

CHAPTER 1

WHAT THE HECK DO I KNOW?

This book is all about creating a seven-figure net worth in seven years or less. That may sound outrageous . . . even impossible. But it can be done. In fact, I've done it many times.

It started in 1983, when I first decided to get rich.

I was taking a 14-week Dale Carnegie course. Each week, we were given a challenge—to learn how to give a good “hello,” to refrain from criticism . . . that kind of thing. We would read what Dale Carnegie said about the subject in his book *How to Win Friends and Influence People*, figure out how we intended to implement that lesson in our lives, come into class and explain to everyone there what we specifically aimed to do—and then, the following week and for the rest of the course, we would practice that skill and report back to the class on our progress.

The lesson for week four was about priorities. Our challenge was to identify our 10 top goals, narrow them to five, narrow them again to three, and finally pick one as our primary goal.

In his book, Carnegie said something that had a profound impact on me. He said that while it is true that *most* people don't succeed because they don't have clearly defined goals, *some* people fail to make progress because they have too many.

He was right. That was my problem. If you have many goals—as I

did—you can't achieve them all. If you don't narrow them down and prioritize them, you may achieve none of them. I realized that for ambitious people like me (and maybe you, too), establishing priorities is a critical first step toward achieving anything.

So I got to work on our assignment for the week.

It was easy to narrow my many goals to 10, but thinning out the list even further was tough. At the time, I had a decent job as editorial director for a fledgling business-newsletter publisher in south Florida, but I wanted—*really* wanted—to be many things. I wanted to be a novelist, a humanitarian, a teacher, a black belt, a philosopher, a poet, a perfect specimen of physical health and fitness. And, yes, I wanted to be rich, too. (Though, being a child of Woodstock and a former Peace Corps volunteer, I was a little embarrassed by my monetary desires.)

It took me a couple of days to get that list down to five. Getting to three was excruciating, but I managed to do it the day before I was due to announce my number one goal in class. I had 24 hours to choose among my favorite three: writer, teacher, and (my noblest ambition) humanitarian.

The task proved to be almost impossible. In fact, this final cut was so difficult that I was still undecided as I walked into class. And it wasn't until I was actually walking up to the podium that it came to me.

I thought to myself, "Hmm . . . writer, teacher, humanitarian . . . rich guy . . .

"Rich guy! Right! And if I'm not happy with the money, I can always give it away. That would make me a humanitarian!"

HOW TO MAKE DECISIONS THAT STICK

It was a last-minute, illogical, and cowardly decision, but it turned out to be one of the most important decisions I've ever made. It changed my life. It led directly to my becoming wealthy. And it eventually proved to me that I could do just about anything I wanted to do.

This wasn't the first time I had identified a top-of-the-list goal for myself. I had done it plenty of times before. In fact, my longest-standing goal—to become a professional writer—had been at or near the top of my list of "wants" for as long as I could remember, it was a perennial New Year's resolution.

But, as Dale Carnegie said, making a decision to achieve a goal won't do you any good if you have already decided to achieve a dozen other goals.

After we announced our top priority in class, we were told that we had to spend the remaining 10 weeks of the course focusing on it. At the beginning of every day, we had to remind ourselves that we had a purpose. And throughout the day, we had to make sure that all our actions and decisions reflected that purpose.

Dale Carnegie argued—and I've come to believe he was 100 percent correct—that the best way to guarantee that you will accomplish an objective is to make it your number one priority. The combination of making “getting rich” my top priority and focusing on it for 10 straight weeks made a huge difference. In retrospect, it sounds like a commonsense strategy—but to me, at the time, it was revolutionary.

All of a sudden, I was thinking differently at work. Before, when challenged by business problems, I was sometimes unsure about which direction to take. Choices were complicated. Decisions were difficult. I had no way of cutting through the maze, because I didn't have a final objective against which I could measure my options. But once I had “getting rich” as a priority, much of the confusion evaporated. All I had to do was ask myself, “Which choice will result in making me richer?”

I don't mean to imply that I ignored other important considerations (like the editorial quality of our publications, customer satisfaction, etc.). I didn't. But I was no longer stymied by them, either. I'd first figure out which option would result in greater profits for the company (and thus more income for me) . . . and then I'd weigh the other issues accordingly.

Often, I opted to take a course that would result in less profit but more quality (sometimes simply because I felt a moral imperative for quality). Even then, having my number one priority firmly in place made those decisions easier.

ANATOMY OF A REALLY BIG RAISE

Driving to work the day after I made that momentous decision to get rich, I realized that there was no way I was going to do it by gradually working my way up the corporate ladder. I was making \$35,000 at the

time. So, even assuming I would get above-average salary increases, there was no way I'd be enjoying the million-dollar lifestyle I wanted in a timeframe that was acceptable to me.

