

HOW TO BUILD A MULTI-MILLION DOLLAR BUSINESS

Your Step-by-Step Marketing Roadmap

How To Find, Contact and Persuade Strategic Endorsement Partners



**Part
Three**

HOW TO FIND, CONTACT AND PERSUADE STRATEGIC ENDORSEMENT PARTNERSE

PART 3

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INTRODUCTION

This presentation is going to continue the process of helping you learn the secrets to finding, contacting and persuading qualified strategic endorsement partners to willingly promote your business to a multitude of target customers who need and want what you sell. There is no better, faster or risk free way to generate vast numbers of qualified leads for your business than strategic endorsement partnerships. Every business should be using this revenue-generating strategy.

Previously, we discussed the 6 steps to take to successfully implement your strategic endorsement partner program.

STEP 1 IS TO SELECT YOUR PREFERRED ENDORSEMENT STRATEGY

In this step we outlined six implementation techniques for you to consider.

IMPLEMENTATION TECHNIQUE #1

Is where you contact targeted strategic endorsement partner's whose prospects and customers have a need for your product or service and gain their agreement that they will recommend you, and you will do the same for them.

IMPLEMENTATION TECHNIQUE #2

Is where you leverage your own customer list by renting it to other businesses that could profit by marketing to your prospects and customers or consider renting their list for your own marketing campaign.

NOTES: *(click below to add)*

INTRODUCTION

IMPLEMENTATION TECHNIQUE #3

Involves offering businesses the opportunity to be added to your current customer mailings *without* your endorsement.

IMPLEMENTATION TECHNIQUE #4

Has you endorsing *other businesses* to your prospects and customers at the point of purchase, and vice versa.

IMPLEMENTATION TECHNIQUE #5

Has you endorsing your strategic partner's business to your customer list using direct mail, and vice versa.

IMPLEMENTATION TECHNIQUE #6

Is where you refer your strategic partner's business to your customers when their specific purchase or actions triggers their buying impulse.

These six techniques all fall under step one when implementing your program.

NOTES: *(click below to add)*

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STEP 2 IS TO DETERMINE THE BENEFITS THAT BOTH THE STRATEGIC ENDORSEMENT PARTNER AND THE CUSTOMER WOULD RECEIVE FROM THE STRATEGIC ENDORSEMENT PARTNERSHIP.

STEP 3 INVOLVES YOU CALCULATING THE “MARGINAL PROFITABILITY” FOR EACH STRATEGY.

STEP 4 HAS YOU SELECTING THE TECHNIQUE THAT BEST FITS YOU AND YOUR BUSINESS.

STEP 5 IS WHERE YOU IDENTIFY TARGET BUSINESSES WILLING TO PARTNER WITH YOURS IN STRATEGIC ENDORSEMENT PARTNERSHIPS.

AND STEP 6 IS WHERE YOU DESIGN THE PERFECT PROGRAM FOR YOUR BUSINESS.

Be sure you review these steps carefully as they will help you recruit lifelong strategic partners that will serve you and your business for many years to come.

Now, in this presentation we'll teach you everything you need to know to successfully custom-design your implementation program.

NOTES: *(click below to add)*

CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM



The first is the *prospect* or *customer* and the second is the *strategic endorsement partner*. First, let's focus on designing your customer program in its entirety and then focus on the strategic endorsement partner program.

THERE ARE 5 ELEMENTS YOU NEED TO FOCUS ON ***ELEMENT NUMBER ONE IS TO DETERMINE THE OFFER***

Begin by determining the price for your product or service. If you offer compelling benefits you may not need any additional incentives. For example, if you're a chiropractor and you offer the latest in spinal decompression therapy, that alone may offer enough benefit to get patients to use your treatments.

NOTES: *(click below to add)*



CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM

However, you're typically trying to get the customer to purchase additional products or services that you or your partners don't normally provide. This is where a compelling offer loaded with benefits and risk avoidance is crucial.

The best way to position price is to present it with a descriptive title such as special, discounted, VIP or ground-breaking price that you or your partner have negotiated on the customer's behalf.

You want to be sure you always include in your offer "value added benefits" or a bonus' to motivate the purchase. When doing this, select items that have a high-perceived value to the client but a low, or no cost to you. An accountant that has available time could easily offer to complete a free tax return or provide a free basic tax strategy consulting call that has zero hard costs to them yet the perceived value of these services to the customer is several hundred dollars.

Your offer must also take into account the risk factor. How will you reduce, or completely eliminate the risk of the purchase? We mentioned earlier that the least you should offer is a 30 day no-questions-asked, money back guarantee. However, it's imperative that you continuously test different offers.

Many of today's top marketers offer guarantees much longer than 30 days. Here's why. A 30 day guarantee sets a fast approaching deadline in the minds of your customers. They feel pressured to make a quick decision as to whether or not they will keep your product or pay for you service.

