

SESSION 4

Steven Spielberg's Masterful Strategy for Maximum Achievement in Minimum Time

Techniques for Accelerating Your Success through Effective Partnering



Your Porsche's Five-Gear Transmission Will Enable You to Reach Your Most Distant Dreams in Record Time. As powerful as your turbocharged engine is, what good would it be if your transmission only had first gear? How frustrating to have a car that could cruise at 180 miles per hour, but can only be driven down the highway at 5 to 10 miles per hour in first gear! Fortunately, your Porsche has a five-speed transmission that can efficiently transfer all of the horsepower of your turbocharged engine to the drive train that turns your wheels. The master strategy we're going to discuss in this session is that five-speed transmission. Without it, you'll never achieve your impossible dreams—but with it, you'll achieve them in record time.

Who were Maurice Clark and Henry Flagler? Who was Harry Soneborn? Who was Ubbe Iwerks? You probably don't recognize any of these names. But you do know the names of their partners who achieved their impossible dreams. None of the famous partners would have achieved their fame or their impossible dreams had they not teamed up with these unknown partners.

As you discovered in the last chapter, without Robert Morris, George Washington and Thomas Jefferson would have never realized their impossible dream to defeat the British. There would have been no Revolutionary War, and there would be no United States of America. Without Maurice

The Sixth Law of Extraordinary Success

It is impossible to achieve extraordinary success in any arena without effectively partnering. Every extraordinary or impossible dream ever achieved has been achieved through partnering.

Clark and Henry Flagler, John D. Rockefeller would have never created Standard Oil, which made him the richest man in the world. Without Harry Sonneborn, Ray Kroc's dream of McDonald's restaurants on thousands of street corners would have died a terrible, profitless death after only 200 franchises had been sold. Kroc's McDonald's Corporation was barely making ends meet until Sonneborn gave Ray the idea that turned McDonald's into a multi-billion-dollar empire almost overnight. Walt Disney arrived in Hollywood with \$40 in his pocket and a suitcase of clothes. If it weren't for Ubbe Iwerks and Walt's other partner, his brother Roy, there would have never been a Mickey Mouse—and without Mickey, the movie and theme park empire that followed would never have materialized. Yet, because Walt Disney, George Washington, John D. Rockefeller, and Ray Kroc all discovered the unlimited power of strategic partnering, their impossible dreams became unimaginable success stories.

These examples are not the exception, but rather the rule. Every person in history who has achieved his or her impossible dream has done so by effectively using this same strategy. If that doesn't tell you something, maybe this will: No one in history has ever achieved his or her impossible dream without employing this strategy. So, if the greatest superachievers of all time could not achieve their impossible dreams without effective partnering, what makes you or I think that we can? The fact is, we can't! How about you? How many partners have you recruited in your pursuit of your most important dreams? Show me your past, present, and future partners (or lack of them), and I will show you the level of your past achievement and the level of your future success.

Master Strategy 5—Identify, Recruit, and Effectively Utilize Partners

What Is Effective Partnering?

There are two terms that must be understood in order for you to utilize this fifth master strategy in the pursuit of your important goals,

Side-by-Side Comparison***How People View and Utilize Partners***

Drifters	Pursuers	Achievers	Superachievers
Do everything they can on their own. They only partner as a last resort when there is no other way to get what they want. Because they usually go with the flow, they see no need to partner.	Are hard workers and mistakenly believe that getting what they want is simply a matter of trying harder and working harder, so they pursue their dreams alone or with minimal or ineffective partnering.	Set moderate goals that are often achievable without the need for extensive and effective partnering. Occasionally partner when they see the need to do so, but they view partnering as a weakness rather than a strength.	Set extraordinary goals that they know are impossible to achieve without the recruitment of strategic partners. They view partnering as a critical part of their strategy from the very outset of their plan. Effective partnering is the single most powerful strategy they utilize. It becomes part of their nature.

projects, and dreams. First you must understand what I mean by the term *partner*. When I speak of a partner, I am not referring exclusively to a legal relationship that exists between two people or companies. Rather, I am referring to any individual or company that can be recruited by someone to perform tasks that are necessary for the optimal achievement of any important project, goal, or dream. This can include counselors, consultants, advisors, experts, authors, friends, key employees, financiers, investors, lenders, mentors, and literal or legal partners. Most of our attention in this session is going to be focused on the last two groups—mentors and literal or legal partners.

The second term that must be clearly understood is *effective partnering*. Effective partnering involves four sequential components: (1) identifying the right type of partner needed for a given situation; (2) identifying the right person within that type; (3) recruiting the right person with the right kind of offer; and (4) effectively utilizing the partner for optimal results. When any of these components are absent, partnering becomes far less effective and potentially disastrous.

