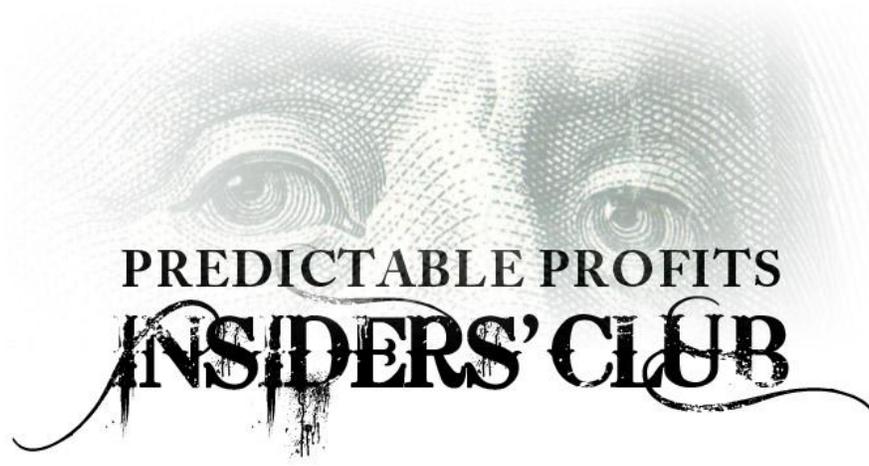


~ Transcript ~



## **The Core Profit Spectrum™**

Hello, fellow entrepreneurs and Insiders – it's nice to be on the call today with you. This is Charlie Gaudet from the Predictable Profits Insiders' Club and for the next 45 minutes or so, we're going to be talking about The Core Profit Spectrum – one of the most powerful breakthroughs of my career and, if you take what I have to say seriously, it's likely you'll find this conversion to be one of the best investments of your time for your personal and your professional financial future to date.

The Core Profit Spectrum all came together for me during a real ah-ha! moment. I had been seeing pretty disturbing events unraveling in front of me for a while and have been wrestling with trying to find a solution for entrepreneurs who, one day, woke up to realize their lives just took an unexpected course.



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I'll tell you how this all began. There's a bookstore in town that was really popular for several years. Then came Barnes & Noble. This bookstore started seeing a decline in customers and sales. People preferred the size, selection and ambiance that Barnes & Noble offered. Then came Amazon. The small bookseller lost business to Barnes & Noble. Barnes & Noble lost business to Amazon. We all know what happened to Borders.

But it's not just bookstores, this is a phenomenon that we've seen happening across every industry.

This little bookstore used to draw a huge crowd. Earlier this year, they announced they could no longer afford their rent. A few local philanthropists donated some money to keep them alive a little longer, but they had to change their location. They were struggling to survive. And that made me start to wonder. What *could* a small bookstore do today that would enable it to survive?

Is their only choice to hold up the white flag and surrender their existence to a company like Amazon?



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Recently a new bookstore moved into town. The Book and Bar opened its doors on December 1st. I took my kids there, and it was bursting at the seams. I saw one woman walking to the cash register with books under both arms. I decided to take a quick walk over to the original, small bookstore. It seemed pretty empty. Two small bookstores within a short walk from each other -- one is nearly empty, and the other is filled with customers.

**“Normal is not the sort of place you’d drive out of your way to visit for dinner.”**

- Seth Godin, *We Are All Weird*



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This reminded me of a quote by Seth Godin from his book *We Are All Weird*: "Normal is not the sort of place you drive out of your way to visit for dinner." Apparently to all the people crowding the new bookstore, the older bookstore in town was considered "normal." Book and Bar came across as new and innovative.

*"Commoditization - what I see as the cancer of the 21st century commerce - has fueled ferocious price competition, leading to lower prices, margins and profits for businesses. With price as the only real differentiator, producers are left with a challenge: They must find a way to stand out in the crowd."*

*Peter Georgescu  
former CEO of Young & Rubicam*

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We're seeing this trend in every industry. Peter Georgescu of Young & Rubicam:

Commoditization — what I see as the cancer of 21st century commerce — has fueled ferocious price competition leading to lower prices, margins and profits for businesses. With price as the only real differentiator, producers are left with a challenge: They must find a way to stand out in the crowd.

This is the theme of The Core Profit Spectrum. Today's entrepreneurs can start a business from two opposite sides of the spectrum: there are Marginal Entrepreneurs who will struggle from the start, and Strategic Entrepreneurs who will thrive in today's economy. In this presentation, I'm going to go deeper into what it means to be on the successful side of The Core Profit Spectrum.



There are also two ice cream stores in our town. The older ice cream store is what Seth Godin would refer to as "normal." You walk in the store. You ask the person behind the counter for chocolate or vanilla ice cream. There's nothing particularly eye-opening happening here. It's delicious ice cream, but the whole experience is normal.

The new ice cream store is very different. It's chic. It has a cool atmosphere. It has innovative flavors like Wedding Cake and Brownie Batter. The kids can have as much ice cream as they want and can add their own toppings. Now, which ice cream shop do you think my kids always want us to go to?

Let's talk about some of the companies that have had this same problem.



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*BlackBerry*. Most of us know that BlackBerry is struggling to survive. iPhone has taken a huge amount of their market share, and Google's Android has taken some, as well. Even large and well-known businesses are struggling to find innovative ways to survive in this new economy. Some companies are coming up to the plate and thriving from day one. They understand they have to do something different and completely *abnormal* in order to catch people's interest and be a more competitive player in the marketplace.

## ***What happened to these former leaders?***

- Garmin (now ... cell phones)
- Radio Shack (now ... internet, Best Buy)
- Sears (now ... internet, Home Depot, Lowes)
- Kodak (now ... digital cameras, cell phones)
- MySpace (now ... Facebook)
- Alta-Vista (now ... Google)
- And, how many small businesses did Wal-Mart and Home Depot kill?

## ***What's next for Microsoft?***

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*Garmin.* Garmin used to be the leader in their industry. You'd buy a Garmin, you'd throw it on your dashboard, and it would give you directions. Now we have cell phones and free Google apps doing exactly the same thing. Garmin is now struggling to find its place in the market.

*Radio Shack.* I can't remember the last time I went to a Radio Shack. Can you? At one time it was the only place to go for electronics. It was a thriving business. Today we have the Internet, and Best Buy, and many other different choices for electronics. To be honest, I'm not even sure how Radio Shack stays in business.

*Sears.* Sears used to be the place where both professionals and hobbyists bought tools and appliances. Sears is struggling to redefine itself now. They've lost customers to businesses like Home Depot and Lowes, as well as online competitors.

