

## PRINCIPLE 1

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# *Creating Your Own Unique Product or Service*

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It takes as much energy to wish as it does to plan.

—Eleanor Roosevelt

In this chapter, you will learn how to identify your most marketable passions, and then turn these passions into profit to lay the foundation for becoming an Affluent Entrepreneur. You will learn how to create a unique selling proposition and how to create, develop, or acquire a product or service unlike anyone else's. You will learn how to keep your overhead low. You will learn not only how to create a business plan, but also how to implement it completely within a realistic timeframe. You will learn how to identify problems in the marketplace and how to create solutions for those problems. Finally, you will learn how Frederick Weyerhaeuser created a very unique product, and ultimately, became one of the grandest real estate investors of our time.

### **IDENTIFY PROBLEMS OR OPPORTUNITIES IN THE MARKETPLACE**

After you've decided to become a business owner, it's important to identify your most marketable passions. Remember, you must do work that you love, so we'll go through a process of self-discovery where you'll determine your strengths and what you love to do. After answering a series of questions, I'll lead you through some steps to examine your level of success as an entrepreneur and to

help you determine whether your product or service will be successful. Once you've settled on your product or service, I'll show you how to do the required market research. Then you'll learn how to write a business plan and find seed money to launch your new business.

Opportunities are all around if we open our eyes and look for them. The reason why most businesses fail is simply because they don't ask themselves the question: *Does the need for my product or service actually exist in the marketplace?* This may be the most important question a new entrepreneur can ask himself. Before throwing time and money at a business venture, the new entrepreneur must ask whether the marketplace has a true problem and whether his proposed product or service can actually solve that problem. Below are examples of Affluent Entrepreneurs who have created products or services that identified problems and then built companies to solve those problems for their customers.

My first example comes from my own region of the country in the Northwest. My family and I have lived in the Seattle area since I graduated from the University of Montana in 1991. In 1997, we moved to Bainbridge Island (located 8 miles west of Seattle across the Puget Sound, which is a 35-minute ferry ride to the city). Bainbridge Island has truly been a great place to raise our family, but there is one challenge with living there—it is very difficult to get from Bainbridge to Sea-Tac Airport for early morning flights.

Years and years ago, one of your options was to drive around the back way across two bridges to get to the airport (which is a 90-minute drive) and be stuck paying high airport parking fees. Another option was to drive your car on and off the ferry in both directions, which took less time, but you had to pay car tolls on the ferry, and you would still be stuck paying airport parking. The third option was to hope and pray that a cab was available. If there was one, you then had to hope and pray that you were not attacked by one of the cab drivers, since they would aggressively coerce you to get into their cabs if they saw you walking down the ramp with a roller bag. Finally the last option was to walk six blocks

up from the ferry to catch a bus or light rail train, the problem being that these modes of transportation were six blocks straight up a hill, so not a real option when you're carrying luggage.

Several years ago, Paul (he provides such great service that everyone on Bainbridge just knows him as "Paul" although his full name is Harpal S. Baul) recognized that in Seattle, a metropolitan population of around 3.8 million people, he could start a town car/limo service that virtually and exclusively served the 20,000 people living on Bainbridge Island to help us eliminate the stresses of getting from the ferry terminal to the airport, and upon our return arrivals, serve our needs by getting us from the airport to the ferry terminal.

Paul now has 12 cars and the nicest drivers I have ever met. In fact, Paul loves his job so much that he too continues to drive and serve his customers. We residents of Bainbridge call him 24/7/365, and he always has a limo/town car waiting for us at the curb taking us to and from the airport. If you can believe it, he provides this service for a flat fee that is the same price as a cab, or sometimes a little less since cab meters continue to run when there is a lot of traffic.

One time when I was traveling, I had scheduled two speeches in one week, one speech in San Diego and the other in Minneapolis. Since I always try to limit my nights away from home, I decided to come home that Tuesday night to be with my family before flying out yet a second time in the same week on Wednesday morning. And so I was going to use Paul's service on four one-ways that week. Upon arriving at the airport on the first leg, I asked Paul whether he could just process my Visa card for four trips that week and let his other drivers know that I was paid in full all week.

