

## **Pro Tip: Pay With Product If Possible “Sell 3 Get It Free”**

Everyone likes free stuff. Often, more than what it would cost them to get it. Rewarding performance with product is a cheap *and* effective way to keep them winning. They value it at retail, but it only costs you - your cost. A nice arbitrage of value.

Set sales tiers and bonus your affiliates with product or credit toward the retail cost. At lower tiers, you can even compensate *exclusively* with free stuff. For example: If your affiliates send you tons of massage clients, it's totally acceptable to reward your affiliates with free massages. At low volume, a massage is often worth more to them than sending them a check for \$30 (your cost). But as affiliates send you more customers, they'll usually opt for more money. After all, cashing in 100 massages becomes unrealistic.

At Prestige Labs, I offered anyone who sold more than three packages per month a free \$200 bundle of their choosing. This also made every affiliate a sponsored athlete. They got free products for life as long as they kept three clients per month buying. I called it “Sell three to get it free.”

**Action step:** Figure out what you want to pay your affiliates for so that you can plan out how much to pay them, with what, and how often.

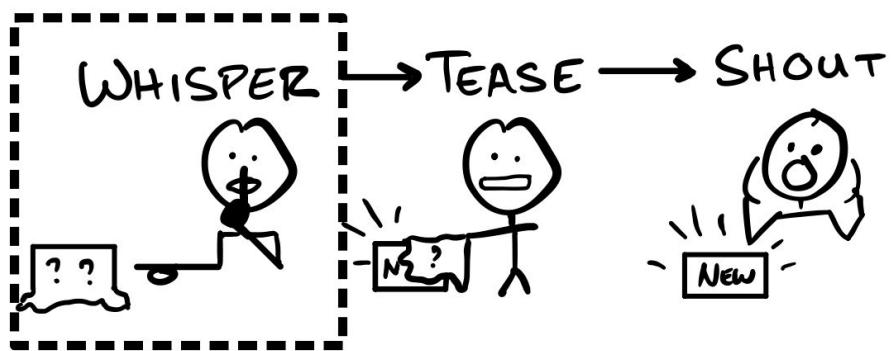
## Step 5: Get Them Advertising – Launch

Like referrers, how much value affiliates get from you determines how much they advertise your stuff. So, *treat them like customers*. Give them something good, fast. And nothing does that for affiliates like big launches and lots of cash.

Here's how launches work:

Affiliates advertise your lead magnet or core offer to their audience *before they can buy it*. They post. They do warm outreach. They run paid ads. They may even do cold outreach. They do as much advertising as they can until the day of launch. When the product is available, they sell it to all the engaged leads they assembled. Some sell one-on-one, some pitch to the whole group. And others simply make the product available.

So if you're gonna do launches to activate your affiliates, which you should, you may as well do them right. I use the whisper-tease-shout method. I can't remember where I first heard this, but the name stuck. Let's launch.



Before we get launching, remember: *good launches have the work done ahead of time*. So do all the work for them. Then, they can plug and play. Let's break down each launch phase. And, I'll give an example of my book launch to drive each point home. Note: this is how you launch *anything*, not just affiliates. I put it in the affiliates section because I haven't found a better way to activate affiliates than launches.

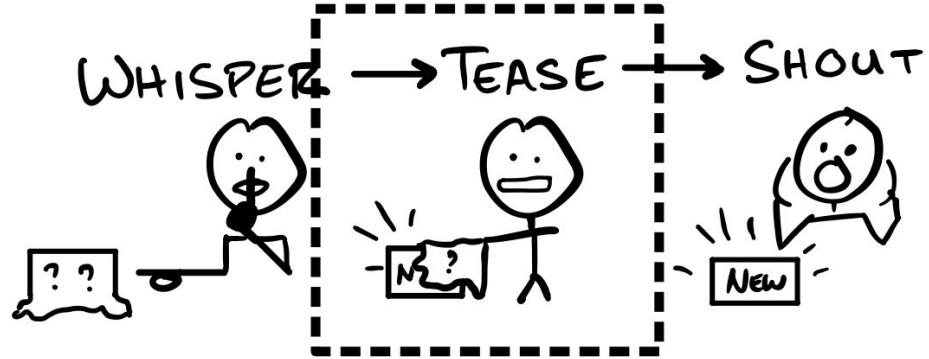
**Whisper:** Think “*Call Outs.*” Like an ad, the key to the whisper phase is *curiosity*. Keep the product itself mysterious and hint at how big of a deal it is. Keep whispers short. And bonus points if you show behind the scenes of making your product.