*Kodak.* We all know that Kodak waited too long to go digital. They didn't innovate soon enough, and they lost market share to digital cameras and even cell phones.

*MySpace and AltaVista.* MySpace and AltaVista's traffic got swallowed up by Facebook and Google. This phenomenon is happening everywhere.

How many mom and pop shops have been destroyed by Walmart?

Again, this is not a new or unique phenomenon. It's just that commoditization is happening at an ever-increasing rate. People will drive out of their way for Brownie Batter ice cream (not vanilla). If you want to get noticed, you have to be really different.

*Microsoft.* What's next for Microsoft? I just read an article about their new platform. What has happened to Office? Well, similar programs are now free courtesy of Google Drive (what used to be Google Docs). Microsoft's mobile division is also struggling. They used to have a very powerful search engine presence, but Google has taken most of that away. They've been struggling to make a comeback with Bing. Unquestionably, Microsoft is no longer the giant it was for more than a decade.

Look, I'm a marketing guy and I like to think I'm pretty good at it – but I also realize there's a lot more to growing a business than just marketing. There's also innovation just as Peter Druker says – "...marketing and innovation produce results. All the rest are costs."

*"What we face now is a pace of change that is unprecedented. Major innovations that used to change our lifestyles maybe once or twice in a generation, we're seeing that now almost on an annual basis. So what needs to be top of mind for all marketers, no matter how established their brand is, is to stay relevant among our consumers. We have to think about how the lives of our end users are changing, whether that end user is a consumer, a patient, a doctor or anyone else. And to remain relevant we need to be part of their new ecosystem."*

— Kim Kadlec

Worldwide Vice President Global Marketing Group Johnson & Johnson

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Here's another reason why this conversation needs to be happening between you and I right now. Kim Kadlec, Worldwide Vice President Global Marketing Group Johnson & Johnson said:

*"What we face now is a pace of change that is unprecedented. Major innovations that used to change our lifestyles maybe once or twice in a generation, we're seeing that now almost on an annual basis.*

*So what needs to be top of mind for all marketers, no matter how established their brand is, is to stay relevant among our consumers.*

*We have to think about how the lives of our end users are changing, whether that end user is a consumer, a patient, a doctor or anyone else. And to remain relevant we need to be part of their new ecosystem."*

So in light of all the changes we're seeing in the marketplace – changes that are moving at a pace faster than any point in history – it's time we talk about innovation. And innovation is nothing

more than an approach for how you look at and grow your business. It's a mindset. It's a strategy.

## ***Popular Strategies Mistakes...***

- Reduce costs
- Acquire new customers
- Pay employees as little as possible
- Wasted marketing dollars
- Don't take "no" for an answer

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So the companies that are struggling today, let's briefly talk about the mistakes these companies made and are continuing to make?

*Reducing costs.* One of the first mistakes they made was to reduce costs. In many cases, reducing costs meant reducing quality. For example, they started outsourcing their customer service divisions. They put customers into voice mail hell, kept them on hold longer, or made it more difficult for them to communicate because they were talking to someone overseas. While reducing costs isn't a bad thing – it becomes a bad thing when you reduce costs at the expense of customer experience.

*Acquiring new customers.* Another common strategy entrepreneurs take is to only focus on acquiring new customers. Once they have a new customer, they forget about them. They don't nurture that relationship. If you've been with me for a while, you know we talk about the value of a customer relationship in terms of three phases: the dating phase, the engagement phase and the marriage phase. Without nurturing their customers, entrepreneurs lose them out the back door.

*Paying employees as little as possible.* Employees are now referred to as "human capital." They're considered easily replaceable. Employee morale is at an all-time low.

*Wasted marketing dollars.* Every time I see the Goodyear blimp I think, You know what? Because the name Goodyear is on that blimp, is that really going to cause me to run out and buy new tires at the closest Goodyear store I can find? Will it really influence my decision or is there

something else that's more important to me than seeing an ad on a floating balloon? That's wasted marketing dollars, yet this is the type of strategies that some smart-ass advertising agent sitting behind his desk with his suit coat and tie thinks is brilliant. But it's dumb, dumb, dumb and definitely not an efficient use of marketing dollars for a small business owner. Advertising during the Super Bowl is another example of wasted dollars, and there are studies to prove this. Yes, it is brand advertising — but it doesn't drive people to leave their homes in order to buy the product. It's ego serving rather than sales serving.

*Don't take "no" for an answer.* This is a popular sales strategy where companies advise their salespeople to say anything in order to get the sale. They'd sell ice to an Eskimo if they could. It has nothing to do with giving people what they want or stressing the importance of having a satisfied client – instead, it's the old used car salesman approach of do whatever it takes to close the deal. This is very different from a consultative approach, where the objective is to find a product that matches the interests of your clients. And let me tell you, the last thing your company needs right now is to sell the right product to the wrong person – a dissatisfied customer has more ways to make his dissatisfaction known than ever before – it's not worth it.



**Increase Shareholder Value!**

*Increase shareholder value.* Another popular strategy (and if you've been to business school, chances are you've heard this one) is the purpose of business is to increase shareholder and investor value. I've talked about this many times. If you believe that the purpose of your business is to increase the value of the company for shareholders and make them as much money as possible, I want you to ask your customers if they agree with that.

The customers see the purpose of your business as something completely different; and, with this attitude, your customers have no vested interest in your success. For you, success means putting

more money in your pocket. In their mind, they think you see them as walking credit cards. There's a very strong disconnect here.