The Seventh Law of Extraordinary Success

Effective partnering raises the level of success exponentially, accelerates success meteorically, and reduces risk enormously.

In 1899, the founders of the newly formed Detroit Automobile Company recruited Henry Ford away from the Edison Illuminating Company to be a senior officer and part-owner of their new company. The founders had achieved three of the four components of effective partnering: They had identified the right type of partner they needed and the right person within that type, and they recruited him with the right kind of offer. And yet, once they had recruited Ford, they did not effectively utilize him. Instead, they neutralized him with directives that prevented him from following his instincts. As a result, they failed to produce a single car in their first two years, and Henry Ford was summarily fired. Within two years the Detroit Automobile Company was defunct, while Henry had found the right partners who fulfilled all four components. The result was the creation of the Ford Motor Company. Within a few years, even though the new car market was divided between 250 different automobile manufacturers, one out of every two cars in the world was a Ford!

The Incalculable and Unparalleled Benefits of Effective Partnering

The two facts that no one in history has ever achieved extraordinary success in any arena without effective partnering, and that 100 percent of all extraordinary achievements have been accomplished through effective partnering should provide ample incentive to utilize this strategy in every important endeavor we ever pursue. However, if these two general facts do not motivate you to do so, perhaps this list of specific benefits of effective partnering will.

The 11 Incomparable Benefits of Effective Partnering

1. **It's the fastest and most beneficial way to overcome your lack of know-how.** I had no idea how to write, direct, and produce television commercials. Partnering with a mentor and skilled craftsmen has enabled me to write, produce, and direct over 800 national television commercials

that have now produced over \$2 billion in sales for our companies and \$200 million in personal income for my partners and me. Unlike the process of learning, which can take years for any single discipline, partnering can utilize hundreds of disciplines and accomplish far better results in a matter of hours or days.

2. It's the fastest and most beneficial way to remove the limits of your limited resources. No person or business has ever achieved extraordinary success without recruiting the time, talent, or money of other individuals or companies. The more successful the person or company is, the more outside resources they have recruited. The fastest and most effective way of removing the limits of limited resources is through resource expansion. Time is expanded by delegating; talents are expanded by recruiting the talents of others; and money is expanded by recruiting the money of others from lenders, investors, or credit extended by suppliers.

3. It raises your chances of success geometrically. In my industry, the average success rate of our competitors is less than 5 percent. Our company's success rate runs between 50 percent and 72 percent. Our competitors typically would rather own 100 percent of their projects than give up a percentage to form strategic partnerships. For 27 years, a critical key to our success rates has been the strength of our internal partnership and our ongoing efforts to quickly form strong strategic alliances with inventors, celebrities, and vendors. Before joining forces with my mentor and partners in 1976, my personal success rate for new business start-ups was 0 percent. My success rate for my corporate jobs was 11 percent (I had failed eight out of nine times). My personal success rate since teaming up with my partners has ranged from 50 percent to 90 percent, depending on the year, and my 27-year average has been approximately 70 percent. Remember that I have had the same IQ and educational background before and after 1976. So what moved me from 0 percent in successful start-ups to 70 percent? Two words . . . effective partnering!

4. It raises your level of success exponentially. Some strategies can increase your success arithmetically and some can increase it geometrically. But effective partnering is the only strategy I know of that can increase your level of success exponentially.

How dramatic is that kind of increase? Suppose you start with \$10.

An arithmetic increase is demonstrated by $\$10 + \$9 = \$19$.

A geometric increase is demonstrated by $\$10 \times 9 = \90 .

An exponential increase is demonstrated by $\$10^9 = \1 billion .

That is the kind of incredible difference effective partnering can make in the level of success you achieve in a given endeavor. Sound too good to be true? With an ineffective partnership Henry Ford produced no cars and made no sales or profits, and the company dissolved. With the right set of partners Henry Ford produced more cars in a day than most of his competitors produced in a year and, by 1928, half of all the cars in the world were Fords. That is an exponential increase. In my case, I started two businesses on my own. One was a sole proprietorship and the other was an ineffective partnership. Both businesses failed. In one, I grossed \$25,000 in sales and experienced a loss of \$2,000. The second business grossed \$20,000 in sales and lost \$10,000. My current business utilizes effective partnering. We have grossed over \$2 billion in sales and made profits of \$200 million. Sales of \$25,000 without effective partnering versus \$2 billion with effective partnering; a \$2,000 loss versus a \$200 million profit. That is the exponential power of effective partnering.