If you have something in the works, you can start the whisper phase a few years out. The further out you start whispering, the bigger deal it becomes to your audience. We start this early because, the longer something appears to take, the more an audience will value it. For example, all other things being equal, an audience will value a product that took ten years to make more than one that took ten days. So - *show your work.*

Remember: curiosity comes from wanting to know what happens *next*. So embed questions about the product in their minds. We need to tell them about something they want to know more about, then say...*not yet*.

*For example during the whisper phase of my book launch:* I posted content, reached out to friends, emailed my list, and told potential affiliates about major updates to the book. I showed what draft I was on. I took pictures behind the scenes of me printing out drafts. I showed the many versions of the frameworks I drew. I shared videos of myself editing the book early in the morning and late at night, etc...all of it made *people who want leads* get curious and *pay attention.*

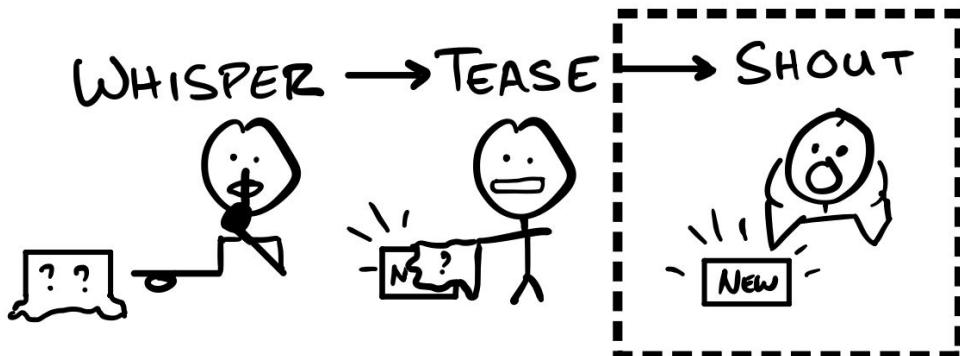
**Action Step:** Start whispering every four to six weeks until you get sixty days out. Then whisper every two to three weeks until you get thirty days out. Then, start teasing...



**Tease:** Think “*Elements Of Value.*” It’s time to start satisfying all the curiosity you created during the whisper phase. Reveal your product, make the date of the launch public, and start *showing* the elements of value. Use the What-Who-When Framework from the paid ads chapter.

*For example during my book launch, the tease phase:* I was more specific and revealed more “hard” information about the book. I started advertising how the book satisfied the dream outcome of limitless leads. Of doing less work, and getting it done faster than they could imagine. I also showed dozens of examples using the book to its potential.

**Action Step:** Start teasing once per week until fourteen days out. Then tease twice per week until three days out. Three days out, it’s time to shout from the rooftops.



**Shout:** Think “*Call to Action.*” Give specific actions for the audience to take when the product launches. Now you start pounding the audience with

bonuses, scarcity, urgency, and guarantees around being “the first ones.” You shout to get as many people exposed to your offer as you can.

*For example during my book launch, the shout phase:* I gave specific calls to action. Short, sweet, clear reminders to register for the book launch. I reminded everyone of the exclusive bonuses only for people who bought during the launch.

**Action Step:** Shout at least twice a day starting three days out. On the day of, start shouting every few hours until two hours out. Then shout every thirty minutes until you launch the product.