## **GOAL: Wealth Creation**

## **PURPOSE: Deliver a greater advantage or benefit.**

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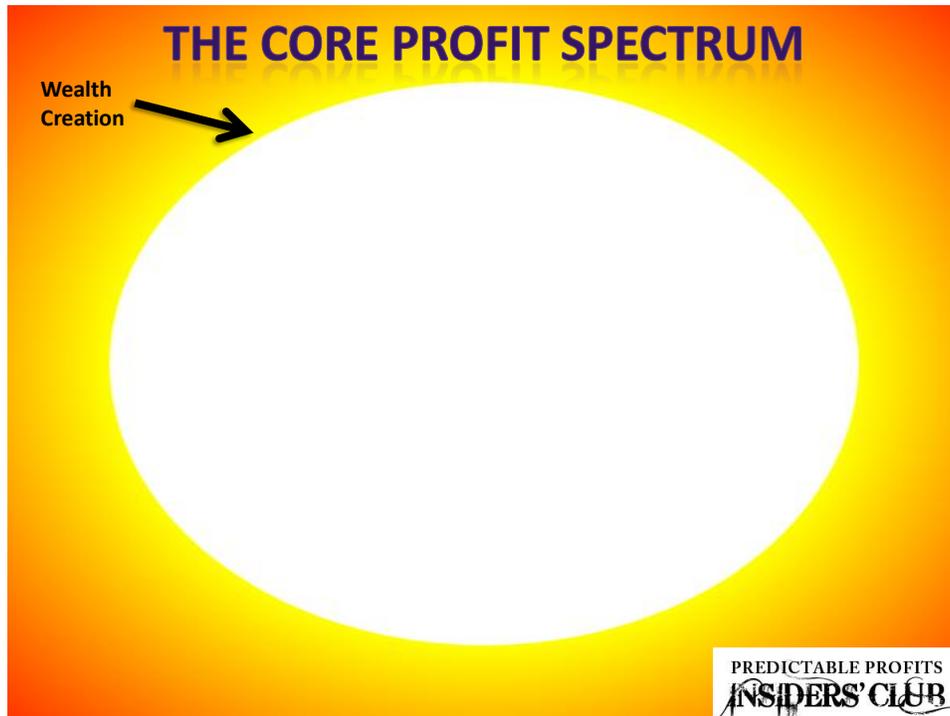
There should be a difference between your company's purpose and your company's goals. We're not charities — we're businesses. We're in business to make money. Wealth creation is our goal. Our goal is to make as much money as humanly possible. But the purpose of business is to deliver a greater advantage or greater benefit to your clients.

That is a philosophy that will drive customers to you. Zappos is an amazing company which I use as an example all the time. There's a significant difference between talking to a Zappos employee on the phone versus talking to a customer service rep at a vanilla company. Tony Hsieh's philosophy is that you do *whatever it takes* to achieve complete customer satisfaction. He wants his customers to feel really happy that they did business with Zappos.

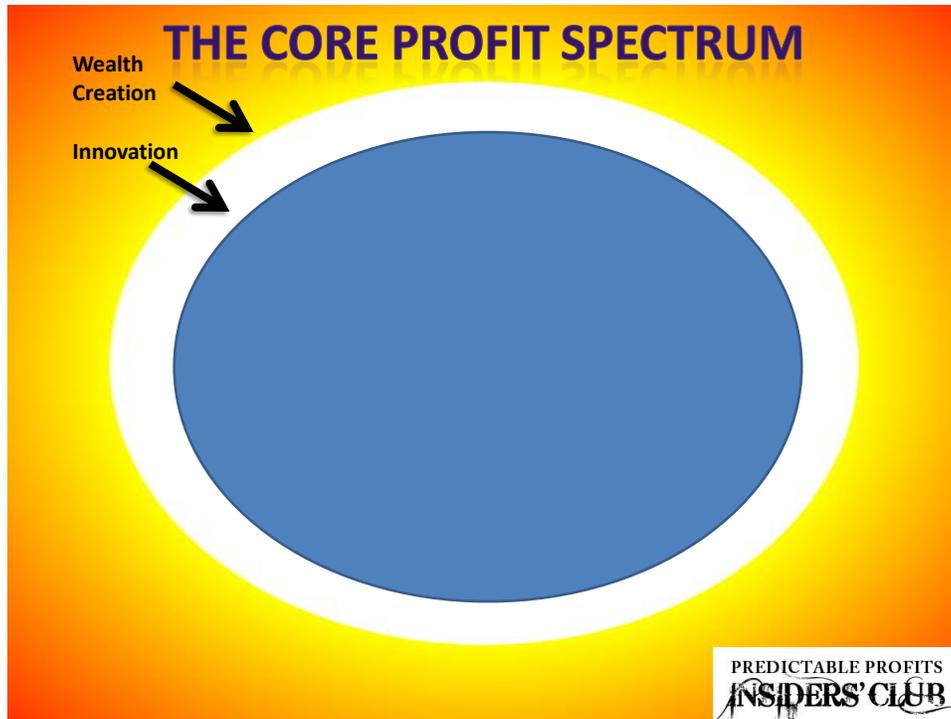
Now, Zappos is competing in a very commoditized industry. You can't be more commoditized than the shoe industry. But when Tony Hsieh walked into Zappos, he said, "You know what the problem with this industry is? They're just selling shoes. Nobody is selling service." Tony Hsieh's approach to business turned them into a billion dollar company in record time.

Earlier in the presentation, we talked about the two types of entrepreneurs that approach business from different sides of the spectrum – Marginal Entrepreneurs and Strategic Entrepreneurs. If you were to ask Marginal Entrepreneurs that have struggled from day one why they're in business, they would answer, "I'm in business to make a lot of money and be in complete control of my schedule."

Well, I would agree that they're in control of their schedules, but Lori Greiner brought up a very important point in this month's *Entrepreneur* magazine. She noted that entrepreneurs work an eighty-hour week so that they can eventually work a forty-hour week. As small business owners and entrepreneurs, you probably put in a lot more time than if you just had a J-O-B. But there's a reason why we're entrepreneurs. Someone once told me this and I thought it was perfect: "Entrepreneurs do the things that most people won't do today so that we can do the things that most people will never get to do tomorrow."

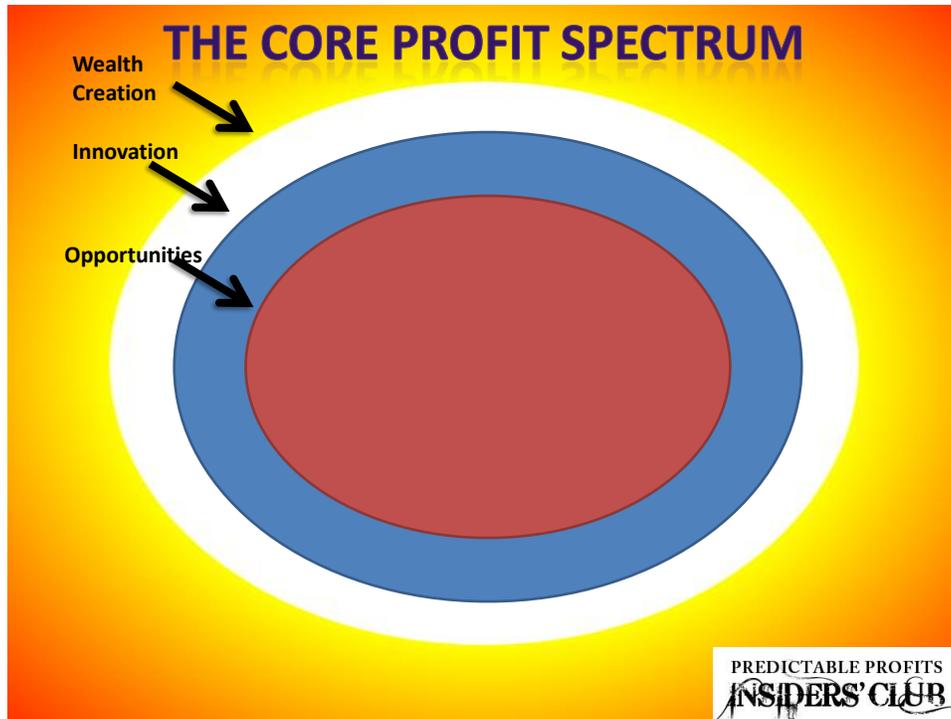


It seems like the only goal of so many entrepreneurs, when they first start their businesses, is to make money.

