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BUSINESS SUCCESS

THE ULTIMATE
NO HOLDS BARRED



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TOUGH &
SPIRITED
GUIDE



Dan Kennedy

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—Jerry Jones, CEO, Jerry Jones Direct

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—*Houston Business Journal*

"...there are even paragraphs of your writing that are as good as Tom Wolfe's. And I should know. I published an original 7,500 word piece by Mr. Wolfe."

—Rich Karlgaard, Contributing Editor/Publisher, *Forbes Magazine*, Forbes.com

NO B.S. **BUSINESS** **SUCCESS**

THE ULTIMATE
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GUIDE

Dan Kennedy

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Foreword

by Brian Tracy

✦ You are about to get into a business *championship fight*. In this book, you will be knocked around, and many of your most cherished ideas will get punched and stomped on. Like a roller coaster, your stomach will drop, and you might have trouble breathing. But don't worry, you'll arrive safely at the other end.

In my years as a consultant and business speaker, I've written 28 books, translated into 20 languages, and produced more than 300 audio and video learning programs. I have a good understanding of the importance and value of good business ideas.

My friend Dan Kennedy is unique, a genius in many ways. I have always admired his ability to see the vital truths in any business and to state these realities with straight language and clear definitions.

Dan has written a timeless book, with ideas, insights, and methods you can use immediately to get better, faster business results.

His approach is direct. His ideas are controversial. His ability to get results for his clients is unchallenged. When you read, learn, and apply what you discover in the pages ahead, your business life and your income will change forever.

Put up your mental tray tables. Put on your conceptual seatbelts. You are entering an area of considerable turbulence. But you will come out of this experience a better businessperson than you ever have been. You will arrive at your destination of business success and profitability faster than you ever thought possible.

Good luck, and *bon voyage!*

—Brian Tracy

Brian Tracy is one of America's most sought after and popular professional speakers, author of dozens of business books (including *Turbo Strategy: 21 Ways to Transform Your Business*), and a visionary thinker about business trends, opportunities, and strategies. Learn more about him at www.briantracy.com.

Preface

Just a spoonful of sugar helps the medicine go down.

—R. SHERMAN, FROM *MARY POPPINS*

Welcome to what I sincerely hope is the most truthful, blunt, straightforward, non-sugarcoated, no pabulum, no holds barred, no-nonsense, no B.S. book you have ever read on succeeding as an entrepreneur.

I wrote the first edition of this book back in 1993, and since then, I've personally heard from thousands of readers from all over the world. You saw a few of their comments on the opening pages of this book. It struck a chord with entrepreneurs; the chord of authenticity. No college classroom theory, no baloney. Real world truths from somebody who succeeds day in, day out, as an entrepreneur, working without a net. Since then, a lot has happened in my life, business and personal. For example, I've sold two businesses I built up; walked away from a very important and lucrative nine-year business relationship; made well-planned, continual, evolutionary changes in my other businesses; gone through a divorce after 22 years of marriage; been diagnosed diabetic; and more. I'm pleased to report I'm happier than I've been in many years and am living the life I set out to live.

Anyway, all these changes, new experiences, and lessons I've learned from my clients certainly warranted a complete updating of this book.

It is a personal book, me talking straight with you, as if I was consulting with you and as if we were sitting around at the end of the day on my deck, watching the sunset, enjoying adult beverages, and just hanging out. Because it is personal, along the way I'll be telling you quite a bit about me and about my business life—past, present, and future. None of this is about bragging. I have no need for that or interest in doing it. What I share, I tell you so that you understand the basis for the advice and opinions I dispense.

I have occasionally been introduced as The Professor of Harsh Reality. This does NOT mean I'm negative. If anything, I'm one of the most optimistic, positive-minded people you'll ever meet. However, I do not believe in confusing positive thinking with fantasy. And the word *optimism*, like many words in our perplexing English language, has more than one meaning. There's a mammoth difference between earned, deserved, justified optimism and wild-eyed, blue-sky, stubborn optimism.

I've discovered that I'm most successful when I have a firm grip on what is and least successful when caught wrestling with what ought to be.

In this book, I've tried to share, from my 25-plus years of entrepreneurial adventure, what is. Not what *should be* or what is only in theoretical books, classrooms, or seminar rooms.

If You Are Already in Business for Yourself

This book will help you go forward more astutely, efficiently, productively, and confidently. I think you'll also catch yourself nodding as you go along, saying to yourself, "This guy has been

where I live." Sometimes there is value in just finding out you're not alone! The very first "success education" that I was ever exposed to was a set of recordings by Earl Nightingale titled *Lead the Field*, that I listened to when I was in my early teens. In those tapes, Nightingale gave me badly needed permission to violate the norms I saw around me, with his dramatic statement:

If you have no successful example to follow in whatever endeavor you choose, you may simply look at what everyone else around you is doing and do the opposite, because—THE MAJORITY IS ALWAYS WRONG.