I will never forget how Paul responded. He said, repeating himself, "Patrick, you are the customer; of course, whatever you want, I can do for you. Whatever you need, I can make happen!" I dropped my jaw. His comments reaffirmed how special a person he was and that he was indeed an Affluent Entrepreneur ready to solve his customer's problems. He and his team continue to amaze me. He always goes the extra mile to do whatever the customer needs.

A year earlier, I had sat on the Bainbridge Island Lacrosse Board for our high school team. At that time, cutbacks had hit the school district, and we learned at the last minute that our JV lacrosse team (which plays its away games at 5 PM) would not be able to get school district bus service for our away games. Additionally, the other challenge was that many of the parents work during the day and can't get off work at 3 PM to drive their kids to the games. So after contemplating this quandary, we called some private busing companies in Seattle to get a price quote. Then we called Paul. You guessed it; he was more affordable and dependable than a private bus company. Roughly 20 to 25 JV lacrosse players got off the ferry in Seattle and jumped into three of Paul's stretch limos to and from the games on several occasions that season. The kids loved every bit of it, and it was no wonder that some of the other teams disliked Bainbridge lacrosse—not only are they envious of the team's state championships, but on several occasions, the team members have traveled in style to and from their games in stretch limos.

I share with you these stories because Paul and his company, Imperial Limousine, is a perfect example of an Affluent Entrepreneur scoping the marketplace in Seattle to search for a problem and then creating a venture to provide a solution. As a result, you can ask any adult living on Bainbridge Island how he gets to and from the airport and everyone will simply answer, "Paul, of course!"

I challenge you to do the same. Look for a problem in the marketplace, whether it is in your backyard or in the global community; then create a business with a product or service to provide the solution. When you carry out this simple process of due diligence, you successfully take the first step in eliminating your dependence on your day job and make progress toward becoming an Affluent Entrepreneur.

## **DO WHAT YOU ARE GOOD AT AND ENJOY**

Next, take an inventory of your talents, your skills, and your god-given abilities. In doing so, you need to learn to recognize what you

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are good at and enjoy. During my many years of selling printed circuit boards, I enjoyed and was good at the selling part, but I didn't have a passion for how technology works. I don't care how it works; I just enjoy the results it provides. My discovery that I didn't have a passion for technology made it easier for me to transition full-time into my own business (for which I am passionate) after my layoffs in 2001 and 2002, as opposed to continuing to do something I did not enjoy.

What do you enjoy? What are you good at? How do you spend your free time during your evenings and weekends? If you won the lottery and money were no longer an issue, what would you do, and how would you spend your time? Chances are you can transform your passions into your profession. Find something you love to do where you can serve a need in the marketplace and then build your empire, your business, on this premise . . . and as a result, you will never have to work another day of your life.

I quit my job at age 36 on my own terms. Since then I have been traveling the world as an inspirational speaker, best-selling author, and publishing and book marketing coach. Yes, it is true, I do put in long hours, but I must say that I have not worked a day of my life in the last seven plus years. What I do is not work—it is fun; it is my passion; it is what I love to do.

As I write this book, I am approximately two-thirds of the way across the Pacific Ocean on a Cathay Pacific flight from Los Angeles to Hong Kong. After a short layover in Hong Kong, I will take another flight to Kuala Lumpur, Malaysia where I will be the featured keynote speaker at the Malaysia 2009 Sales and Money Conference. I will speak for six hours or so to 500 business owners and salespeople. Many of these attendees will become my good friends, clients, and business partners. I will get to see yet another beautiful part of the world and meet so many great people. Again I ask, *Is this work?* Absolutely not! It's a four-day minivacation to the other side of earth. Better yet, the organization that has hired me to speak is paying for my entire trip plus

my speaking fee. I don't share this story with you to impress you, only to let you see that when you do what you love, and do what you enjoy, you can make a tremendous living and pursue the life of an Affluent Entrepreneur.

Another example I want to share with you comes from a college buddy of mine named Scot Engler. He and I attended the University of Montana together. He lived in the next dorm room over, and we hung out together for all four years of college. He was an incredible athlete and all around great guy. He played football for the Grizzlies before a knee injury ended his career.