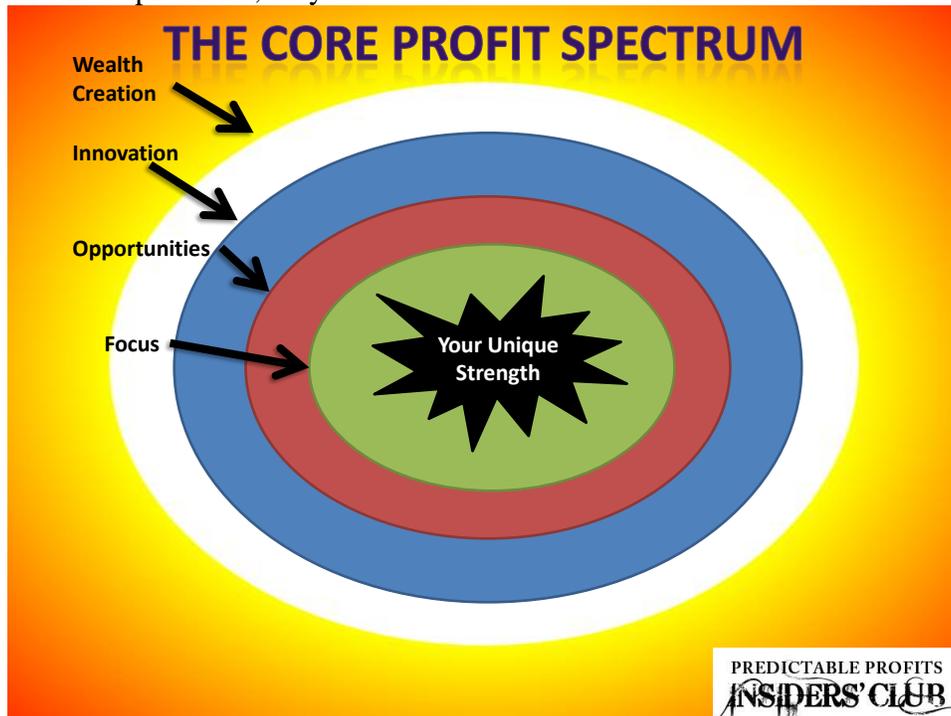


They then reach the point where they realize things aren't working out quite the way they expected. It's at this point that the entrepreneurs who eventually reach success realize they need to become creative. They need to come up with something *abnormal* so everyone will want to buy from them. They need to innovate.

In the beginning, they're struggling. They don't understand what's wrong; so they look for additional opportunities. They look for a gap that needs to be filled. They look for problems that need to be solved.



Once they find those problems, they move to innovation and from innovation to wealth creation.

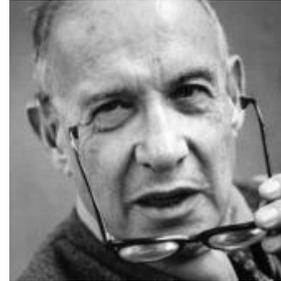


But they are still missing out on opportunity, on huge untapped opportunity and resources, if they're not building their business from a platform of strength.

This is where they need to obtain *focus* and their *unique strength*.

**“Marketing and innovation  
produce results; all the rest  
are costs.”**

- Peter Drucker



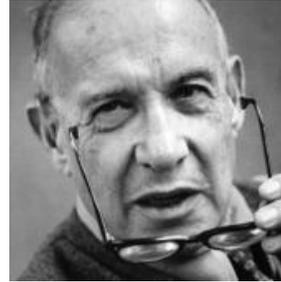
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PREDICTABLE PROFITS  
**INSIDERS' CLUB**

Peter Drucker said: "Marketing and innovation produces results; all the rest are costs." The reason why we're having this conversation today is to emphasize that no matter how much marketing you do, when you leave out the component of innovation, you're doing both yourself and your customers a huge disservice.

I could help that little bookstore, we were talking about earlier, market themselves better. What they really need to do is develop a strategy of innovation. Regardless of the industry you're in (and even if you have to use creativity to overcome regulations) you have to embrace innovation.

**“Most people think they know what they are good at. They are usually wrong... And yet, a person can perform only from strength...”**



- Peter Drucker

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Peter Drucker again:

Most people think they know what they are good at. They are usually wrong. And yet a person can perform only from strength.

**“... we discovered the most successful people start with dominant talent – and then add skills, knowledge and practice to the mix. When they do this, the raw talent actually serves as a *multiplier*.”**

- Tom Rath, Strengths Finder 2.0

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Remember that. A person can perform only from strength. In today's call, that's precisely what we're focusing on — your unique strength. Tom Rath from *StrengthsFinder 2.0*:

...we've discovered that the most successful people start with dominant talent – and then add skills, knowledge, and practice to the mix. When they do this, the raw talent actually serves as a *multiplier*.

Notice what Tom said here. We discovered the most successful people start — *start* — with dominant talent. Those are the most successful people. They do not act the same as the people we were talking about earlier — those who start out struggling because their only goal is to make money. They'll do *anything* to make money.

I started one of my businesses in my twenties, and I remember telling people, "I don't care what I do. I'll shovel crap for a living. I just want to make money." Well, let me tell you something. I quickly realized that shoveling crap wasn't going to get me anywhere – if anything, it put me in the Emergency Room for stress, ridiculous insomnia and the feeling like every morning I was getting out of bed to push a bus uphill. I was working twice as hard for half the potential profit – but that all changed when I started to become strategic.

Folks, you brought me into your life because you trust (or at least you hope) that I'll deliver a greater advantage and greater benefit to you – this one presentation alone can transform your financial future faster, quicker and more significantly than anything else you've done so far.

... and it took me years of struggling, hours of sleepless nights, hundreds of thousands (if not millions) in lost profits, a half a million dollar investment in personal development for my wife and I and a commitment to finding a better way to come up with the solution you're about to get right now.

And if you ever experienced anything like we talked about with the Bookstore, Blackberry, Kodak or any of the other examples we shared – then you know how important this conversation is right now. And if you haven't experienced any of that, please, please pay attention because those of you that take this presentation seriously, will position themselves as a strong, solid, better, more dominate player in today's competitive environment.