NOTES: *(click below to add)*



CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM

A longer timeframe relieves and often eliminates that pressure, and after several weeks, most customers completely forget about the guarantee and end up keeping and using the product or service for life. Testing is always the key to effective marketing, and the perfect deadline for your offer will vary with each and every business.

Offering a guarantee can be completely risk free to you if you scientifically test the offer and measure your product returns. If the additional sales and increased profit from the guarantee exceeds the cost of returns then you have a winning guarantee. If you make it a habit to always test your guarantees before expanding your programs you can make aggressive offers safe and profitable.

Consider the chiropractor that offers patients a specific health supplement. They can offer a full 30-day money back guarantee if the patient doesn't feel more energetic and healthier. In fact, the chiropractor could go directly to the manufacturer and insist they extend their warranty. By doing so, the chiropractor has eliminated any cost to them for returned supplements. Most companies today are willing to bend over backwards to keep their strategic partner's happy and productive, and the cost to them is often miniscule.

It's important to remember here that revenue generated from strategic endorsement relationships is essentially "found money" that you would not have previously earned. The marginal profit you earn is money in your pocket.

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CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM

ELEMENT NUMBER TWO WHEN DESIGNING YOUR CUSTOMER PROGRAM IS TO DEVELOP A COMPELLING SCRIPT.

You **MUST** script out exactly what you're going to say. Most businesses today prefer to "wing it." And they often fail miserably. Don't fall into this trap. Writing out exactly what you want to say, word for word, gives you the ability to go back and revise, tweak, adjust and improve the syntax and flow for your sales pitch.

Here is a proven and tested eight step format to create compelling and irresistible offers.

Step number one, open with an ***attention-grabbing, interrupting*** headline or opening paragraph focused on a problem, fear, frustration or concern. Step number two; ***engage by promising a solution*** to the problem in the opener. Focus on the benefits and the likely outcome they will experience. Step number three; give them a ***reason to purchase***. Step number four; tell them ***what you will do*** to help them gain the benefits.

Step number five; be specific about the actions ***they will take***. Step number six; ***offer them a compelling bonus*** or some form of additional incentive when it's practical. Step number seven; ***reverse their potential risk*** using powerful guarantees. And step number eight, ***end with a PS*** and use it to restate the benefits.

The basic script is the same whether you're the endorser or the endorsee. The only difference is who is delivering the offer.

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CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM

Follow these eight steps when delivering any form of message and that message will compel your prospects to take immediate action. Let me give you an actual example of this so you can see for yourself how powerful this format can be when you use it for your own business.

And let's take what may be the single, most difficult thing in the world to market to anyone in this day and age, a health supplement. There must be around a million or so of these on the market. Every two seconds you hear an ad for them on radio or TV. They're all over the internet and in every form of print media. And yet, by following this Compelling Message Template, watch how we can compel even the biggest health skeptic into trying this supplement.

Let's revisit our previous example using chiropractors. They all want to sell vitamin supplements to their patients as a way to create a secondary source of income for their practice. So in this example, let's say you're a chiropractor offering premium vitamins to your database of prospects and patients.

STEP ONE SAYS TO ALWAYS BEGIN WITH AN ATTENTION-GRABBING, INTERRUPTING HEADLINE.

Dear Mary:

As your doctor, your health and well-being are always my top concerns, and I'm constantly bombarded with drug companies asking me to recommend their vitamin supplements to my valued patients. I have never been the least bit tempted to recommend any type of supplement to any of you, until NOW!

NOTES: *(click below to add)*



CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM

This headline grabs attention because it instantly arouses curiosity. What could possibly have impressed this doctor so much that he's writing me to make a personal recommendation?

STEP TWO SAYS TO ENGAGE THEM BY PROMISING THEM A SOLUTION AND TO FOCUS ON THE BENEFITS OF THESE SUPPLEMENTS AND THE OUTCOME THEY SHOULD EXPECT IF THEY USE THEM.

Most of you know that I specialize in relieving chronic pain, and the latest scientific research has uncovered that a nutritional supplement called Relief X can almost instantly relieve chronic pain where other treatments have been colossal failures. After recommending them to several select patients of mine with chronic pain, and seeing their almost miraculous improvement overnight, I felt I would be committing a felony if I didn't at least notify you of my discovery.

In my humble opinion, these supplements represent a major scientific breakthrough in chronic pain relief. They contain a special wax coating that survives stomach acid and slowly dissolves in the intestines where it can be immediately absorbed at full strength. Most supplements dissolve in the stomach and less than 15% of the medication enters your bloodstream.

Notice how he promises a solution to chronic pain and states the benefits that prompted him to make his recommendation.

NOTES: *(click below to add)*



CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM

NOW LET'S MOVE TO STEP THREE AND GIVE THEM THE REASON THEY SHOULD PURCHASE THESE SUPPLEMENTS.