### **Pro Tip: Movie Releases**

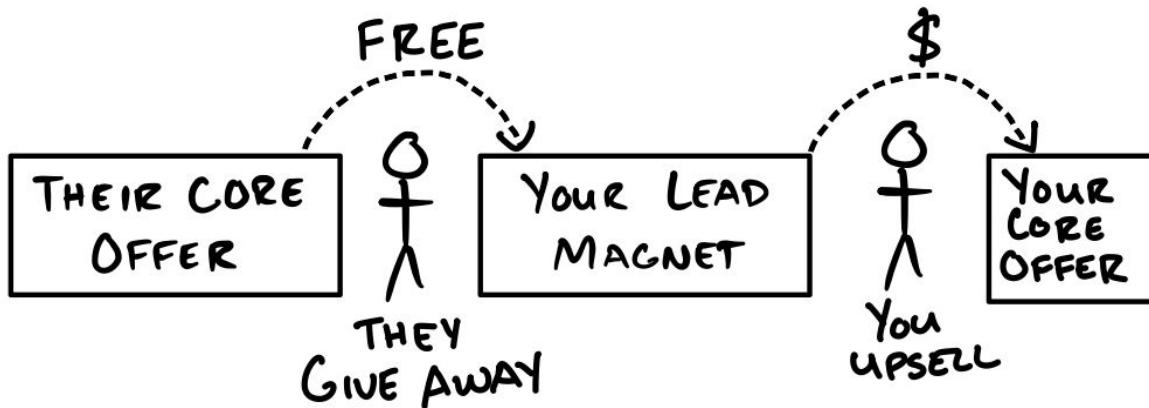
The best real world example of whisper-tease-shout is movie releases. They do five second trailers a year out. Then a thirty second ninety days out. Then longer trailers as the date approaches. They drive curiosity, then interest, then action.

**Action Step:** Get your affiliates to launch. Set them up with everything they need to do the whisper-tease-shout right. They do the advertising. You get the engaged leads. *Everyone* gets paid.

### **Step 6: Keep Them Advertising**

The strategy we use to *start* them advertising differs from the one we use to *keep* them advertising. In an ideal world, you sell an affiliate once and they send engaged leads for life. Integration gets us there.

I've got three ways you can integrate your product into their offer. I order these from easiest to hardest. First, you can get them to give away your lead magnet with every purchase of their stuff. Second, you can get them to sell your lead magnet separately to their audience. Third, you can get them to directly sell your core offer.



*They give away your lead magnet for free, which makes their core offer more valuable for no extra cost. Then, you upsell your core offer and every offer thereafter.*

**1) Affiliates Give Your Lead Magnet Away When Somebody Buys Their Stuff.** The idea here is for your lead magnet to make the affiliate's offer more valuable. This allows them to charge more for it *and* get more leads than they could without it. Remember, the best lead magnets give away a free trial or sample of your thing, reveal a problem, or offer a single step of a multi-step solution. Here are examples of each:

Samples And Trials: Say I sell massages and recruit the personal training studio next door as an affiliate. Now, everyone who buys personal training from them gets a free massage from me. The personal training studio now has a stronger offer they can charge more for *and* we get more massage leads. Everybody wins.

Reveal a Problem: Instead of giving a free massage, we offer a free or discounted posture assessment with every training package they sell. Assessments and discounts add less value to the affiliate's offer, but some

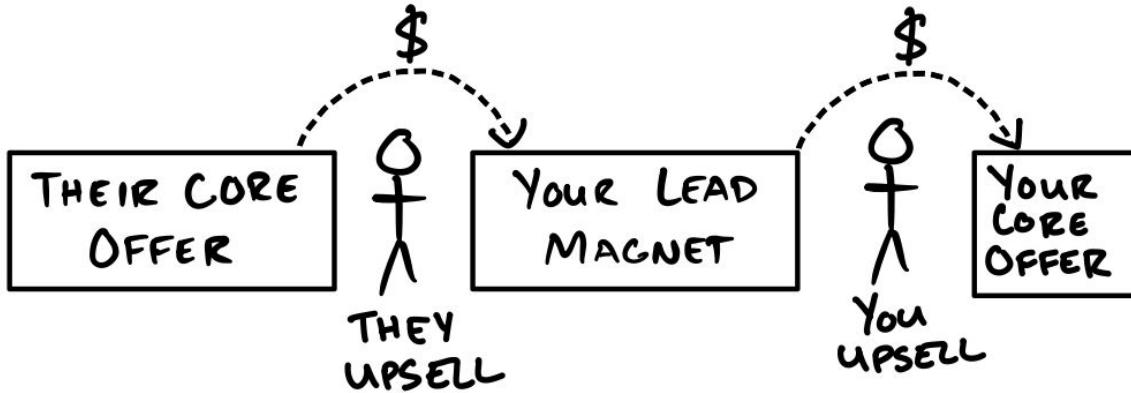
people will still do it. And to be clear, after assessing the customer, you make them an offer to solve the problems you revealed.