So let's jump into it.

## Your Unique Strength

- It's what makes you unique.
- It comes natural to you.
- Ever since you were a child people were saying this about you.
- People continue to remark about your unique strength today – in work and within your personal life.
- You always do this...

*Your Unique Strength is not to be confused  
with things you are good at!*

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*Your unique strength.* As I mentioned earlier, *Strategic Entrepreneurs* start from the center and move outwards. I use the metaphor of the sun, because the sun gets its strength from the core – and from its core, comes the light, heat and power.

So, what is your unique strength? It's what actually makes you unique. It's what comes naturally to you. It's that competency you've had since you were a child. For those people on the call who are part of the Strategic Coach program with Dan Sullivan, it's very similar to what Dan refers to as your *unique ability*.

Your unique strength is something your friends have told you about since you were a kid. It's something your colleagues at work always talk about. It's something you easily and naturally do. It's not necessarily something that you're *good* at. It's something that's unique to you.

It's a talent. It's an interest or capability unique to you.

For example, ever since I was a kid – when I found something that excited me, that made a positive difference in my life – whether people wanted to hear it or not – I couldn't help but share it with them, get them excited about it and hold them accountable to changing their life. Look, I was in the fifth grade and started a business to help kids get better at school. Once the teacher told me I wasn't allowed to charge students in school because it was against some B.S. school policy – I said, screw it, I'm going to do it anyway and ended up recruiting 80% or so of the class – some were tutors, others were students – and I did this for no-charge.

All my life, I was finding ways to start, build and grow businesses – and each time, I was sharing this with others and people would take notice. I can't help it. It's a part of who I am.

I spent a year and a half with Tony Robbins, I can tell you right now – his unique strength is in the way he commands attention in a room – doesn't matter if it's 10 people or 10,000 people. You put Tony on stage. People pay attention.

There's a kid in the neighborhood who is in junior high. When he interacted with my son and daughter the first time we moved here, you could tell right away his unique strength was in his unique ability to make other people feel special.

Another friend of mine has a natural strength in his ability to be liked and trusted. Ever since I've known him – and even before he went on to become a millionaire salesperson – you just wanted know him, you liked him and your trusted him so much that if he told you to buy something, you'd buy it. And before he went in sales, if I had a dollar someone said to him: "You should be in sales" – I'd probably have twice as much money as I have now...

When I look at my wife, ever since she was a young child, she had a way with written words that would get people to take notice. She had her first poem published before she got into high school. It just came natural to her.

All people naturally gravitate to their unique strengths – and it starts when you were a child (it's only later in life that social pressures, fears, etc. get in our way that we discount our unique strengths to be someone we think we ought to be instead of becoming the person we're meant to be).

Some people are natural leaders, artists, researchers, comics, athletes, motivational speakers, can see opportunity, singers, dancers, writers, cooks, designers, organizers, mathematicians, coaches, mentors, salespeople, can see talent or possibility and others, etc. There's millions of possible unique strengths.

It's something you've always done since you were a child. What is it?

What is this unique strength that you were born with that you've always been doing? What have been some of the common themes in your life? What have people, colleagues, friends, customers, clients said about you?

I actually went so far as to ask many of my Insiders' and clients what they feel is my Unique Strength is just for verification and 90% of people all came back with a very similar response.

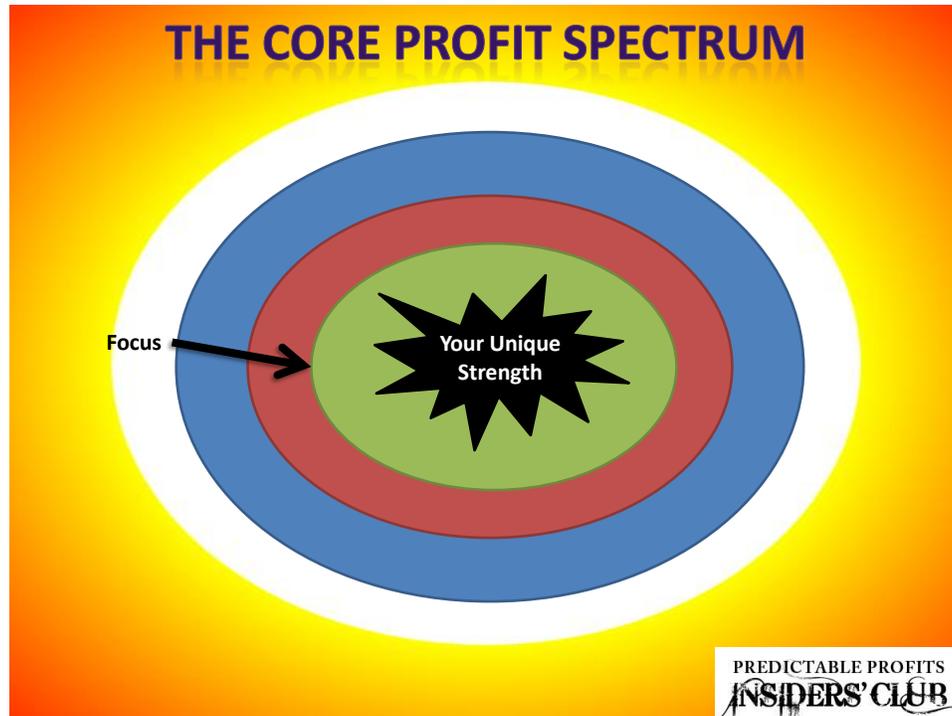
Just start writing down this list.

Ever since I can remember, I've always done what?

And we're not talking about something you are just good at - it's something that comes natural to you. Big difference.

You might be good at managing your employees but you're a natural at debating for example. If that's the case, you have a unique strength in your ability to debate with someone.

We'll go into more detail in the next phase and you'll see how this comes together.



The second phase is to combine what you consider your unique strength with focus, because things that you focus on are the things that not only give you energy, but inspire you. Imagine you and I meet up at a seminar and stay awake late one night having cocktails and talking. It's now 2am, you're completely wiped out from taking an early morning flight, sitting at a seminar all day and all you want to do is go up to your room and go to bed. You're crashing. And right before you leave, I bring up a topic that suddenly gives you this massive surge of energy and gets you all excited again. What would that be?

I once had an opportunity to spend some time with Dr. John Demartini. He's a brilliant personal development coach, and I suggest you go to one of his seminars if you ever get the opportunity.