Because of their high potency, these supplements are not available at any store. The manufacturer will only allow these to be offered through specially trained chiropractors. They are asking us to monitor our patient's results so they can use it next year in their nationwide marketing campaign.

Since they're looking for dramatic results and testimonials, I was able to convince them that the more of my patients that participated in this clinical study, the more results and testimonials they would receive. They agreed and offered me a 35% discount for recommending these to my entire patient roster. I want to pass that savings on to all of you and make sure everyone can easily afford to try these remarkable supplements for yourself.

STEP FOUR SAYS TO TELL THEM THE SPECIFIC ACTION YOU WILL TAKE TO HELP THEM GAIN THE BENEFITS.

My past experience indicates that the vast majority of you with chronic pain will experience immediate relief. However, no supplement is 100% effective for everyone. That's why I also negotiated a 100% unconditional guarantee with the manufacturer. If any of you don't experience immediate relief from your chronic pain, you can notify me and I'll personally refund 100% of your money.

NOTES: *(click below to add)*



CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM

STEP FIVE SAYS TO BE SPECIFIC ABOUT THE ACTIONS THEY WILL TAKE.

Please call my receptionist Mary Monday through Friday between 8am and 5pm and let her know how many you would like to order. She will call in your order direct to the manufacturer so we can insure you receive the 35% discount. You should have your supplements within 3 days and no more chronic pain after that.

STEP SIX IS TO OFFER THEM A COMPELLING BONUS.

Once you rid yourself of your chronic pain for good, let's make sure it never returns again. I'm going to offer everyone who places an order a complimentary wellness assessment and diet plan with Judy, our on-staff nutritionist. This is normally a \$450 service we provide, but for those of you who take advantage of this offer, I'll provide it to you free of charge. Consider it my gift to you to get you started on finally living a pain free life.

STEP SEVEN SAYS TO REVERSE ANY PERCEIVED RISK.

As I mentioned earlier, although I have tremendous faith in the results all of you will experience with these supplements, nothing is 100% effective. For those few of you who don't feel immediate relief within 24 hours of taking your first supplement, notify Mary and we'll issue you an immediate refund, and you go ahead and keep the remaining supplements and see if they eventually provide you with the same dramatic results as my trial patients experienced.

NOTES: (click below to add)



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Please allow me to thank all of you for your past patronage to my practice. I hope my discovery turns out to be the key for most of you to return to a totally pain free life and a revitalized lifestyle. All of you deserve it.

*To your health,
Dr. Mark Smith*

STEP EIGHT IS TO ALWAYS END A LETTER LIKE THIS WITH A FORMAL P.S. THAT HIGHLIGHTS THE BENEFITS YOU OFFER.

P.S. Don't forget these supplements are effective because of the revolutionary new coating that actually survives stomach acid and becomes fully digested in the intestines so you receive 100% of the pain relieving formula that's safe, effective and just plain works.

Notice how this letter reinforces the benefits about your product or service. Now obviously if you plan to deliver this offer at the point of sale or over the phone, you will need to dramatically shorten this script. Just be sure it continues to hit all the same points.

ELEMENT NUMBER THREE INVOLVES DETERMINING YOUR PREFERRED DELIVERY OR COMMUNICATION METHOD.

If you decide to make your offer at the point of purchase then who will communicate the message to the client, you or your staff? Would you prefer to send a direct mail letter, mail a postcard, or communicate by phone? Marketing typically produces much better results when multiple delivery methods are used.

NOTES: *(click below to add)*



CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM

ELEMENT NUMBER FOUR IS TO DETERMINE THE APPROPRIATE TIMING.

The timing of your offer can make or break this strategy. When you consider the nutritional supplements situation, that offer can occur anytime. But for the lawn care company, the endorsement from the landscaper will generate better results at the point of sale. A furniture store being endorsed by a home entertainment contractor might be better off conveying their offer 30 days before the home entertainment system is installed.

ELEMENT NUMBER FIVE IS TO CREATE A FOLLOW-UP SYSTEM.

Once you master the timing of your offer, you need to implement a follow-up system. It's imperative that you follow up routinely with your prospects. The timing will be different for each and every prospect you deal with. It may take three to five mailings or several offers at the point of purchase before the timing is right for the customer.

Perhaps the chiropractic patient that received the doctor's letter for supplements already had a month's supply and wasn't compelled to take action at the present time. Keep in mind that customer needs frequently change. The chiropractic patient that passed on the supplements before may reconsider the offer when they get sick or begin to feel run down.

This completes your customized "customer" program. Now you must begin to test it, teach your staff the process, track the results and set up an incentive program if your staff is the one responsible for the delivery of the offer.

NOTES: *(click below to add)*



**CONSIDER THESE TWO
DISTINCT ENTITIES WHEN
DESIGNING YOUR PROGRAM**

If you own an auto care shop, you **MUST** train and motivate your mechanics to look for appropriate offers such as changing the customer's transmission fluid, updating their car's appearance with auto detailing or correcting their wheel alignment. If you don't provide your mechanics with an incentive program, this will never happen. So again, this completes your custom designed program for the *customers*.