That may not be a precise, verbatim quote; but it is what I recall and have stored in my subconscious as a primary guiding principle. This leads to my strategy of deliberately questioning all industry norms, deliberately violating most of them, and encouraging my clients to do the same. It also led to my coining of the term "Mediocre Majority" to succinctly describe the vast undistinguished middle of any industry or profession. Anyway, Earl said a lot of things I had been thinking but had never heard anyone validate, and that gave me a great boost of confidence and conviction. Maybe some of my words, here, will do the same for you.

Most entrepreneurs tell me that the feeling they get from this book make them instantly eager to share it with other entrepreneurs. Please do so! If you want some place to send them, refer to www.nobsbooks.com.

If You Have Not Yet Started in Business but Intend To

This book might scare you off. If it does, consider it a favor; you're too easily spooked to succeed anyway. The entrepreneurial arena is no place for the timid, nervous, or easily worried to come and play.

If it doesn't scare you off, it will help you avoid many pitfalls and problems and help you cope with those that can't be avoided. It will not cover the basics. There are plenty of books out there on the basics, and we're not going to cover the same ground all over again. This is not a how-to-start-a-small-business book. This is a go-for-the-jugular success book.

As I said earlier, I am not a fuzzy-headed academic, pocket-protector-and-wingtip-shoes accountant, or other theorist, although plenty of these pretenders write business books. I'm also not a retired authority who runs a business in my memory. I've been on the firing line meeting a payroll, battling the bankers and bureaucrats, struggling to satisfy customers, and solving real business problems. Over years, I've arrived at a point where my own business is engineered to meet all my lifestyle preferences—for example, only one employee, in a distant office, not underfoot; no set hours; no unscheduled phone calls. But still, I deal with clients and vendors and real business life just like you do. I also work very hands-on with clients in a wide variety of businesses, as well as being "the consultant to the consultants"—I advise more than 50 different leading marketing and business consultants, each exclusively serving a different business or professional niche, in direct, hands-on relationships with more than one million small business owners. I want you to know this because I think it makes this book more valuable to you.

I'll never forget taking over a company with 43 employees, never having managed more than two people in my life. I grabbed every management book I could get my paws on and sucked up all the experts' advice. Then, after a couple of months of getting my brains beat in every day by my employees, I started to look critically at the credentials of those "expert" authors.

Most of them had **never**—I repeat, **never**—**managed** a workforce. These geniuses spewing out creative management, nonmanipulative management, Japanese management, open-door management, and **everything-else** management wouldn't have survived a week in the real world. I resent those authors to this day. And it's a shame that a lot of college kids get that management theory, that is, fantasy sold to them as reality. So, I chucked all their books, rolled up my sleeves, used my common sense, and started finding out what really works and what doesn't.

Ever since then, I look at every new business book with suspicion. Most won't pass muster because most can't pass the real-experience test. I was originally motivated to write this book largely because reading most of the other books written for and sold to entrepreneurs turned my stomach.

I also want you to know that there are a lot more things I haven't got a clue about than there are things I understand; in this book, I have not dealt with any of the many things I'm in the dark about. Everything in here is based on my own expensive experience. It may not be right. You may not agree with it. But at least you should know that I didn't swipe it out of somebody else's book, give it a jazzy new psychobabble name, and pass it off as a new miracle tonic.

It's about Getting Rich

I also know you can't eat philosophy. So, although there is a lot of my own philosophy in this book, its primary job is to show you how to make more money than you ever imagined possible, faster than you can believe possible. This is a book about getting rich. If that offends you, please put this book back on the shelf or take it back to the store and get a refund. Spend your money on

milk and cookies instead. You'll be happier. In fact, I'd like to quickly clear up a big misconception about what being an entrepreneur and owning and building a business is all about. The purpose is *not* to employ people, *not* to do social good, *not* to pay taxes. A lot of liberals think those are the purposes of business. Nuts to them. The purpose of being an entrepreneur is to get really, really rich, and reward yourself for taking on all the risk and responsibility with exactly the kind of life and lifestyle you want. Facilitating that is the sole aim of this book.

Before getting into the "meat," on the next few pages, you'll find a brief description of my business activities past and present and my current business in the back of the book beginning on page 247. I think you'll benefit more from the book if you understand where I'm coming from; however, you can choose to skip these pages if you like and jump right to Chapter 1. Your choice.