One of the stories Dr. Demartini tells is what it was like to walk down the street with his wife (who is now deceased by the way). His wife was inspired by fashion. He's inspired by learning. One day while talking to his wife, he realized that everything that she saw had to do with fashion. She noticed everything about the clothing people were wearing – from the shoes, to the hats, sweaters and dresses people were wearing – every little detail. He noticed every library and every bookstore. He noticed the way people were interacting with each other and anything related to personal development. He never became consciously aware of the clothing someone was wearing. This has to do with your focus.

Two people in the same situation having two different experiences.

## Your Focus

- It's what inspires you
- It gives you energy

*Your Focus is the glasses by which you see opportunity and will be able to enroll people in your vision.*

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*Your focus is the lens through which you see opportunity and which enables you to enroll people in your vision.*

If you threw me in a chemistry class, it would be painful. I'd probably pass the course, but I'm never going to be a famous scientist – I could only help someone else, within a unique strength in science, become successful because my focus is always on business.

My wife's focus is on the children right now. Everything she sees relates to how it benefits our children. She and I don't see things through the same lens.

Don't get me wrong, my kids are the center of my universe – they help to inspire me to be a better person and even create a legacy for them to be proud of - but while we might walk into the mall together, Heather will instinctively take notice of everything child-related while I could tell you everything right or wrong that different companies were doing to attract their customers.

Two people, same situation, having two different experiences.

Years ago I started a proprietary trading firm and I was really, really good at designing trading algorithms. And even though I was good at designing algorithms that performed well – all I wanted to do was teach people how to do what I was doing and grow the business side of things. My focus was not on “how can I make this algorithm even better” (which it should have been in that capacity) – but instead, “how can I grow this business to something bigger?”

Have you ever seen those special decoder glasses that kids have? It's has like this red see through plastic lens where you look at a piece of paper to see a special message that, to the naked eye, is invisible. Do you know what I'm talking about?

Well, your focus is just like those special decoder glasses; however, each one of us is wearing a unique pair that gives us a different view of the world that only we can see.

Just like when I was a trader. No matter how much I wanted to become one of the best traders in the world -- my unique strength is in helping people achieve see and achieve greater potential while my focus in on growing wealth through businesses.

You see, if you're an entrepreneur working in a capacity that doesn't play off your unique strength or your focus – you're working a square peg into a round hole.

But when you combine your unique strength and your focus, you can start to build off of that strength into a solid platform for growth and innovation.

My wife's unique strength is poetry writing. She's been doing that since she was a little child, and it comes naturally to her. She doesn't have to work hard at it. She's just a beautiful poet. It's effortless for her. She's uniquely strong at it, and she's inspired by motherhood.

## Your Unique Strength + Your Focus

*Examples:*

*I have a unique strength to write poetry and inspired by motherhood.*

*I have a unique strength to see both sides of a problem and inspired by the skills of becoming a great leader.*

*I have a unique strength to make people laugh and inspired by outdoor adventure.*

*I have a unique strength to encourage people to look beyond what they think is possible and inspired by creating wealth through business growth.*

Her platform statement would be:

*I have a unique strength to write poetry, and I am inspired by motherhood.*

So, one of the few people that I shared this story with before revealing it to you, my Insiders, when I asked him what unique strength he has — something so different to him that nobody else has it but him — he said that everybody has told him throughout his life that he has the unique strength of seeing both sides of a problem. Then I asked him what inspired him and would keep him up at two o'clock in the morning. He said he's inspired by the skills of great leaders.

I know some of you are listening to this call thinking you don't know what inspires you or what your focus is. You give me thirty seconds, and I can tell you exactly what inspires you. The way I do that is by going into your personal space to look at your library. It's actually the first thing that I do when I walk into a friend's home. I want to know what inspires them, so I look at all their books. I look for a common theme in those books. Whatever that common theme is helps me to get an understanding of what excites them.

If I was to follow you into a bookstore, where would be the first place you'd go? What would be the first magazines you'd pick up? What are the websites that you look at in your free time? See, now you're starting to think about where you naturally gravitate. It's your natural inspiration pulling you to a particular area. It's your focus. What are some of the common themes?

In this particular case, my friend said, "You know what? I love books on leadership. I can't get enough of them. I read everything I can on leadership. I subscribe to magazines on leadership. I read blogs about leadership." So now we know.

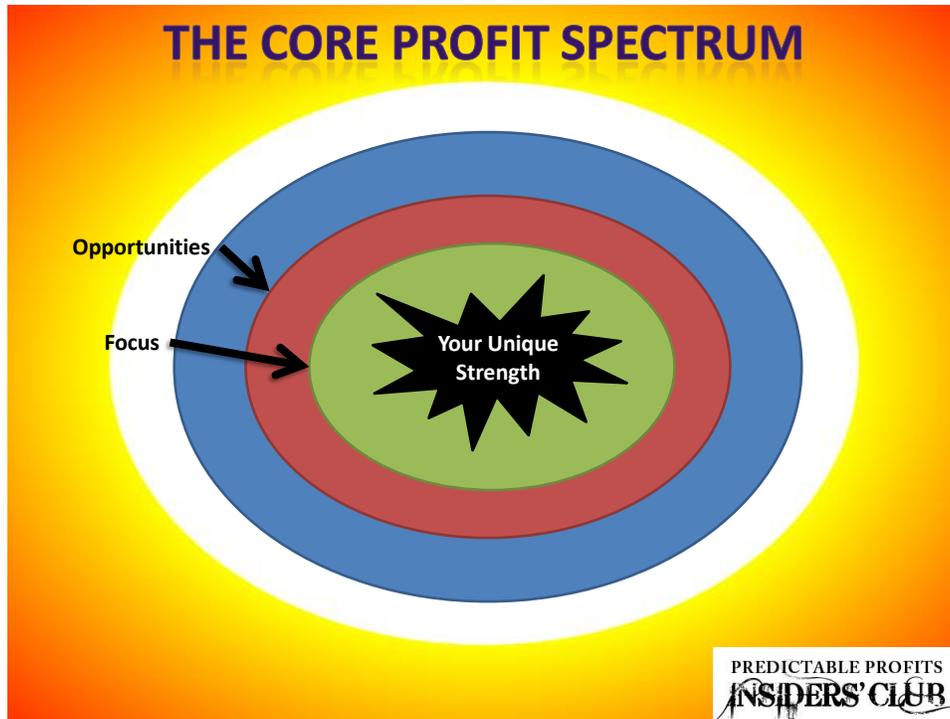
*I have a unique strength to see both sides of a problem, and I am inspired by the skills of great leaders.*

Another person that I spoke with said:

*I have the unique strength to make people laugh, but I'm inspired by outdoor adventure.*

Here's another:

*I have a unique strength to encourage people to look beyond what they think is possible, and I'm inspired by creating wealth through business growth.*



*Opportunities.* When you're in alignment with your unique strength and your focus, the next stage is to build upon your opportunities. Opportunities are actually gaps that exist in the marketplace. Let's say your personal strength and focus are that you can see both sides of a problem and are inspired by the skills of great leaders.