NOTES: *(click below to add)*

DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM



Once you select four or five potential partners you're ready to set up the strategic endorsement relationship with them.

CONSIDER THE FOLLOWING FIVE FACTORS WHEN YOU DEVELOP THE WAY YOU APPROACH THEM.

FACTOR NUMBER ONE, DETERMINE WHAT YOU WILL OFFER.

WIIFM – what's in it for me? That will always be the first thing that pops into your partner's mind, so it should be the very first thing you address before approaching them with your offer. Will they respond to money or would they be more motivated by the benefits to their customers and prospects, such as guarantees, price discount, valuable bonuses, VIP services or more convenience. These benefits should form the foundation of your offer.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

Most people automatically assume the major benefit will be the money, but this isn't always true and may actually be unnecessary. We'll discuss the money aspect in factor number two.

But for now I want you to consider three alternative arrangements that may prove even more valuable. This first one is my personal favorite, and one I use constantly with tremendous success.

ALTERNATIVE ARRANGEMENT NUMBER ONE INVOLVES BARTER.

The reason most barter arrangements fail is when one partner ends up sending five times more business to the other and winds up feeling "ripped off." Barter is a passive system that requires a concerted effort on the part of both partners to keep the arrangement fair and equitable. The brutal fact is that type of arrangement seldom if ever works since both partners will seldom produce equal results to the other.

However, a barter arrangement can work beautifully when the service you offer to each other is based solely on the volume of business you get. For example, if a doctor refers five patients each month to a chiropractor, then the chiropractor should reciprocate by providing five free services and treatments to the doctor's family or extended family as long as the endorsement numbers justify this arrangement.

However, suppose the chiropractor refers just one patient per month back to the doctor. In this case, the doctor may provide the chiropractor with free medical care for just one family member based on their volume. This maintains an equitable arrangement based on actual results.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

ALTERNATIVE ARRANGEMENT NUMBER TWO INVOLVES CONVENIENCE.

Everyone today suffers from a “time crunch.” If you or your partner can make your prospects and customers lives easier by providing products and services that are more convenient for them, that may be all that’s needed to win their business. Look for ways to add convenience to what you do and offer that convenience a way to motivate your partner to endorse you.

For example, if you owned a body repair shop, you may have discovered that one of the new car dealers in your town “farms out” their customer’s body repair work to various body repair shops. Their selection is typically based on the shop that has excess capacity at the time of the repair.

Suppose your body shop guarantees VIP service to the car dealership, meaning they will always give the dealership top priority and move them to the top of the list, as well as offer to pick up and deliver the car back to them as an additional value added service. This has little to no cost to the body shop, the time needed to return the car would be the only consideration, and would result in capturing all of the dealerships business.

ALTERNATIVE ARRANGEMENT NUMBER THREE INVOLVES CHARGING HIGHER FEES.

Almost all businesses compete on price. And yet price ranks seven out of ten on most customer preferences lists. Customers don’t shop price, they shop value. They will pay twice the price for something they believe offers them four times the value. They simply see that as offering them “the best deal.”

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

When you offer more convenience, greater comfort, reduced effort or higher-perceived value, you can easily charge full price instead of offering crippling discounts. Imagine NEVER competing on price again. And when you can charge full price, the fees you pay to your endorsement partner result in no additional cost to you. You merely pay them what everyone else is providing as a discount.

You may also be able to leverage your relationship with your strategic partner and have them endorse you to a third party. Consider this example. Let's say you're an accountant who provides monthly medical billings for doctors. Your partner has a strong relationship with a large health clinic in another part of the country. Your partner discovers that this clinic is actively looking to replace their current billing company due to continuous problems with quality and complaints from their doctors. In other words, their service expectations have shifted from price to quality.

Your strategic endorsement partner can use their strong relationship with this clinic to endorse your billing service and like the previous example, if you can back up your service with strong *quality* guarantees, you will be able to charge your published rates instead of competing on the lowest bid.

Most strategic endorsement partnerships are fee-based when it comes to compensating the partners. So that raises the question as to what fee is appropriate to compensate your partner for their endorsement? The preferred way is to base the fee on the *lifetime value* of the customer for that product or service. If your relationship with your partner helps you to gain access to qualified customers that you could not economically reach, then you should be willing to pay a considerable fee to gain access to this goldmine of new business.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

Let's continue with the chiropractor example that offered health supplements to their patients. First, they must determine the offer price for the supplements themselves. Determine how much profit they will accept per patient. Next, negotiate with the supplier for the best price based on projected revenue. The combination of these two factors sets the price.