**One Step In A Multi-Step Process:** Say you have a three-part treatment plan. Massage, stretching, and adjustments. People getting enough value from one step will fear missing out on the rest of the steps. So the more they think the other steps will help solve their larger problem, the more likely they are to buy them. Your affiliate would give away step one of your multi-step process for free. You'd upsell the leads from there.

**What I did.** We'd get gym affiliates to give away a free nutrition consult to every new member. Then, we'd upsell our products at the consult. They can market that they have nutrition consults included to get more leads and they could charge more for the added value. And we get the opportunity to sell those leads. Everybody wins.

### **Pro Tip: White Label Lead Magnets**

One of my favorite strategies is to let them use the lead magnets I've already made for my audience, *for theirs*. Just make sure your affiliates agree with how you give value *and* understand your call to action. At most, a few tweaks in the copy will make your lead magnet work for them. For example, for gyms, I made white-labeled (no logo) meal plans, grocery lists, and food prep instructions. I gave them to the gyms to use as lead magnets *for their customers*. All they had to do was slap their logo on it - and boom - their audience got to benefit from all my work *instantly*. And, we *both* got more leads.

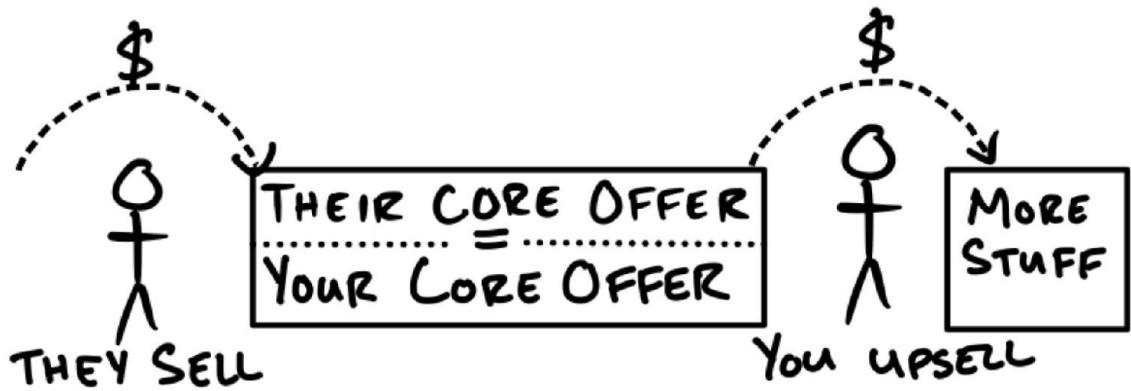


*They sell their core offer. Then, they upsell your lead magnet. Then, you upsell your core offer and every offer thereafter.*

**2) Affiliates Sell Your Lead Magnet.** Basically, the affiliate can sell anything of yours that turns their customers into your customers. It could be a book, an event, a service, software, a sample product, etc. Also, giving affiliates all the cash from selling a lead magnet *you fulfill* becomes all profit and no work for them—an attractive proposition for any business. Your money comes by selling your main thing for more than it cost you to deliver your lead magnet. And if you do it this way, you don't need to split any money with them on your core offer. Another win-win.

Example: They sell each of those things we gave away for free in the step above. They sell your massage at a discounted price. They sell your assessment (which you could do 1-1 or in a group format like a workshop). They sell part one of your multi-step solution.

What I did. The gyms would sell a nutrition consult with us and keep the money. They'd maybe charge \$99 or \$199 to sell an hour of our time. If we were clever, we'd let them keep all the money. If we do, they'll send us even more leads. Then, we'd upsell our products during the consult.