5. **It accelerates your achievement of success meteorically.** At the time Thomas Edison decided to pursue the concept of a practical electric light bulb, renowned scientists had already been trying to invent one for more than 50 years. Edison had neither the degrees nor the depth of knowledge that any of these scientists had. And yet the power of his strategic partnerships with a handful of staff and a patient group of investors enabled him to do in 3 years what far more qualified scientists had not been able to achieve in 50. After six years of hard work, my income was in the bottom 25 percent of American wage earners, and my net worth was about minus \$15,000. Within six months of forming our partnership in 1976, our company was generating \$1 million per week in sales, my net worth had soared into the millions, and my income was in the top 1 percent of American wage earners.

6. **It increases your knowledge and broadens your expertise.** Walt Disney returned to the United States after World War I to go to work as an illustrator for an ad agency in Chicago. He knew absolutely nothing about animation. His first partnership was with an animator from the agency. This not only put him on the fast track of building an animation business, it enabled him to learn the art and skill of animation from a brilliant animator at the same time. In my case, prior to partnering with directors and producers, I knew absolutely nothing about producing and directing television commercials. Yet within a matter of months of partnering, I had gleaned the necessary skills to produce and direct on my own.

7. **It increases your offensive power against competitive forces and reduces your vulnerability to their attacks.** Since 1976, my company

has partnered with more than 70 celebrities who have appeared in my commercials and infomercials as spokespersons for our products. These celebrities have included Academy Award-winning movie stars, Emmy Award-winning television stars, and Grammy award-winning recording artists. Their sincerity, commitment, and credibility has made nearly all of our products impervious to competitors and to copycat products. While many business experts questioned our wisdom for paying out more than \$100 million in royalties to our celebrity partners, I can tell you that these partnerships have been absolutely critical to our success. Without our celebrity partners, our company would have failed on nearly every project because no consumer would have preferred our products over the more established brand-name products. Our partnerships have enabled us to grab market share away from our competitors as well as defend our market share from aggressive competitive efforts to take it away. Nothing beats a good offense better than a good offense *and* defense, and that is exactly what effective partnering achieves!

8. It reduces your risk of failure. The wisest man who ever lived (also the richest) wrote in the biblical book of Proverbs, "Without counsel, people fall; but in the multitude of counselors there is safety" (Proverbs 11:14). Effective partnering radically reduces the risk of failing in any given endeavor or situation. The reasons are simple. When you have an effective partnership, each partner's weaknesses are compensated for by another's strengths. When one partner no longer has the ability, energy, or will to persist, another does. When one partner's vision is clouded or blinded on an issue, another partner will see clearly from a different point of view. And last but not least, when the partnership is under attack from competition or adversity and one partner's defenses are down, the other's are up. When I produced our first infomercial on the Total Gym with Chuck Norris and Christie Brinkley, I thought we had a surefire home run. It was the best show I had ever produced. But when we tested it on the air it only produced mediocre results at best. With the number of orders generated from the test, we knew we could not roll the product out in a national television campaign. I had done the absolute best I could, and it wasn't enough. Chuck and Christie had performed their best, and it wasn't enough. Then one of my partners had ideas for two seemingly insignificant changes. We made those changes, and the Total Gym became the most successful product and program in our company's history. Our Total Gym sales are approaching \$1 billion, making it the most successful single piece of fitness equipment in the history of the industry. Had I been a sole proprietor, the product would have died in the test phase and Total

Gym sales would not have even hit the \$10,000 mark. Gaining my partner's input and point of view turned a strikeout into the greatest grand slam our company has ever hit.

9. It reduces the quantity and the degree of failures you will experience. Nothing, including effective partnering, ever eliminates failure completely. However, effective partnering will radically reduce the percentage of failures you will experience and the severity of each failure as well. When I produce a project, I become emotionally tied to the project, the inventors, and the celebrities who partner with us. About 25 to 30 percent of the projects we test fail to get enough response to merit a national rollout of the campaign. As these failures begin to develop, my natural drive is to make a string of revisions, hoping that we can turn a loser into a winner. Sometimes my partners will conceive of great ideas that will turn a project around, as in the case of the Total Gym. Thus they reduce the number of failures we experience. At the same time, they are great at recognizing when it's time to stop throwing good money after bad and give up on a project. In this way they limit the depth of the loss we experience. When it comes to failing, I'd take a \$1 million failure over a \$2 million dollar failure any day.