For example, let's say the chiropractor wants to earn \$15 per month per patient. If the normal monthly retail cost of the supplements was \$55, and the chiropractor paid \$30 wholesale to acquire them, then they could offer them for \$45 and earn their desired \$15 profit margin.

However, if the chiropractor could get the supplement company to reduce their wholesale cost to \$25 based on volume, then they could either lower the price to \$40 or pack the offer with \$5 in value added bonuses. Note: the \$5 is the actual hard cost to the chiropractor. This bonus may have a "perceived value" to the patient of \$25.

The chiropractor may include a "voucher" for every patient purchasing supplements offering them a complimentary 15 minute heat therapy massage. The chiropractor's published price for this service is \$25 but their actual hard cost is \$5. The patient "perceives" the voucher as a \$25 value. Now combine this with the published retail price of \$55 for the supplements, and the patient believes they're receiving \$80 in total value for a price of \$45. The chiropractor still makes their intended \$15 in profit.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

SET UP YOUR COMPENSATION PROGRAM

One quick note regarding compensation; be sure you check your local laws to make sure endorsement fees are allowed for both your profession and business in general.

THERE ARE FOUR TYPES OF POTENTIAL FEE ARRANGEMENTS FOR YOU TO CONSIDER.

NUMBER ONE, A FEE ARRANGEMENT BASED ON A PERCENTAGE OF REVENUE.

This is the most commonly used compensation plan preferred by most strategic partners. They want to be compensated based on the actual revenue they help to generate. However, this plan also creates the most disgruntlement among partners unless it's structured properly.

The problem occurs when compensation is based on anything besides “gross revenue.” Inexperienced business owners often use “gross profit” as their preferred standard for compensation. Basing the fee on “gross profit” is a nebulous term that often leads to massive conflicts down the road.

How often have you heard movie stars complain that the studios that had promised them a percentage of the profit are claiming that a film that has generated a billion dollars in worldwide revenue is still supposedly in the red? Gross profit can be easily manipulated with purported costs and expenses that may or may not be real.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

Instead, I recommend determining the profit formula as previously described and then converting it to a percentage of “gross revenue.” If your product or service has a marginal profit of 50% and you and your strategic endorsement partner agree that 20% of that profit is fair compensation, then base the fee on 10% of gross revenue. This will greatly reduce and possibly eliminate any conflict down the road.

THE SECOND TYPE OF POTENTIAL FEE ARRANGEMENT IS A FIXED FEE PER CUSTOMER.

This arrangement is exactly what it says it is. You pay a specific fee based on each new customer that’s acquired. The lawn care provider could pay the landscaper \$25 for each new customer the landscaper sends to them. But consider this scenario as well. The landscaper typically charges much more per project than the lawn care provider. This is where knowing your customer’s lifetime value can pay off big time.

If the landscaper knows their customer’s average lifetime value is \$2750, then they could easily offer the lawn care provider \$500 plus for every new customer the lawn care provider produces through endorsements. This is obviously a huge incentive that should massively motivate them to actively refer the landscaper.

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DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

THE THIRD TYPE OF POTENTIAL FEE ARRANGEMENT INVOLVES A FIXED FEE PER TRANSACTION.

In this arrangement, you or your partner has a repeat business product or service and you want to avoid paying out large up-front fees for *potential* lifetime customers. Alternatively, this arrangement applies to one time purchases as well. In these cases, you can agree to pay a fixed fee per purchase.

For example, if you're a Chiropractor and the average patient generates \$75 per visit and they use you for 20 visits over their patient lifetime, then you have a Lifetime Value of \$1,500. If you're willing to pay 20% of that total to your partner, that equals \$300. But you may be reluctant to pay that full \$300 cash up front, so you can elect to do this on a fixed fee per visit basis in one of two ways, pay \$15 per visit for each of the 20 visits, with no guarantee, or pay \$45 per visit for 12 months up to the \$300 cash amount.

THE FOURTH TYPE OF POTENTIAL FEE ARRANGEMENT IS A MONTHLY RETAINER.

This arrangement may be preferable if you're sending or receiving a steady stream of customers from your strategic endorsement partner. If you're the *endorsee* and feel confident in the number of purchases that will result from your strategic endorsement partner endorsing you consistently to their list then you may want to suggest a monthly fee, one that sounds really attractive but substantially less than if you paid a percentage of revenue or per transaction fee.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

For example, if the supplement company was the one that set up the arrangement with the chiropractor, the chiropractor may feel that receiving a monthly retainer of \$500 per month sounds great but may have zero interest in receiving \$15 per patient. However, if the supplement company knew from previous chiropractor arrangements that at least 50 patients would participate each month, then they would earn \$750 and both parties would be satisfied.

In all of these compensation arrangements, it's valuable to show the strategic endorsement partner the marketing and sales cost they save by the agreed upon arrangement.

FACTOR NUMBER TWO WHEN APPROACHING YOUR STRATEGIC PARTNER PROSPECTS IS TO HAVE A PREPARED SCRIPT.