Scot and several of my other buddies often (at least I thought so) seemed to waste a lot of time in college not studying. I remember them collecting baseball cards, playing fantasy baseball, video games, and always getting the newspaper tracking stats of their favorite baseball players. I thought Scot was wasting his great potential on his hobby when he could be doing something else that would help him to succeed in life. But little did I know he would become one of my most successful friends by doing exactly what he has always loved—baseball.

After a few odd jobs out of college, he landed an internship working with a pro baseball team. After working his way up in the ranks, he has been a pro baseball scout for the last 15 years. He has worked for the Montreal Expos, Florida Marlins, and now is a pro scout for the Texas Rangers. When I say pro scout, I mean that he only scouts players who are already in the major leagues. He makes his living do nothing more than watching pro baseball games, looking for talent, and making recommendations to his General Manager based on his observations and stats analysis in hopes of facilitating trades to improve the team's roster. A tough life—watching baseball, analyzing stats, and negotiating with agents. Sounds a lot like what he did in college. Boy, was I wrong. I always knew he was a great guy and was going to be successful, but I never knew how successful he would become just by doing what he loves. He truly is an Affluent Entrepreneur even though he has a job. How can I say

this? Because he has a skill set he can apply to any team in professional baseball.

Again, I challenge you to do the same! Find something you love, something you have a god-given talent for and that you are good at, and something you enjoy; then build your business, your empire, around these talents. In doing so, you too will be on your way to becoming an Affluent Entrepreneur.

## **MOST MARKETABLE PASSIONS**

The next step in the process is trying to select the one passion you have that you think will give you the best shot at achieving prosperity. If you are like most people, you have many, many talents and passions. The key is to evaluate each of these passions and find the one you think has the best chance of filling a need in the marketplace.

For example, I have a passion for the National Football League—so much so that as you may have read in my first book, *Creating Your Own Destiny*, I have a goal to own an NFL football team by age 50. My team either will be an expansion team called the Hawaii Tiger Sharks in Honolulu or I would like to purchase the Seattle Seahawks. We will talk more about that passion in a later chapter.

Over the years, I have come to grips with the fact that although owning my own NFL team is a major passion of mine, it is not the most marketable passion at the present time in my career. My most marketable passion is professional speaking, high-volume book sales, and publishing and book marketing coaching. I believe these are the vehicles to help me achieve my financial goals. If you study the current owners in the NFL (other than those who inherited their teams from their families), you will find that virtually all earned the seed money to purchase their teams outside of the NFL in other business ventures that were in alignment with their most marketable passions.

## EXERCISE

I've shared these stories with you because I want you to soul-search. Write down a list of what you consider are your talents, what you enjoy, and how you want to spend your time. If you need more room than provided below, get out a separate sheet of paper.

### What are my talents?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### What do I enjoy?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### How do I want to spend my time?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_



Now go through those lists and circle the two things you think are the most marketable. Finally, do your research and determine which one of the two has the greatest opportunity for you to solve problems or needs in the marketplace. As a result of going through this process you will discover your most marketable passion.

## UNIQUE SELLING PROPOSITION

When deciding what kinds of products or services to sell, it is important to ask yourself WHY people will buy your product or service instead of your competitor's. You need to determine what Doug Hall, author of *Jump Start Your Business Brain*, calls a "Unique Selling Proposition" so you can set yourself apart from the others.

For example, if you decide to sell calculators on the Internet, you had better come up with a darn good reason why people should buy *your* calculators since they could just as easily go to the local office supply store and pick one up the same day.

As a professional speaker and author, I try to set myself apart from the other speakers by advising the meeting planners that, when they pay my speaking fee, I also include several free copies of my book, *Creating Your Own Destiny*, and that I will cover all of my transportation costs and meals. (Most speakers will try to nickel-and-dime a meeting planner to death trying to get upgrades on flights, limo rides to and from the airport, as well as dining in expensive restaurants on their dime.) Because I cover all of these expenses and throw in copies of my book, meeting planners have a more enjoyable experience booking me to speak instead of my competition.

## KEEPING YOUR OVERHEAD LOW

When starting a business, it is absolutely crucial to keep your expenses low. You need to be aware of numerous operating expenses, especially the ones that can be eliminated altogether.