## Opportunities

*Examples:*

*I have a unique strength to see both sides of a problem and inspired by the skills of becoming a great leader.*

List all the problems you see with the current way of people trying to become a great leader?

- Fear of failure, Fear of not looking good, Fear of rejection, Fear of not being good enough
- Current training programs don't \_\_\_\_\_
- I wish someone would have \_\_\_\_\_
- I wish I got more of \_\_\_\_\_
- I wish I got less of \_\_\_\_\_

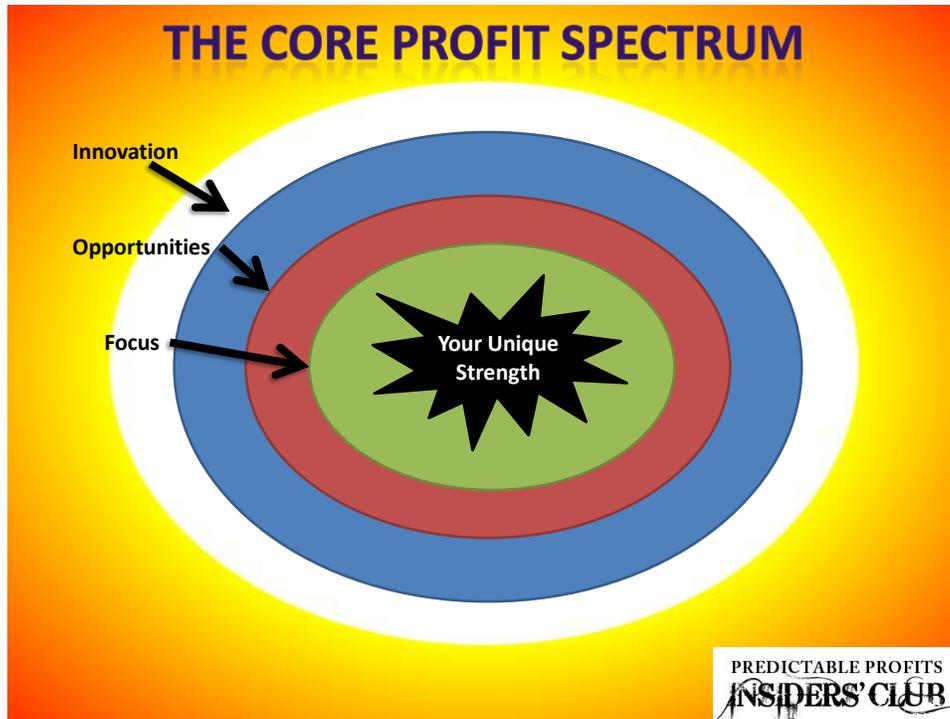
The next step in the spectrum is to list all the gaps that exist and problems that occur when people try to become a great leader (and this is applicable to every industry across the board). For example: fear of failure, fear of making mistakes, fear of rejection, fear of doing a poor job. I suggest you grab a piece of paper and start writing these down. You can cross off the ones that don't matter later. Don't think too hard about it. Let your subconscious mind take off while you fill in the following:

- Current training programs don't \_\_\_\_\_ (fill in the blank).
- I wish somebody would have \_\_\_\_\_ (fill in the blank).
- I wish I got more of \_\_\_\_\_ (fill in the blank).
- I wish I got less of \_\_\_\_\_ (fill in the blank).

## Problems Build the Context for **Solutions**

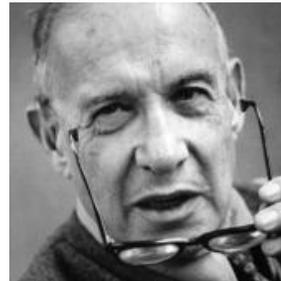
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*Problems build the context for solutions.* Now, we're taking our unique strength and looking through the lens of our focus. We're understanding the problems and gaps that need to be filled, and building the context for their solutions.



And this is where the innovation comes into play.

**To succeed, innovators must build on their own strengths. They must look at opportunities over a wide range, then ask which of the opportunities fits me, fits this company....**



- Peter Drucker

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Here's another quote by Peter Drucker:

To succeed, innovators must build on their own strengths. They must look at opportunities over a wide range, then ask which of the opportunities fits me, fits this company...

Are you starting to see a common theme here? Innovators must build on their own strengths. What fits your unique strength? What fits your focus? Fits your company? I'm pretty sure some of you, right now, are thinking, Oh, my God, Charlie. I've already got this business. I've had this business for the last twenty years. I'm not going to throw everything away.

That's not my point here. My point is that you need to shift yourself into a position of strength. You need to reassess your organization and think: Here's my unique strength. Here is my focus. Where can I use my unique strength and my focus to see opportunities, and to innovate in a way that's going to take my current company to a whole new level?

You put yourself in a position to maximize your unique strength and focus and you build an entourage of people around you, a team, of people who have a unique strength and focus to support the vision of your company.

You don't want to end up like the situation BlackBerry is in right now. You don't want to end up like Borders and you don't want to end up like Kodak. You need to be in a position of strength, so that you can constantly see things in a way that others can't. Most people don't approach business in the same way that I'm sharing with you tonight. Most people build their businesses from the position of making money.

I want you to build your business from a position of strength.

## **The Growth Factor™**

***“What can I do today to provide my customers, clients or patients with a greater advantage and benefit, to get them closer to the ultimate result they are after?”***

- 1. The Unexpected** (i.e. post-it notes).
- 2. Incongruities** (i.e. Smart Car)
- 3. Process Needs** (i.e. Camelot Systems)
- 4. Changes in Industry & Market Structures** (i.e. Internet)
- 5. Changes in Demographics** (i.e. Viagra)
- 6. Changes in Meaning and Perception** (i.e. Atkins)
- 7. New knowledge**

We've introduced the Growth Factor in a past issue of the Insiders' Club. If you're not familiar with the Growth Factor, I will post a PDF file of the Growth Factor inside of the Members Area.

This is a great article that I really want you to read. It helped give me a deep understanding of the Growth Factor. The Growth Factor is this question:

*What can I do today to provide my customers, clients or patients with a greater advantage and benefit to get them closer to the ultimate result they are after?*

The most successful entrepreneurs ask themselves this question every day. And if that little bookstore owner we talked about previously had asked himself this question, he probably wouldn't be in the struggling position he's in right now. Because in order to get an answer to that question, you really have to know what the ultimate result is that people are seeking. Most small business owners have no idea what results their customers are after.