You should already know exactly what to say to your targeted prospects. In order to create a successful endorsement program, you first need to educate your chosen partner's on the benefits you provide to them and their customers, as well as the quality you offer and the integrity of your business. In addition, you should educate the partner on the size and quality of your customer list in order to reinforce the potential it holds and how they can profit from it.

As an example, let's look at our own company where we specialize in providing publishing and consulting services for small business owners. In this case, we can leverage our 50,000 member database and become the *endorser*, that's where we're the one with the strategic relationship with our members.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

Let's say our company is looking to leverage our responsive member database and we've identified printing services as a great complimentary service for our members. As the **endorser**, we could write a letter to the 10-20 printing companies that we feel offer high quality and great, on-time service as follows:

Dear Business Owner:

Our consulting company has developed over the years a massive and responsive 50,000 member database of small business owners, all of whom need and use the services of a printer. We are continuously asked for referrals regarding top quality printing companies that can produce small quantity print jobs at a fair price.

Therefore, we have decided to endorse a printing company that offers exemplary quality and service.

THIS WAS OUR SELF-SERVING BENEFIT AND COMPELLING REASON WHY THEY SHOULD READ THIS LETTER.

Since our members depend on our expertise when it comes to creating their marketing collateral, our goal is to provide them with a printing company with validated satisfied customers and the best price available.

HERE WE JUST ESTABLISHED THE SPECIFIC QUALIFICATIONS WE EXPECT.

We anticipate that approximately 500 of our members will immediately take action on our recommendation.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

WE JUST TOLD THEM WHAT'S IN IT FOR THEM.

*We're looking for a price in the range of \$.03 per copy and an on-time delivery rating of 99%. In addition, we are looking for a company willing to provide free delivery, **that's our bonus offer**, and up to 10 rush jobs per month at no additional cost...**that's value added**.*

It's extremely important to note that we want to establish a continuous relationship in which we both benefit. If interested in being considered, you can call John Smith at 1-800-555-1212.

PS. The marketing and sales costs you will save by being the exclusive printing service to be endorsed to our 50,000 database member list will more than offset the price and services you will be providing.

This is a very powerful script that instantly compels a vast majority of prospective strategic endorsement partners to instantly respond to you.

FACTOR NUMBER THREE WHEN APPROACHING YOUR STRATEGIC PARTNER PROSPECTS IS TO ASSIGN A SPECIFIC INDIVIDUAL TO HANDLE YOUR DIRECT MAILING PROGRAM.

The two areas of responsibility to consider are the creation of the letter and the cost of the mailing. Let's briefly discuss both of them. First, creating the letter.

Since you know your product or service, as well as your customers, far better than your partners ever will, you're much better off creating the letter yourself. With the help of the template and examples in this program, it should only take you a few minutes to create a highly compelling letter that will generate terrific results.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

I can almost guarantee that if you wait for your partner to draft the letter, write the script or develop the brochure, they will never get it done. If they insist, let them draft the letter but you always want to insist on the editing rights before it's mailed. In turn, you should offer them the same editing rights so they feel comfortable.

THE SECOND AREA OF RESPONSIBILITY WE MENTIONED INVOLVES THE MAILING COSTS.

There are no hard and fast rules when it comes to the cost for the mailing. This will always be a negotiated item between the partners. However, if you're the endorser, it's more than fair to ask your partner to pay half or all of the mailing. In turn, you should offer the same arrangement to your partner. For both of your sakes, limit the upfront risk by performing a small initial test for \$100-\$200.

You should also take the lifetime value into consideration as well. If your lifetime value is high, you should be prepared to pay for the mailing, but since most small business owners have no idea when it comes to lifetime value, this subject should only come up if they address it.

FACTOR NUMBER FOUR WHEN APPROACHING YOUR STRATEGIC PARTNER PROSPECTS IS TO AGREE ON SPECIFIC TERMS AND CONDITIONS.

After you clearly define the benefits that both your strategic endorsement partner and their customers will receive from their relationship with you, it's time to create an agreement. We strongly urge you to keep your agreement simple in language and short term in length.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

In fact, you should agree that either partner can easily and immediately cancel the agreement if things aren't working out. If the partner doesn't perform as promised, you want the option to terminate the relationship immediately. After all, they may misrepresent the quality of their list, and if they do, you won't see any results from your efforts whatsoever.

Most of your arrangements should be verbal, at least initially. Since the vast majority of prospective partners you approach will find a strategic endorsement partnership an unfamiliar concept, a written agreement tends to turn most of them off. This marketing method can be a bit uncomfortable to begin with for most.

If you're the endorser then your agreement can be as simple as saying, "I will recommend you to my clients as long as you provide high quality, your best pricing and excellent service to my customers."

After you become comfortable with the partnership you might consider formalizing the agreement. However, I'm not saying you shouldn't *document* your verbal agreement. It's always a good idea to write an informal *outline* of your agreement to avoid fee disputes and those frequent "memory lapses" that always seem to happen down the road.