I had to drastically increase my income. And since my only income at the time was my salary, it was crystal clear to me that I had to transform myself. I could no longer afford to be an editorial taskmaster. I had to somehow become my company's top employee.

Prior to making that decision, I had been spending lots of my time fussing with the company's editors, trying to get them to write better. "Better" to me meant writing the way my college English professors had taught me to write. But now that I had this clear focus—on getting rich—I realized instantly that I had been wasting my time. Ninety-eight percent of the people reading our newsletters didn't care about the stylistics or grammar. What they cared about were exciting, money-making ideas.

If I wanted to help my company grow, I had to forget about Strunk & White and the *Chicago Manual of Style* and focus on how to find more and better opportunities for our subscribers.

So that's what I did. In doing so, I realized that the growth of the company would depend on the direct-mail efforts made by our marketing department to attract new customers and keep old ones. I didn't know anything about that side of the business, but I committed to learning all about it. I read everything I could lay my hands on—including the marketing classics written by David Ogilvy, Claude Hopkins, John Caples, and Eugene Schwartz. Based on what I read, I started asking questions. How many pieces are we mailing? What elements are we testing? Why didn't we include a business reply envelope in that package?

Just by asking those kinds of questions, I was letting the higher-ups in the company know that I wanted to advance. This was appreciated by some . . . but the director of marketing didn't like it. She thought I should stick to the editorial side of the business. I could understand her point of view and would have acceded to her request . . . except for one thing: I had made myself that promise to get wealthy.

DON'T BE AFRAID OF YOUR UNDERLINGS

I assured her that I had no intentions of stealing her job. I told her that I wanted to help her succeed by dovetailing editorial and marketing. If

she had the same commitment to the company's future that I had, she would have recognized in me a great ally. But instead she looked at me as an enemy.

The more I learned about marketing, the less she liked me. She eventually ended up devoting an insane amount of her time to trying to get me fired. She would get her husband, a writer, to criticize the editorial work I had done, and she would relay those criticisms to the owner of the company. He would call me in, and she would repeat the charges. I would defend myself, and, since she knew nothing about writing or editing, she couldn't refute me. In fact, a few of her husband's criticisms might have made sense, but she wasn't able to make a convincing argument for them. The end result of all those encounters was bad for her. She was embarrassing herself in front of the one person in the company she should have been trying to please.

She should have retreated and let me do my thing, but she persisted. Finally, she gave the boss an ultimatum: "It's him or me," she said. Bad career move.

A month later, I was up for a review. The boss was so pleased with my progress, he gave me the biggest raise he'd ever given anyone: from \$35,000 to \$55,000.

It was a generous raise, and I was grateful to him for it. But because I had made getting wealthy my number one priority, I had to say, "Thanks. It's great. But I need more."

He looked at me, shocked.

"But you don't deserve more," he said.

"I know," I admitted. "But if you give me more I'll make myself worth it. I'll find a way to pay you back a hundredfold by making the business much more profitable."

He said, "Let me think about it overnight." The next morning, I was making \$70,000.

BECOMING A CHICKEN ENTREPRENEUR

Six months later, I was working two jobs: heading up the editorial group and editing promotions for the marketing department. My boss decided not to replace the departed director. Instead, he was going to teach me what he knew about selling (which was considerable).

Neither of us was an expert in direct-mail marketing, but he was confident we could figure it out.

I applied the ideas I had read about, and he provided the wisdom he'd accumulated from 20 years of being in business. We also spent some time studying the promotions of our most successful competitors. Piece by piece, we were able to figure out why most of the packages we were mailing weren't doing very well and how to create new ones that did better. Month by month, our little publishing business went from losing \$15,000 a month to making about that much.

A year later, I was ready to test myself against the competition. I decided to create my own product and sell it using my own direct-mail package. I had been studying the investment advisory market for some time, and had an idea for a new and better type of financial newsletter.

Working at home at night and on weekends, I outlined the project, created the product, wrote the editorial copy, wrote the promotion, made contacts, and so on.

When it was ready, I went to my boss and told him that I had invented an entirely new type of newsletter, that I had written a promotion for it, and I was hoping that, if he liked it, he would let me take "a piece of the action."

"You're an employee," he said. "What makes you think I should give you a piece of this thing?"

"I did it on my own time," I told him.

"As far as I'm concerned," he said, "all your time is mine."

I argued that the product itself was completely new and different. He shrugged his shoulders.