## EXERCISE

**Think of one of your favorite companies and list three reasons why you buy from it instead of buying from its competition:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**Now write down three reasons why people will buy your product or service (these reasons become your Unique Selling Proposition):**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

For example, many of you reading this book may have a one-person enterprise, or perhaps have a team of 10 people or less. Based on this size (unless you are a retail establishment) there is really no need for you to go out and lease office space, which can be a costly expense and is completely unnecessary. If you have an extra bedroom, garage, or anywhere in your residence with a door to shut out noise from the rest of the house, then you can set up your home office.

You will need a quiet area that has multiple outlets to plug in your computer, router, phone, printer, and so on. If you feel that you need a nice place to meet clients . . . take them out to a restaurant, coffee shop, or country club to conduct your meeting, but don't bring them to your residence if you feel your home office is not impressive. Your home office does NOT need to be impressive; it needs to be functional!

For years, I operated my business, The Snow Group, out of the comforts, or lack thereof, of my garage. Why my garage? Well, we lived in a three-bedroom, two-bath house, and each of

my boys wanted his own room. I wanted to be somewhere away from the noise of a busy household where I could shut my door and have silence. I also needed a place where I could inventory all of my books and the ping-pong table provides ample countertop space for sending out preview books on a daily basis.

Five hundred dollars later in paint and added outlets, I had converted my garage into my home office. One of my close friends immediately named my home office “HQ” (for headquarters), and now everyone close to me knows where I am when I say I’m working at “HQ.” If you have a team of business partners or employees, encourage them all to work out of their homes as well.

Save your money for marketing your business, because marketing directly returns revenues to your bottom line. Fancy office space does nothing more than give you unneeded extra stress each and every month while you worry about making your monthly lease payments. If you can keep your overhead low, you will be well on your way to becoming an Affluent Entrepreneur.

## **WRITING A BUSINESS PLAN**

I saved the best for last. The most important thing you can do for your business is to write a business plan so you know how you are going to pull it all off. You may have it all in your head, which is a good start, but for a strong finish, you must have a business plan. Struggling Entrepreneurs don’t have business plans; Affluent Entrepreneurs do. Struggling Entrepreneurs are broke; Affluent Entrepreneurs are prosperous. A business plan may come in many forms and doesn’t need to be 30 to 40 pages. It can be as short as 10 to 15 pages. A major reason for your business plan is that you may need to raise seed money for your business, and investors will be more apt to give you money if they can see that you went through the process of writing a business plan.

I have written many, many business plans over the years. The first was for an entrepreneurship class in college for Dr. Paul Larsen at the University of Montana. This process was without

question absolutely the most important experience I had at UM. It was here that I placed third as an undergraduate in an MBA graduate business plan competition (very good, considering I was an undergraduate studying political science).

There are many variations and components of a strong business plan. The style or formation you use does not really matter; what matters is that you actually create one and then follow it as you launch your venture. A detailed business plan needs to include the following:

*Executive Summary.* An Executive Summary is a one-page complete overview of your business model, proving that a need exists in the marketplace for your product or service. It also lists the owners/management team for your venture, offering their experience in your venture's industry. This page also gives a quick overview of the sales and marketing plan and finally a brief listing of competition and an implementation schedule.

*Mission Statement.* A Mission Statement is typically two to three paragraphs that describe why you are launching your business and what you hope to accomplish. Typically, here you would describe the level of experience you desire to give to your customer from your service and the benefits your customers will receive as a result of using your product.

*Vision Statement.* People sometimes think that a Vision Statement is the same as a Mission Statement, but there is definitely a difference. A Vision Statement is typically a one-page overview of what your company will look like 3 to 5 or maybe even 10 years down the road, including where your company will stand among its competition, its annual revenues, and the qualities of the products and services offered.

*The Current Problem.* The Current Problem is a detailed analysis of the market conditions as a result of performing due diligence, interviewing customers of the product or services, and interviewing other companies in the industry. This process is all about doing whatever you can to identify the problems in the current marketplace.

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*Your Solution.* Your Solution is your company's overall solution and strategies to fix, solve, or improve the level of service that existing customers in the industry are experiencing. It is about providing a better, more enjoyable experience for the customer.