NOTES: *(click below to add)*



DESIGN YOUR STRATEGIC ENDORSEMENT *PARTNER* PROGRAM

AND FINALLY, FACTOR NUMBER FIVE WHEN APPROACHING YOUR STRATEGIC PARTNER PROSPECTS IS TO ENSURE YOU'RE COMPENSATED FAIRLY.

In any type of partnership arrangement, you should assume from the start that you will not get paid 100% of what you should. Since most businesses have no formal tracking mechanisms in place, precise tracking is often difficult and potentially costly.

Here are 6 methods to controlling compensation for you to consider. Please note these represent my personal opinion only. I strongly encourage you to consult an attorney for professional advice when it comes to compensation agreements.

METHOD NUMBER ONE IS TO AGREE ON WHAT YOU BOTH BELIEVE IS A REASONABLE RESPONSE RATE.

If your lawn care company partners with a landscaper that claims they have a qualified and responsive database, and the landscaper refers you to 25 people but tells you that only 2 converted, that should send up a red flag. If you're getting paid on 5 to 7 then that's reasonable. A landscaper typically has a personal, one-to-one relationship established with their customer base and should be able to easily produce a 30% to 40% conversion rate.

NOTES: *(click below to add)*



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METHOD NUMBER TWO IS TO SET UP MULTIPLE PARTNERSHIPS PER PRODUCT OR SERVICE.

If the landscaper recommends two lawn care companies and one pays the landscaper five referral fees while the second pays fifteen, this should also raise the flag. Please note this may not be indicative of dishonesty on the partner's part. They may simply have an unresponsive or unqualified list. If so, you will want to immediately cancel your agreement and seek out a replacement partner.

METHOD NUMBER THREE IS TO RANDOMLY FOLLOW UP WITH SELECTED CUSTOMERS THAT YOU REFERRED AND INQUIRE IF THEY PURCHASED.

Contact several highly qualified customers and inquire if they found your recommendation beneficial. Most business owners know who their best customers are and those most likely to respond to the endorsement. Verifying just a few of these orders will go a long way to establishing trust or exposing deception in the partnership.

METHOD NUMBER FOUR IS TO TRACK THE RESULTS YOURSELF.

You can set up a separate online landing page, an 800 call-in number or a PO Box where the orders are sent to. If the chiropractor wants to control the purchase of the supplements, they can either have the orders come directly to their office at which time they submit the orders to the supplement company or they could use an 800 number that automatically tracks orders and they receives a copy of the itemized orders that were placed. This alleviates any effort for the chiropractor's office and staff they can easily verify the number of orders placed.

NOTES: *(click below to add)*



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METHOD NUMBER FIVE, REQUEST MULTIPLE REPORTS IN LARGE QUANTITY OR HIGH DOLLAR TRANSACTIONS.

If the endorsement has the potential to produce major revenue, you may want to require copies of all invoices, orders or transactions so you can look for discrepancies.

AND METHOD NUMBER SIX IS TO INSIST ON YOUR RIGHT TO AN AUDIT UPON REQUEST.

Any ethical business owner will have no objections to an audit request if a discrepancy presents itself. You should insist that either party has a right to audit each other's records, exclusive to your transactions only.

WHEN IMPLEMENTING A STRATEGIC ENDORSEMENT PARTNERSHIP, TEST THE PROGRAM YOURSELF AND MODIFY WHEN NEEDED.

Test your offer to your targeted strategic endorsement partners before rolling it out. Test your offer on the four or five you initially identified. Then based on their feedback you can modify your offer before you expand your targeted list of potential partners.

YOU ALSO WANT TO SET UP MEASUREMENT AND TRACKING SYSTEMS.

A simple one-page report with the number or transactions or revenue and the calculations of the fees should be adequate. You will naturally want to closely monitor the fees due from your partners. You will also want to keep accurate records of your customers' purchases on behalf of your partner's so you can provide them with the fees due from you.

NOTES: *(click below to add)*

RECAP

- * INTRODUCTION
- * CONSIDER THESE TWO DISTINCT ENTITIES WHEN DESIGNING YOUR PROGRAM
- * DESIGN YOUR STRATEGIC ENDORSEMENT PARTNER PROGRAM



There are two distinct entities to consider when designing your program – your prospect or customer and your strategic endorsement partner. There are 5 elements you need to focus on. Determine the offer, develop a compelling script, determine your preferred delivery or communication method, determine the appropriate timing and create a follow-up system.

Now, design your strategic endorsement partner program. Consider the following five factors when you develop the way you approach them. Determine what you will offer, have a prepared script, assign a specific individual to handle your direct mailing program, agree on specific terms and conditions and ensure you're compensated fairly.