10. It reduces your personal workload. During the first 12 years of our business, I ran myself ragged. I wrote our commercials, worked with artists to create the props, worked with set designers for our sets, shopped for clothes with our wardrobe stylists, and held long casting sessions for principal performers and extras. Then I would direct our shoots and complete the commercials through all phases of the editing process. I had almost no personal life because my life was totally consumed by my projects. Then, beginning in 1986, I partnered with another producer. Gradually he took on 90 percent of my workload. This not only allowed me to make a better living (our productions were greatly improved), but, even more important, enabled me to enjoy a lot more personal and family time. Today, all I do is write the shows, show up at the shoots and direct, and then show up for the edits. Hundreds of other details that used to control nearly every waking minute are now performed by my producer.

11. It reduces your level of personal stress. No worthwhile business endeavor is a cakewalk. Every project has its ups and downs, and producing more ups than downs takes a lot of effort and creates a lot of stress. The fact that effective partnering allows you to share the workload and responsibilities with someone else radically reduces the amount of stress you will experience. Stress produces very destructive hormones that leave our cellular structure more vulnerable to illnesses and life-threatening conditions

such as heart disease, stroke, and even cancer. If we want a longer, healthier, and happier life, offloading stress is critical, and effective partnering gives us a great way to do that.

While any one of these 11 benefits of effective partnering should provide ample incentive for you to pursue partners in any important project you take on, when combined they demonstrate conclusively the incalculable value of effective partnering. Now that you see how critical effective partnering is to your achievement of extraordinary success, let's review two important definitions and then focus on the all-important how-to's.

Important Definitions

- **Partners:** Counselors, consultants, advisors, experts, authors, friends, key employees, financiers, investors, lenders, mentors, and literal or legal partners who are recruited to fulfill tasks that are necessary to the optimal achievement of a goal, project, or dream.
 - **Effective partnering:** Partnering that involves four essential components:
 1. Identifying the right type of partner needed for a given situation.
 2. Identifying the right person within that type.
 3. Recruiting the right person with the right kind of offer.
 4. Effectively utilizing the partner for optimal results.
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Ineffective Partnering Prevents Extraordinary Success, Raises Risk, and Accelerates Failure

Just as effective partnering can ensure and accelerate success, ineffective partnering can ensure and accelerate failure. Unfortunately it is a lot easier to partner ineffectively than it is to partner effectively. In fact, if you don't follow the steps we're about to look at, there is a much greater chance that you will partner ineffectively than there is that you'll "get lucky" and partner effectively. In Henry Ford's first venture into the automobile business, he picked the wrong partner and wasted two years of his life and ended up with nothing to show for it. His partner, the Detroit Automobile Company, picked the perfect partner in Henry Ford, but they blew the fourth step of effective partnering and failed to effectively utilize and motivate him. They

could have become the greatest automobile company of the twentieth century, but instead they vaporized in a little over two years.

Walt Disney picked the wrong distribution partners—Charles Mintz and a movie studio—for his first series of theatrical cartoons centered around a character called Oswald the Lucky Rabbit. Disney had unknowingly signed a contract that gave the ownership of Oswald to the studio. When they saw the success of this cartoon series, rather than renew Disney's contract for a second year, Mintz and the studio dumped him, hired away all of his animators except one, and decided that they knew how to keep the character entertaining better than Disney did. Disney ended up with nothing. Mintz and the studio thought they could make Oswald a hit without Disney's input, so instead of effectively partnering with the greatest entertainment visionary in history, they simply put the screws to him and threw him away. While you may have never heard of Charles Mintz and Oswald the Lucky Rabbit, you have heard of Disney's next cartoon character and the entertainment empire that Disney built around him. The difference between the short-lived success of Oswald and the never-ending success of Disney's second character (a mouse named Mickey) was Disney himself and the partnership that lasted a lifetime with his brother Roy and the animator that co-created Mickey, Ubbe Iwerks.

A close friend of mine founded a company in the early 1980s and built it into a thriving concern worth hundreds of millions of dollars. After he took his company public in 1997, his stock was trading at \$27 per share. That year he decided to merge with another company that was making an attempt to compete with his core business. I knew enough about the owners of that company to urge my friend not to go through with the merger. The other company was run by Harvard MBAs who were great theorists and terrible businessmen. When he told me that they would be taking control of the marketing, sales, and training aspects of the business, I told him that this would be the death of his company. Unfortunately, he went through with the merger and the Harvard MBAs drove the company nearly into the dust. At the time I am writing this book, their stock is trading at \$1.02 per share. If you had owned \$10,000 of their stock in 1997, today your investment would be worth \$377. That's the power of *ineffective* partnering!

As I mentioned a moment ago, it's much easier to partner ineffectively than it is to partner effectively. That's why the remainder of this session is so critical. If you follow the four steps for effective partnering and the strategies and tips for identifying and recruiting the right partners, you will experience the awesome benefits of effective partnering and avoid the terrible consequences of ineffective partnering.