Finally, I said that I knew I couldn't expect him to give me huge salary increases every six months . . . so I figured getting a piece of a product was a good way for me to get what I wanted without taking anything out of his pocket.

That seemed to make sense to him. Once again, he said he'd think about it overnight. And once again, when I arrived at work the next morning, I was a richer man.

Not richer immediately. The promotion I wrote for my newsletter—thanks to all the help he gave me to improve it—was a big hit. But as I was about to learn, success is expensive. To bring the circulation of that newsletter up to where it needed to be that first year was going to cost us about \$2 million in marketing expenses.

My boss made me mortgage the little bit of equity I had in my starter home and car to support my 25 percent stake. By forcing me to risk the only money I had, he taught me a lesson about the value of money.

My debt was up to almost half a million dollars when the cash flow of the newsletter started to turn around. I remember the first day we had a positive bottom line. My share of that day's profits was \$7,000! I went home and told my wife that we had made an extra \$7,000 that day . . . and that I didn't do any extra work to get it.

"That's the value of equity," I told her. A year later, my stake in the newsletter was worth about \$1.5 million.

That entire process—from deciding I wanted to become rich to becoming a millionaire—took less than two years.

BUT THAT WAS JUST THE BEGINNING

In the 10 years that followed my first million-dollar venture, I started or co-started at least 50 separate and distinct businesses. Everything from resale to wholesale to manufacturing to import-export to information publishing and various services.

I was also involved in just about every form of marketing, including direct sales, direct marketing, television commercials, magazine advertising, point-of-purchase promotions, radio advertising, and Internet-based promotions.

I sold houses, cars, office furniture, televisions, watches, perfume, costume jewelry, magazines, newsletters, special reports, books, seminars, conferences, trade shows, nutritional products, promotional gimmicks, club memberships—you name it.

In the beginning, most of my attempts failed. As I gained experience, my batting average improved. Eventually, my track record for successful launches was about 70 percent. And at least half of the successful launches I was involved in became multimillion-dollar-makers.

Some of those businesses lasted only a few years. Others have been alive and kicking for decades. (One of them grew into a highly profitable \$20 million business that is still going strong 20 years later.)

From each of them, I earned a good deal of money . . . and most of that money went into savings. What I did with those savings made

me very wealthy. Looking back at the many successes I enjoyed during that period of time (from 1981 to 1992), I can honestly say that none of the two dozen (or so) fortunes I made took more than seven years to achieve. The vast majority, in fact, were made in around three years.

In 1992, I retired from business for 18 months. During that time, I wrote dozens of short stories and published 12. Of those that were published, two won literary prizes. But my total compensation for all the work I did during that 18-month period (apart from the considerable gratification of winning those awards) was only about \$875.

In 1993, I went back into business with a former competitor. His business was doing about \$25 million in sales, but it had no profits. Our mutually agreed upon goal was to increase the profits as soon as possible. Within 12 months, we had earned our first million dollars.

In the 13 years that have transpired since then, that business has grown substantially. Today, revenues are in excess of \$200 million, and profits are through the roof.

When I started my business career for the second time, there were plenty of things I wanted to do differently. For one thing, I didn't want to sell "stuff." What I wanted to do was sell good ideas. And the company I went to work for was chock-full of brainy, idea-oriented people.

My second business career has demanded all sorts of different skills and habits, and I happily developed them. During the last 13 years, I have started or co-started dozens of businesses within the context of this company, and almost every one of them hit the million-dollar mark in four years or less.

I have learned from my successes and from my failures. And what I didn't learn from my own experiences, I learned from the experiences of people I know. I've passed it all on to friends and colleagues who have become wealthy by following in my footsteps. (Some of them are now even wealthier than I am.)

And now, I pass it on to you . . .

When it comes to building a seven-figure fortune, seven years is not a long time to wait. Time passes regardless of what you do. So why not spend the next seven years getting wealthy?

You have a choice. You can read this book and follow the plan, or you can put it down and click on the television. You can do that today. And you can do that tomorrow. Watching television is the easier choice. But it's not likely to help you achieve your goals.

If you decide to put down this book and watch the boob tube instead, you'll almost assuredly wake up one day and ask yourself, "Whatever happened to my idea of becoming a millionaire before I was [fill in the blank] years old?"

If you really want to know what it feels like to be financially independent—to be able to quit working while still enjoying a comfortable lifestyle (and with plenty of "go-to-hell" money in your pocket)—follow the suggestions you will find in *Seven Years to Seven Figures*.

Remember, there is nothing in this book—not one piece of advice or specific recommendation—that hasn't already worked for me or someone I know.