I have a book coming out shortly, and in it I interviewed a gentleman who has invested in a mobile veterinary clinic. He originally thought the reason people were using this mobile veterinary clinic was convenience. But being the brilliant guy he is, he surveyed his customers. He asked his customers what they valued the most about this service. The response was actually that it provides a much better experience for their pets. It's much less stressful.

It was a huge aha! moment for him. He never would have guessed that the answer to *what can I do today to provide my clients with a greater advantage or greater benefit to get them closer to the ultimate result they are after* was to keep their pets more comfortable. The difference between him and so many struggling entrepreneurs is the simple fact that he asked.

Here's seven examples of innovation from Peter Drucker:

*The unexpected.* Post-it Notes. If you're always asking yourself the Growth Factor question, then when an opportunity like what led to the invention of Post-it Notes comes along, you'll be able to recognize it.

*Incongruities.* An example is the smart car. The cool thing about that is you're able to create more cabin space in a tiny vehicle. It seems so incongruent. How can you take a small vehicle and create additional cabin space? Well, that's the ultimate result people wanted. They wanted a small vehicle; but they also wanted lots of room. That's why the smart car was so successfully designed.

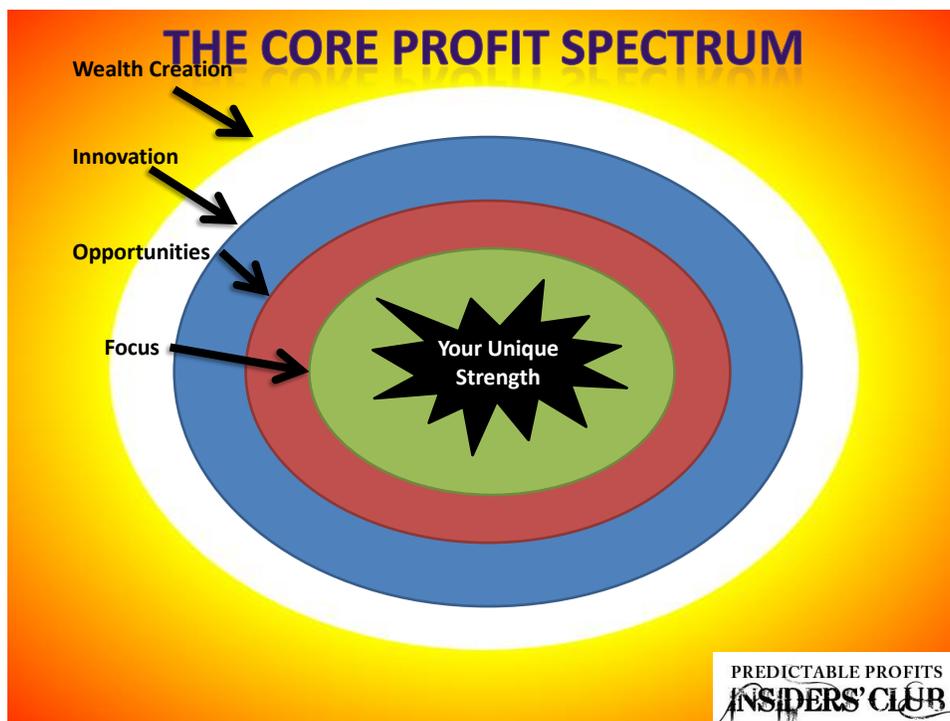
*Process Needs.* Camelot Systems is a business that was owned by a friend of mine. This business was sold for tens of millions of dollars. He happened to walk by an airport hangar one day and noticed there were hundreds of people using syringes to apply glue to microchip boards. He thought to himself: "there's got to be a way that I can create a greater benefit for this process." He invented a machine that was able to apply the glue at a rapid speed with more accuracy and condensed the entire operation from the size of an airport hanger to small than an air hockey table. Meeting process needs leads to innovation.

*Changes in Industry and Market Structures.* Look at the Internet. The Internet has provided opportunities for tons of innovation.

*Changes in Demographics.* Take Viagra as an example, because that addressed a huge problem with the coming of age of a large proportion of our population who wanted a better sex life but was having a hard time making this work. The medical industry understood the needs of the aging community, and they created Viagra.

*Changes in Meaning and Perception.* I can't tell you how many companies in the food industry ended up flat on their faces because they incorrectly predicted the popularity of the Atkins diet with its focus on carbohydrates. They figured it was a fad and they ignored it. Years later, people are still concerned about the amount of carbohydrates they consume. That created room for innovation.

*New Knowledge.* Of course, new knowledge is a part of the Growth Factor and leads to innovation.



Finally, we're reaching the goal of wealth creation. This is where we build our wealth from a position of strength; from using our unique strength. We're looking at our goals through a lens, and we're focused on a point that inspires us where we can see things more clearly. We now identify opportunities and ways to innovate. This is how we begin to dominate the market.

Peter Drucker's quote about innovation again: "Marketing and innovation produce results; all the rest are costs." What is a greater advantage and benefit we can give to our clients, customers and patients to get them the ultimate result? That should translate, also, into our marketing. When we tell people to do business with us, we need to be able to establish our unique advantage; and we can only do that if we understand the ultimate result.

Marketing and innovation produce results.

Innovation in products and innovation in marketing.

You see, many of the strategies, like our Customer Re-Engagement Strategy, were created using the process of the Core Profit Spectrum by trying to figure out what other advantage we could give our clients.

Yes, we created the strategy because we were looking for another way to genuinely reach out to find out why someone became disengaged and what we needed to do to continue delivering our advantage to them because, you see, we firmly believe that our products and services provide people with such a greater advantage and benefit to their lives, both personally and professionally, that we owe it to them to do whatever it takes to get them to use it and apply it into their lives. Anything else is a grave disservice.

I want you to take what I've told you today very seriously, because innovation is going to be the massive differentiating point that will help you dominate your marketplace moving forward.

When you take The Core Profit Spectrum seriously, you will see things more clearly and see things differently than your competitors. Remember, your competitors aren't building their businesses from a position of strength, and that's what we're looking to do here.

Remember:

To succeed, innovators must build on their own strengths. They must look at opportunities over a wide range; then ask which of the opportunities fits me, fits this company.

So I conclude on that note. If you have any further questions, please feel free to log into your Members Area of [Members.PredictableProfits.com](http://Members.PredictableProfits.com). Just click on the Ask Charlie button, and I will be sure to respond to you as soon as I can.

Remember, I'm here to help you succeed and I'll do everything in my power to continue delivering world-class information on what's working today for you.

So that's wraps up our presentation today. Until we talk again – take action, get results and have fun! Thank you again for listening.

[End]