Implementing the Four Steps of Effective Partnering

Step 1—Identify the Right Type of Partner(s) Needed for a Given Situation

Identifying the right type of partner you need for a given situation requires the completion of five tasks.

1. **You must gain a clear and precise vision** of what you want to achieve in that situation. You'll master the technique for doing this (the vision mapping process) in our fifth and sixth sessions.

2. **You must have an accurate assessment** of your own strengths and weaknesses and how they apply to your pursuit of the particular vision. This can be drawn from the lists you created at the end of our last two sessions. Determine what critical elements of the vision your strengths will enable you to accomplish and what critical elements will be difficult or impossible to accomplish because of your weaknesses, lack of know-how, and limited resources. Create a detailed profile of those critical elements for which a partner or partners are needed to compensate for your weaknesses, lack of know-how, and limited resources.

3. **You must determine the category of partner** (advisor, counselor, expert, financier, mentor, legal partner, etc.) that is needed to provide the necessary complement to the detailed profile that you have created in task 2.

4. **You must determine the role the partner or partners will play** in the fulfillment or accomplishment of each critical element; the type of commitment you need from them (time, expertise, money, instruction, etc.); and the commitment you are willing to make to them in return.

5. **You must create a profile or description of the ideal partner or partners** that you realize you need for each role (personality type, relevant experience, strengths, commitment, motivation, character, etc.).

Step 2—Identify the Right Person within That Type

Using the profile of the ideal partner or partners, make a list of the people you know who would fit that profile. Your list can include known experts; authors; people in your company; or even competitive companies, friends, or relatives. Prioritize your list, starting with your first

choice. If you don't have any idea who could fit your profile for the ideal partner, do your homework. Tell your friends and associates what you are looking for and see if they know anyone who fits the bill. In this day and age you are no more than two or three people away from knowing just about anyone. If the kind of person you need would be a member of a professional association, go on the Internet or to an association meeting or trade show. There are hundreds of ways to build your list of potential partners. If individual names don't instantly come to mind, don't panic—start networking. Two projects that my company recently adopted came to us from parents of kids on my son's football team. If they had confined their search for a marketing partner to their known business associates, they would have missed a great opportunity. Instead they brought their ideas to "Ryan's dad."

It's also important to remember that in many cases partnering doesn't necessarily involve the full-time commitment of the would-be partner. For example, for a personal vision such as improving your marriage, finding a good marriage counselor, a friend who has a great marriage, or even a good book to give you the help and direction you need is a form of partnering.

Step 3—Recruit the Right Person with the Right Kind of Offer

Once you have identified your A-list of potential partners, you have to recruit them. This is the one step where people nearly always blow it. They approach their would-be partner (1) from the wrong point of view, (2) with an ineffective presentation, or (3) with a weak offer. For example, the wrong point of view for your approach would be to tell the prospective partner what he or she can do for you. Most people are far too busy and consumed with their own concerns to involve themselves in helping someone else achieve a goal or a dream just for the sake of that person. The right point of view for your approach is creating an effective presentation of what your goal, project, or vision can do for the partner. If they see enough personal benefit in taking on your project, prospective partners will at least be inclined to pay attention to your offer.

The second mistake people make when trying to recruit a partner is that they ineffectively communicate their vision. You may have the best opportunity that person will ever hear, but if you don't effectively and persuasively communicate that opportunity you are very likely to fail in your recruiting effort. I recently met with a professor from Harvard Medical School. He is a true genius and has created an enormous breakthrough in

the early detection of diseases. Yet he has not been able to secure funding for this project—not because it isn't a great project, but because he has not created an effective and persuasive way to communicate it. In our next session I'm going to mentor you in four powerful communication techniques and the six steps of creating an effective and persuasive presentation. As you learn these techniques and utilize these steps, you will never again have to worry about failing due to ineffective communication. I have used these communication techniques to persuade more than 25 million people to get up off of their sofas, pick up their phones, and order my products. These techniques will work for you as well as they have worked for me.

The third mistake that nearly everyone makes in their efforts to recruit a needed partner is that they make a weak offer. I recently formed a partnership with a revolutionary Internet service provider that has created what I believe is the greatest business opportunity that has crossed my desk in 27 years. I believe that this project could grow from a net worth of zero to a net worth of \$1 billion to \$5 billion within three years. Two other companies had the chance to partner with this group, and in both cases made offers that were insultingly low. In my opinion they lost the greatest financial opportunity they will ever encounter, just because they lowballed their offer. When you find an ideal partner for a project, make the best offer you can afford to make in order to recruit that person in a way that elicits his or her total commitment. Such an optimum offer doesn't always have to be synonymous with money. Sometimes people will commit to a partnership based on a shared vision or on the role that they will play. Perhaps they need authority, recognition, or other perceived and real benefits.