*...then you split the money. Either you split the upfront cash, all cash for a certain period of time, or all cash forever. I prefer to pay forever so my affiliates stay motivated to keep my customers forever. And, I never cap payouts.*

**3) Affiliates Sell Your Core Offer.** An affiliate sells your core offer directly to their customers and adds another source of income without extra work. For some affiliates, this is their entire source of income! Many companies offer this structure as either a new business opportunity or a bolt-on to the affiliate's existing business. Either way, anything you sell, they can sell. When you do it this way, the affiliate will get a higher percentage of your lifetime gross profit - but - you won't have to do anything but deliver.

Example: They sell your entire massage package. They sell your entire program or services. They bundle their services with your paid services and charge an even higher price.

What I did. We taught gyms to hold nutrition consultations with white labeled products. Then we taught them to upsell our supplements right to their members and we split the money.

All three strategies work. They're just different. After testing, we continue to do Strategy 1 (twice per year as a big event) and Strategy 3 on an ongoing basis. That being said, many similar businesses in our portfolio use Strategy 2. I'm just sharing what worked for us.

**Bottom Line:** Integration is the long term strategy for using affiliates to get enduring lead flow. Treat affiliates like customers. Make your offer make sense for their business. Make it so good they'd feel stupid saying no.

**Action Step:** Integrate with your affiliates by choosing whether you want them to give your lead magnet away, to sell your lead magnet, or to sell your core offer directly.

Those are the six steps to recruiting an affiliate army. Now that we covered that, let me give you three real-life case studies to drive this home.

## Three Case Studies You Can Model

### Service Business Case Study #1: National Tax Preparation Services

My friend's \$50M business prepares LLCs, bank accounts, and articles of incorporation. He focuses on people starting businesses for the first time. But, he doesn't try to compete with Legalzoom. Instead, he built it partnering with people who train new entrepreneurs. His strategy is simple: help those people sell more of their stuff by also selling his stuff. So, he offers every affiliate's customer a free LLC setup. Remember learning about the "high cost lead magnet" from Section II? This is one of those.

**Launch:** He does a big blast off seminar to his affiliates' audiences to kick things off. People happily take him up on his free LLC offer. That's his lead magnet.

**Integrate:** Once affiliates see the success of the launch, they integrate his lead magnet into their core offer. Then, my friend's team gets on the phone with the *customers his affiliates bring him for free*. Here's how he makes his money. He sells them what they'll need next. The services they'll need to start their business: bookkeeping, tax preparation, etc.

He hasn't spent a dollar on paid ads. His true advertising costs are two things. One, delivering his free lead magnet (the LLC setup). And two, paying a percentage of every first sale to the affiliates that sent them. That's it. And everybody wins.

### Physical Products Case Study #2: Prestige Labs, my supplement company

We sell gym owners at Gym Launch and train them how to advertise and sell their gym memberships. Prestige Labs has a line of supplements for active adults. This makes Gym Launch a perfect affiliate for Prestige Labs. It has a community of gym owners that also have active adult customers. So when Gym Launch sells a new gym owner, they introduce the new gym owners to Prestige Labs. Then the Prestige Labs team follows the "launch then integrate" strategy above. (We really do this).

**Launch:** We give the gym owners advertising materials so they can re-engage their current and former customers. We focus on warm outreach and posting free content for a free 28 day challenge. When they come in for the free challenge, gym owners sell them supplements to use with the program. The gym owner gets more customers. They make money. We make money. Everyone wins.

**Integrate:** After the launch, we teach them to sell supplements to every new gym member. So when new clients buy a membership package, the gym owner sets up a nutrition orientation. At the nutrition orientation, the gym owner sells them \$50-\$1000 of supplements. So if a gym signs up twenty clients per month, and gets seventy percent of them to buy supplements, we get fourteen new customers per month per gym. It doesn't sound like much, but when you multiply 4000 gyms x 14 new sales per month x \$200 average order = a lot of money every month.

### Local Business Case Study #3: Chiropractors

Chiropractors want new patients. And a portfolio company of ours teaches them to use an affiliate strategy to get them. Their model is simple: go to high

volume businesses that have people that are in need of adjustments. A gym fits the bill nicely. Here's what they do.