NOTES: *(click below to add)*



When implementing a strategic endorsement partnership, test the program yourself and modify when needed. And be sure you set up measurement and tracking systems.

As you can see, implementing a strategic endorsement partnership offers tremendous advantages for both the endorser and the endorsee. The key is to use the recommendations we have provided to ensure the partnership is a win-win situation for all involved. Marketing and lead generation is getting more difficult and expensive every day. Leveraging each other's list or database of qualified customers is an inexpensive, time-saving and highly effective way to improve your sales and revenue.

NOTES: *(click below to add)*

NEXT PRESENTATION



A personal referral is much more powerful and compelling than seeing an ad in the local paper, receiving a discount coupon in the mail or perusing the online Yellow Pages. How many times have you frequented a business based on a great recommendation from someone you trusted? Even when the person giving the referral is a complete stranger, there is something about a live person recommending a specific product or service that gives it added credibility and legitimacy.

NOTES: *(click below to add)*



NEXT PRESENTATION

Most people today don't want to take the chance they won't experience good service or enjoy the food at an unfamiliar restaurant, so a glowing recommendation from someone in the know removes their fear that they may be making a poor choice. Would a powerful referral system that increases your "bottom line" by 5% to 20% or more help improve your business? Making more money is always the goal for every business, yet most business owners leave tremendous sums of money on the table by not having dynamic referral systems in place that excite their customers enough to recommend their business to others?

Once you have referral systems set up, all it takes is a little follow-up effort by yourself and your employees. Creating a referral system that rewards your employees as well as your customers is easier than you think, and we'll show you how to do this step-by-step in our next presentation.

As always, our overall focus is to help you continue to build the business you've always dreamed of having, a business that provides you with financial freedom and an extraordinary life for you and your family.

Remember that a primary goal in the E-Learning Marketing System is to help you quickly develop the processes that will bring more revenue into your business. Each presentation brings us closer to accomplishing that goal. So until next time, here's to your success.

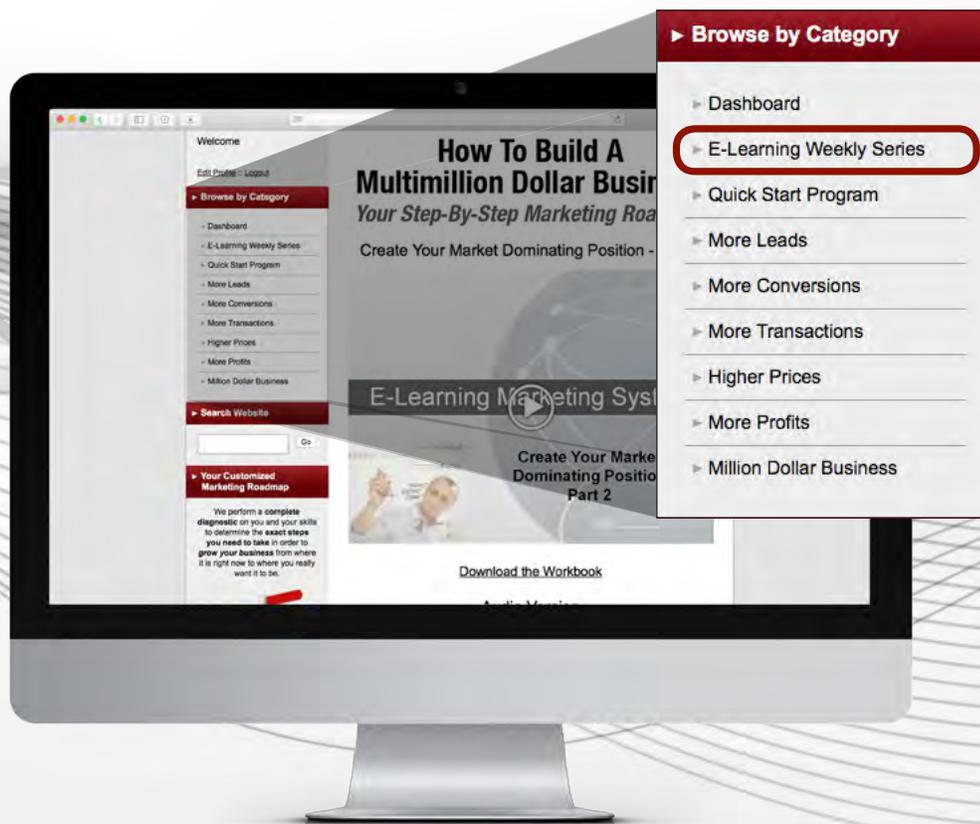
NOTES: *(click below to add)*

HOW TO BUILD A MULTI-MILLION DOLLAR BUSINESS

Your Step-by-Step Marketing Roadmap

WEEK 31

YOUR COMPANION VIDEO LESSON
***HOW TO FIND, CONTACT AND PERSUADE
STRATEGIC ENDORSEMENT PARTNERS***



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