In college, my music group was in dire need of a good arranger and director. I knew the name of the finest choral arranger and director in the state, and inarguably one of the finest in America. We had no money to offer him, so our only hope of recruiting him was to use something that he would value more than money. Fortunately for us, we were able to present our vision for the group, its mission, and his role in such a way that he decided he wanted to be a part of that vision and joined our group following a single rehearsal.

Throughout my life I have enjoyed the incredible benefit of having wonderful mentors. Not one of them ever cost me a penny, and yet each one brought value to my life that was beyond measure in dollars or any other way. On pages 12 to 13 you'll find 10 strategies and tips for recruiting mentors that should be used in the pursuit of your dreams and goals.

Step 4—Effectively Utilize the Partner for Optimal Results

The final step in effective partnering is one that people fail to achieve more often than not. We saw earlier how the Detroit Automobile Company had successfully recruited the greatest visionary in automotive history, and yet failed to produce and sell a single automobile during his two-year employment. We saw how Charles Mintz and a movie studio had recruited a relationship with Walt Disney, and yet the profit they extracted from that relationship never amounted to anything significant.

In my case, in 1972 I worked for a mail-order insurance company as an assistant product manager. Time after time I took my creative ideas for our advertising campaigns to my boss, and each time he told me that this was not a part of my job description and summarily dismissed my ideas. This was the same boss who said to me, “You are the single greatest disappointment in my entire career. You will never succeed in marketing; you have 20 minutes to clean out your desk.” During my nine months with this company, I had performed the mechanics of my job but the company had never given me a chance on the creative and marketing side. Four years later, my current partner and I started our business of marketing products on television through the use of two-minute television commercials. After a year of extraordinary success, we decided to go to the insurance company with an idea to sell its life insurance policies direct to consumers through the use of a two-minute television campaign. Even though my ex-boss fought it, he was overruled by the company’s founder and I created a campaign that became the single most profitable marketing campaign in that company’s history. This campaign not only made millions of dollars for the insurance company, it made millions for our company as well. Had my ex-boss effectively utilized me, he could have had this campaign for the cost of my salary of \$12,000 per year. Instead, because he was now paying my company as an outside vendor, it cost his company millions of dollars.

While this serves as a great example of how a company ineffectively utilizes someone, my mentor provides a perfect example of how to effectively utilize a partner. When he hired me in 1976, I would have gladly worked for him for a salary. However, because he knew the power of effective partnering, he offered me a percentage of the ownership of the marketing companies we would create. At that time his company was barely getting by financially. Although a percentage of ownership in companies that were yet to be formed was worthless at the time, I knew that my participation in ownership gave me a potential for extraordinary financial success if we

could make any of those future companies successful. This prospect motivated me unlike anything had ever motivated me before.

Because my mentor effectively utilized me, and the other partners we eventually recruited, my campaigns have produced over \$2 billion in sales. The percentage of ownership my mentor had given me had not only made me millions of dollars in income, it made him, his children, and his grandchildren millions as well. Always remember that in a business situation, sharing the financial rewards with key people will buy you far more than it will cost you. My mentor reduced his share of the company by 20 percent when he gave me a 20 percent ownership. He gave up 45 percent ownership to other partners he recruited in the next 10 years and ended up with 35 percent of the company. However, the profits of the company rose from \$0 to over \$200 million. None of this would have happened had he not shared ownership with his key people. Would you rather own 100 percent of \$0 in profits or 35 percent of \$200 million? Sharing the wealth is one of the single most important elements in effective partnering.

Four Essential Components to Effectively Utilize Partners

So what does it take to effectively utilize the partners you recruit for any given situation? I have found that there are four essential components that are critical to the effective long-term utilization of a partner. Remember that even if a key individual isn't a legal or literal partner, because he or she is key to your ultimate success, he or she should still be effectively utilized, which requires these four elements.

1. Provide the opportunity and authority. To effectively utilize partners, they must be provided with an opportunity to fully apply to your endeavor all of the knowledge, talent, and passion they can muster. Equally important, they must be given enough authority to accomplish their mission. While the Detroit Automobile Company provided Henry Ford with the opportunity to apply his know-how, talents, and passions to the production and sales of automobiles, they did not give him the authority to make decisions critical to the company's direction and commitments. They had partnered with a visionary but failed to give him the authority to fulfill that vision.