I'd like to explain the *Mary Poppins* quote at the top of this Preface. *Mary Poppins* was one of the first movies I was taken to see in a theater as a child. I watched it just the other night on cable TV and enjoyed it thoroughly. If you've seen it, you can probably call up the scene of Julie Andrews and the children singing the "just a spoonful of sugar helps the medicine go down" song. It's a lovely thought. (Or as she would say, "lovely.") In real business life, however, the emotional need for spoonfuls of sugar is very dangerous. How well you can take medicine—deal with reality—has a great deal to do with how successful you are as an entrepreneur.

There's a legendary book by Napoleon Hill I hope you've read, titled *Think and Grow Rich*. In that book, he enumerates 17 success principles adhered to in common by the hundreds of history's greatest entrepreneurial achievers he studied, interviewed

and worked with, such as Andrew Carnegie, Henry Ford, Thomas Edison, and so on. Of the 17 principles, the one everybody seems to like the least and ignore the most is "accurate thinking." I believe it to be the most important one. So this book, my book, is heavy on that principle. It is medicine without the accompaniment of sugar.

Finally, let me say that, when I graduated high school, my parents were flat broke. I started with no family money. I didn't step into a family business. No one handed me anything on a silver platter. At age 49, I am semi-retiring, a multimillionaire, free to live precisely as I choose, indulging my interest in horse racing. It was all made possible through the kind of thinking, attitudes, habits, and strategies I've laid out in this book. I have been blunt, forthright, and held nothing back.

With that said, I still hope you not only profit from this book, but enjoy reading it. And I welcome your comments, thoughts, or questions. You can communicate with me directly by fax, 602-269-3113.

—Dan S. Kennedy

Other Notes from the Author

1. For those of you who are gender or political correctness sensitive, an explanation to head off letters: I have used "he," "him," etc. throughout the book rather than awkwardly saying "he or she," "him or her." I do not mean this as slight to women, only as a convenience. I'm not getting paid by the word.
2. In most instances, I've been able to use the names of actual companies and individuals and the details of actual case

histories and examples. In a few **cases**, individuals' names have been withheld on request.

3. The first edition of this book was published in 1993 by **Self-Counsel Press**. A revised and updated edition was published in 1995. This edition, published by Entrepreneur Press, preserved approximately half of the original text with only statistics or time-altered information revised. About 50% of the book is brand-new material.

The Decision and Determination to Succeed

*Men are anxious to improve their circumstances,
but are unwilling to improve themselves.*

They therefore remain bound.

—JAMES ALLEN, AS A MAN THINKETH

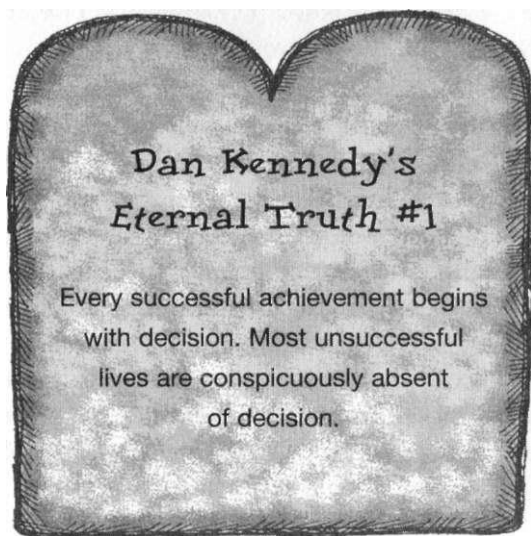
Contrary to a great many textbook assertions, having the best product, the better mousetrap, a whiz-bang new idea, the top location, the best market, the smartest accountant, the neatest bookkeeping system, a ton of capital—or all of them together—does not ensure success. On the other hand, having the worst product, a mediocre mousetrap, a silly idea, a bad location, a weak market, an accountant who can't count, a shoe box and paper bag bookkeeping system, or no money—or all of these things together—does not ensure failure.

I have seen people succeed under the most improbable conditions. I've also seen people who have everything going for

them still manage to screw it up. In all of these cases, it's the person making the difference. That's why there really are no business successes or failures; there are people successes and people failures.

Entrepreneurial Success Is Mostly a Matter of Decision

A partnership, friendship, intimate relationship, or marriage that succeeds or fails, a book that gets written or remains a jumble of notes in a drawer, the garage that gets cleaned out Saturday or put off until next week—these are all the result of decision and determination to make the decision right. Making the *right decisions* is often a lot less important than determining to make your *decisions right*. Only by making a decision and acting on it can you get into action and move forward. By waiting to make only



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