*The Sales Strategy.* The Sales Strategy is about the model you intend to use to market your company's product or service. For example, are you going to hire direct salaried employees to fill out your sales team? Are you going to go with some type of commission-based incentive for your representatives? Are you going to position your company using a direct sales model? Perhaps you are going to rely on referral selling or joint ventures. Also if not you, then who will be the people responsible for driving revenue to your bottom line?

*The Marketing Strategy.* The Marketing Strategy is all about how you are going to brand your product in the marketplace to determine the exact methods for launching your product or service. Are you going to spend money on advertising or implement more cost-effective marketing strategies?

*Profit and Loss Cash Flow Analysis.* Profit and Loss Cash Flow Analysis is about determining what your company's actual cash-flow needs are and how profits and revenues will be reinvested into the company. Part of this process is determining how much you as the owner draw out of the business as the owner and CEO.

*The Competition.* The Competition is about performing analysis of the strengths and weaknesses of your competitors to determine how your business can do a better job in service and pricing, as well as showing how your product or service is superior to your competitors' products and services.

*The Challenges.* The Challenges is all about determining which market forces are working against you, including overhead and operating expenses. Other challenges may include attracting seed money or investors to give you enough funding to ensure your success.

*Implementation Schedule.* The Implementation Schedule determines the timetable in which you launch your business model,

bring in revenues, and determine what additional resources are purchased to reinvest in your business.

*Key Points to Ensure Success.* The Key Points to Ensure Success may be the most important part of this process, which will determine exactly what you need to ensure so no matter what the market conditions are, your business is a success.

As you can see, there are many components to writing a successful business plan. But most important, writing a business plan is the best way to give your company a shot at succeeding. Too many businesses fail, and when you get right down to determining the reasons for those failures, you will see that often many of them never took the time to actually write a business plan.

### **AFFLUENT ENTREPRENEUR PROFILE FREDERICK WEYERHAEUSER**

At 18 years of age, Frederick Weyerhaeuser emigrated from Germany to the United States and immediately began his career working in a sawmill. He eventually bought that sawmill and began purchasing others as well. In 1872, he launched the Mississippi Boom and Logging Company.

Weyerhaeuser went on in 1900 to purchase 900,000 acres of timberland in the Pacific Northwest from James J. Hill (a railroad baron) and founded The Weyerhaeuser Timber Company. He eventually acquired interests in Potlatch Corporation and Boise Cascade in Idaho. His strategy was to purchase millions of acres of land at undervalued prices and use the land for timber, sawmills, paper factories, and other such enterprises.

Talk about a “buy low and hold” real-estate investor—he was the real deal. He had discovered a rather unique

product: millions of acres of land. And his unique selling proposition was this: He owned most of it—the timber, the mills, and the entire supply chain. Best of all, because Weyerhaeuser reforested, the timber would replace itself again completely over time without his ever having to cash in his chips and sell the land. He learned to take farming to another level altogether. As a result, Weyerhaeuser amassed a personal fortune of an estimated \$72 billion (in 2006).

## SUMMARY

Creating your own product or service that is unique to the marketplace is an absolute must if you are to succeed in business. However, as important as finding the right product is, one thing even more important is to find a business that matches your passions and is marketable in today's economy.

To further drive this point home, I encourage you to read Marsha Sinetar's book *Do What You Love, The Money Will Follow*. I think her title pretty much describes what this process is all about. When you follow this advice, you will wake up each morning with a zeal for life, a desire to serve other people, and a mission to add value. As a result, you will thrive, create your own destiny, and become an Affluent Entrepreneur. And as an added bonus, you will never have to work another day in your life.

Conversely, if you rely on your current job to help you achieve your destiny, you may be severely disappointed in the years to come. Ask any baby boomer whether her job lasted forever, and you will quickly learn that jobs are nothing more than temporary vehicles to earn you seed money to build your business and become an Affluent Entrepreneur.

My concern and hope is that you do not get brainwashed into the trap of having a job and thinking that is the way to prosperity.

It is not! If you go down that route and don't save and invest enough money, eventually your funds will run out, and you will be forced to join hundreds of thousands of others who will desperately accept any job they can get and end up having to memorize the following, "*Would you like fries with your burger?*"

I challenge you to be inspired by Weyerhaeuser's story and create a unique product or service that can provide for your family for your lifetime, and for many generations to come.