2. Provide the right environment. For people to produce to the max, they need to be provided with an environment that is conducive to their

optimum productivity. The most important environmental issue is not the physical environment, but rather the mental and emotional environment. This means an environment where people are free to express their thoughts, ideas, and opinions without the fear of being inappropriately criticized or ignored. It also means an environment where partnering is encouraged and partners work according to their personal styles, not a style dictated by job descriptions, traditions, or the work styles of others. Because I have attention deficit disorder (ADD), I like to work on multiple projects simultaneously. While this was very threatening to most of my past employers (they wanted me to finish one job before starting another), my mentor and current partners realize that this is how I work best. The result is that I finish my primary project in record time and am well into my secondary projects by the time I finish my primary project. Others would lose their sanity if forced to work on multiple projects simultaneously, and they should be allowed to follow their style of finishing one before starting another.

Providing this kind of environment may seem risky, but when used with achievers or superachievers, the outcomes are far greater than can be predicted. The reward is far greater than the risk. Providing the right physical environment is also important when possible. In 27 years of writing television commercials and infomercials, I have never been able to write even one in my office. When it's time to write, I get away to a secluded place that's very conducive to writing. During our first 10 years, I would rent a hotel room and stay there until my writing was finished. Then our company leased a beach house where I did all of my writing for the next seven years. Now I live near the mountains, so I escape to my mountain home. Had my partners insisted that my office should be all I need to write, I doubt that I would have ever written a single commercial, and we would all be working for other companies.

3. Provide the right incentives. Providing the appropriate reward is critical to effectively utilizing partners. By giving me a piece of the action, my partner provided incentive that was greater than I could have ever imagined. When approaching a project, I gave it everything I had in terms of time, effort, and creativity. If my projects succeeded, I would achieve financial security like I had never known. If they failed, I would be just as broke as my partner who was funding the projects. While incentives such as promotions, job titles, and added authority are moderately effective, nothing motivates like money; the greater the financial opportunity, the greater the motivation and commitment.

4. Use the greatest long-term motivating strategy. The two great motivating forces in anyone's life are fear of loss and desire for gain.

Correspondingly, there are two primary ways to impact another's behavior: using fear to manipulate behavior or using love to motivate behavior. I'm not talking here about romantic or emotional love. In a partnering context, I'm talking about providing partners with honor, value, kindness, and security. The most important word here is *value*. We value partners when we listen to their input and respond to it in an honoring way. The more people feel valued, the more they will contribute. Of course we show value with monetary reward, but equally important, we honor people's opinions and give them the authority they need to implement their ideas when possible. In a corporate environment, this one element is often abundantly absent.

The Xerox Corporation provides one of my favorite examples of the ineffective utilization of partners by not valuing their opinions or contributions. As companies began to install mainframe computer terminals at individual workstations, Xerox management became concerned that copying machines could one day become obsolete. Instead of sending paper copies of documents, a company could distribute information to employees via a corporate network of computer terminals. Consequently, Xerox created a research facility known as the Palo Alto Research Center (PARC) and staffed it with some of the world's brightest technological wizards. They provided these people with a great working environment that fostered creativity and productivity. The first technological breakthrough the PARC researchers developed was the world's first personal computer. Management's response was a total rejection of the product. Their reasoning went, "Why would any company buy personal computers when terminals connected to mainframes could easily be put on anyone's desk." They also reasoned that there would be no consumer market for personal computers, because who is qualified to use a computer at home? And even if they were qualified, what on earth would they use it for?

The next breakthrough created by this brilliant research team was the graphical user interface, or GUI. They explained to management that this would so simplify working with a computer that anyone at home or at work would be able to easily operate their own personal computer. Instead of using complicated command codes, a user could use a mouse and simply point and click. Management rejected this product as well. So when Steve Jobs (who had started a personal computer company called Apple) asked the PARC researchers if he could study their GUI and learn from it, they were happy to see that someone valued their ideas and gave him *carte blanche* in his examination of their breakthrough. Not only did it become the basis of Jobs's biggest breakthrough, the Macintosh, it became the basis for Bill Gates's graphical interface product, Windows.

As discouraged as they were, these brilliant researchers didn't stop with inventing the personal computer and the graphical interface. Their next breakthrough came in the way they were able to link different computers together. They called it Earthnet. Their vision was that every computer in the world could communicate with every other and users could share information. Once again, Xerox management rejected the breakthrough. "The world is full of competitors; why would anyone want to share information with anyone else? What a crazy idea!" Of course the Earthnet provided the technology that became the Internet.

Had Xerox management valued the ideas and breakthroughs of their researchers (who in effect were their partners), they would have owned patents on the personal computer, the graphical interface, and the Internet. In other words, they would have owned it all. There would be no other PCs or Macs, no Windows, and no AOL. In their place there would only be one company, Xerox. As you apply these four components to effectively utilize your partners, unlike Xerox, you will reap unfathomable rewards.