**Launch:** They get the gym owner to promote a three hour workshop where they show correct exercises and posture to get more from their workouts. The gym owner promotes the workshop for free *or* sells the workshop for \$29-\$99 per person. The chiropractor splits the money with the gym owner. Hint: if you give the affiliate (gym owner in this case) 100% of the money, they'll want to do it more. So if a gym gets thirty people to show up for \$99, they make \$2970 profit for zero work besides a few emails and posts. At the workshop the chiropractor soft pitches their services and gets a bucket of new patients. Easy peasy lemon squeezy.

**Integrate:** Long term, the chiropractor convinces the gym owner to include one to two adjustments with every new membership the gym signs up. This increases the value of the gym membership compared to the guy down the street. And, it shows the gym prioritizes its members health and safety (a big concern for beginners). Win win. Now, every new gym member becomes a lead for the chiropractor to follow up with. They repeat this process with thirty gyms, and get more patients than they can handle.

## **Pro Tip: Employees Are Leads Too**

Companies that hire a lot of people make great affiliates. This is **HUGE** for direct to consumer businesses and *wildly* underused.

Example: Every new hire at a company gets a free massage in their new employee packet. Or, you can give free massages to their employees at lunch. It's free. It's easy. And lots of companies want to provide more value to their teams. They get free value, you get free leads. And since they're probably not in the same business as you, there's no risk of you 'competing' with theirs. So employers can be among the easiest affiliates to integrate with.

## **Costs and Returns**



*"Affiliates can't work for my business" the loser said.*

*"I have to make affiliates work for my business" the winner said.*

*Be a winner.*

When calculating returns with other methods, we compared lifetime gross profit (LTGP) with cost to acquire a customer (CAC). So we spend money to get customers and the customers, in a profitable business, give us *more* money back. Affiliates work differently. We spend money to get affiliates, sure. But

we don't really make much back *from* affiliates themselves. Instead, the money we spend to get an affiliate comes back *from the customers they bring us*. So to calculate returns, we compare how much it costs us to get an affiliate with the gross profit of *all* the customers they send to our business.

Example:

Let's say we own a widget company that grows with affiliates.

- It costs us \$4000 in advertising to get an affiliate. CAC = \$4000
- Our average affiliate sells \$10,000 in widgets per month and stays for 12 months.
  - $(\$10,000 \text{ per month}) \times (12 \text{ months}) = \$120,000 \text{ total sales}$
- The widgets have 75% gross margins. In other words, they cost 25% of retail price to make.
  - $(\$120,000 \text{ total sales}) \times (25\% \text{ cost of goods}) = \$30,000 \text{ total cost of goods}$
  - $(\$120,000 \text{ total sales}) - (\$30,000 \text{ total cost of goods}) = \$90,000 \text{ in gross profit from all the customers the affiliate brings}$
- We pay affiliates 40% of the gross profit:
  - $(\$90,000 \text{ gross profit}) \times (40\% \text{ payout}) = \$36,000 \text{ to the affiliate as payment.}$
- Here's the gross profit we have left after cost of goods and payouts:
  - $(\$120,000 \text{ total}) - (\$30,000 \text{ costs}) - (\$36,000 \text{ payouts}) = \$54,000 \text{ leftover}$
- Let's find our affiliate LTGP to CAC ratio:

- $(\$54,000 \text{ gross profit left}) / (\$4000 \text{ to get an affiliate}) = 12.5 : 1$

...Not too shabby.

If you recall from earlier, we need to be *at least* at 3:1 to have a decent business. Like the example, we want the ratio even higher than that (5:1, 10:1+). Now, if we had these numbers, we'd just do *more*. But, if your actual LTGP : CAC is less than 3, here are the three ways to improve it:

- 1) Lower CAC: We get affiliates *for less* (by improving our ads, offer, and sales process).
- 2) Increase LTGP & Decrease CAC: Get more to *activate* (by creating a launch process).
- 3) Increase LTGP: We make them *worth more* (by improving our integration process).

