshow and websites where I was the guy behind the scenes. But it's usually the guys behind the scenes that make the real money. It's not the stars in Hollywood, it's the producers in Hollywood that everyone knows they need to stay in touch with. You don't have to be the star, just create a product that is a star in the Market and you'll do fine.
- Yanik:** Good point. Awesome. Thank you Marc, I appreciate it.
- Marc:** Absolutely, Yanik.
- Yanik:** Talk to you soon. Bye bye.
- Marc:** Bye.