A Word about Manipulating with Fear

While the most effective way to motivate another's behavior for long-term success and a stronger relationship is with love (value and honor), the easiest and most often used way to motivate behavior is with fear. While using fear may accomplish your short-term goal of getting something done quickly, it never works for the long-term benefit of any project you undertake. Yes, it can get a particular job or project completed on time, but it can cause permanent damage to a relationship. So although it can manipulate a partner or anyone else to perform for the moment, it weakens their commitment, trust, and motivation to perform in the future.

American Telecast became the single most productive company in America (*Forbes* defines productivity as profit per employee) because all of our partners and employees were motivated by love by our founding partner. Our revenues and profits per employee have been more than double those of most productive public companies in America, including Microsoft. But our company is not alone. One of the most successful software companies in the world (SAS) is also run by a man at the top who motivates his employees with love rather than fear. The same is true of one of our nation's most successful airlines (Southwest) and two of the most successful restaurant franchise systems (Wendy's and Chick-fil-A). Manipulating behavior with fear is always faster and easier, but is never more productive or beneficial to you, your endeavors, or your partners.

In closing this session, it might be helpful to give you a list of strategies and tips for recruiting partners. After you've reviewed this list, take a break and then tackle the exercises in the "Actions for Traction" section. In our next session we're going to look at the key to your Porsche. As it turns out, this key will not only open your Porsche and start its engine, it will open any door in your world, from your boss's office to your banker's vault.

Strategies and Tips for Identifying and Recruiting the Right Partners

1. **Assess your own strengths and weaknesses.** What you don't need is a partner who is a carbon copy of yourself.

2. **Identify the talents, abilities, and strengths that you need in a partner to compensate for the areas of your weaknesses, inabilities, and lack of interest.**

3. **Look for a person who shares the same vision you have for your business venture or personal dream.** Your partner not only needs to see it, he or she needs to be overwhelmed by it. If such a person doesn't currently exist, then it is your responsibility to effectively and persuasively communicate your vision to any potential partner. (Our next two sessions will give you the most powerful communication and persuasion techniques I have ever found, and they will enable you to communicate your vision more effectively than ever before.)

4. **Look at the character and integrity of your would-be partner.** This is a lot harder to evaluate than his or her talents, but it's far more important. If a partner's ethics and morals aren't extremely high, sooner or later there's a pretty good chance he or she will betray you, someone else in your company, or your customer. I've really failed at this one. Because I've been so enamored by the charisma, talent, and salesmanship of three individuals, I did not check out their character and integrity. The result? I lost \$7.5 million in three bad partnerships.

5. **Look for a partner who is willing to be totally committed to your vision to achieve its success.** If you are totally committed and he or she isn't, I can promise you that the partnership won't last long. Look at how the partner has performed in other situations where he or she has been committed. Are his or her commitments short-lived, or faithful until the end?

6. **Is your would-be partner a positive person or a negative person?** People who are generally negative tend to be very poor partners. A partner

doesn't have to be as positive or as optimistic as you, but if he or she is quick to tear down others or find the negative in situations, he or she is likely to jump ship when the going gets tough—or worse, steer the ship in the wrong direction.

7. **Look at your would-be partner's natural drive and gifts rather than his or her resume.** Is he or she a theorist or a doer? How do you know? It's simple: Look at what he or she has personally done, not what he or she has had other people do.

Effective partnering is the single most powerful strategy you will ever apply to your personal or professional life. In Session 9 we are going to talk about a strategy that I call *shooting for the moon*. Once you shoot for the moon, effective partnering is the only strategy that will provide you with the power to actually hit the moon.

Actions for Traction

WHERE THE RUBBER MEETS THE ROAD



1. Which of your personal or business areas, dreams, endeavors, projects, or goals do you think would benefit significantly by your recruitment of a partner or mentor? Prioritize your list, beginning with your most important areas first.
2. Identify the specific kinds of partners or mentors that you should try to recruit that would enable you to more quickly and effectively achieve your most important dreams or projects. In addition to your strengths and weaknesses, you should also take into account your personality type with its natural strengths, weaknesses, and drives.)
3. For each kind of partner or mentor that you have identified, make a list of specific individuals who fit your qualifications for each kind of partner or mentor you want to recruit.
4. In your notebook, using the methods outlined in this session, lay out your plan for recruiting the partners and mentors you need for your most important dreams.
5. How do you currently motivate your peers, your loved ones, and those under your authority? Do you usually motivate with fear or with love? In your notebook, write down some of the people you want to motivate, and any ideas on how you can begin to motivate those people with value, honor, kindness, and security.