With affiliates, you now have at least two layers of customers. Your customers, and the people who get you customers. And if you've got super-affiliates you add a third, the people who get you the people who get you customers! This adds complexity, but if you can manage it, it's worth it.

Now that you understand how to use affiliates to advertise, and how to make them more profitable— let's bring it all home.

## Conclusion

Like referrals, affiliates aren't an advertising method you can 'do.' They're people who advertise your stuff to benefit you both. You do the core four to get them, and if you want them to love you, then you *treat them like customers*. Because in a lot of ways, *they are*. And if you deliver more value

to them than it costs them to get it (especially hidden costs), they'll get you more leads than you can handle.

And like we learned earlier, there are two ways to create a compounding business. You can find more people that never stop buying your stuff or you can find more people who never stop selling it for you. Referrals are the former. Affiliates are the ladder.

In theory, once you build an affiliate army, you never need to advertise again. They keep getting you leads month after month. The main reason - it makes sense for them. The way you do business, your leadership, and the value of your product all come into play. You are only as good as the goodwill you have with your affiliate partners. Arrange it right and you should both be better off from the relationship. They should be able to spend more to acquire customers through a more compelling offer, higher profits, or both. And, in return, you get more engaged leads. So why doesn't everyone do this? They don't know it's possible. They don't know how. Or, they don't want to. Simple as that. Hopefully we solved all three of those issues at once.

Remember, *advertising always works*, it's only a matter of efficiency. So once you start, keep going until it works.

## Action Steps

Advertise your affiliate offer until you get ten to twenty affiliates. Get results with those affiliates and use their feedback to work the kinks out of your offer, terms, launches, and integration strategy. Then, scale like crazy by turning their results into your first batch of affiliate lead magnets.

## **FREE GIFT: Build Your Affiliate Army BONUS**

As you can see - I am a big fan of building affiliate programs when they're done right. To help you 'do it right' on your first try, I made an in depth video training for you. You can get it free at: [\*\*Acquisition.com/training/leads\*\*](https://Acquisition.com/training/leads). And as always, you can also scan the QR code below if you hate typing.



## Section IV Conclusion: Get Lead Getters

*“The last skill you ever need to learn is how to get other people to do everything you need for you.”*

We do the core four to get engaged leads: warm outreach, post content, cold outreach, and paid ads. And we use them to get two types of engaged leads: the ones that become customers, or the ones we turn into lead getters. Lead getters come in four flavors: Referrers, Employees, Agencies, and Affiliates. Each have key strengths:

- Customer referrals have the biggest potential for low-cost exponential growth.
- Employees have your *direct* influence and run your business on your behalf.
- Agencies teach skills you keep forever and can transfer to your team.
- Affiliates, once you get them going, can operate entirely on their own.

You can either do the advertising or other people can. And there are more “other people” than there are of you. *You get more leads for the work you do when you have help.* So if you want to get a ton of leads, this is the way.

Maybe your head is officially spinning. Now that you understand these advertising methods, you see leads everywhere you look. *We have so many ways to grow!* And you’d be right. But...you don’t know which one to focus on.

Any or all of these lead methods can underpin a successful lead-getting strategy, and I put them in the order of what happens naturally. If you start on your own, you tend to get your first referrals before you start building a big team. And when you start building a big team (employees) you’ll probably start looking for professional help (agencies). And only when a business

owner has a handle on managing people inside of their business do they tend to get the guts to try and manage people outside their business (affiliates). In any case, you have to forget the idea that everything is going to work out the first time.

If you think you're going to become a millionaire the first year you go out on your own, you're probably wrong. It's very unlikely. And an obsession with "getting rich quick" will likely ensure it never happens. People try shortcuts for a decade until they realize they should have picked a strategy and stuck with it for a decade. If you do that, success is inevitable. Once you find something that works for you—*stick to what you pick*. Those are the best words of encouragement I can offer. The longer you play the game, the better you will get, and the more success you will have. *Just don't quit or switch methods after seeing a few losses*. It's normal to lose in the beginning. In fact, I *expect* to crack a new lead source in three to six months (and this isn't my first rodeo). So if your expectations are *faster* than that, do you think your expectations are reasonable?

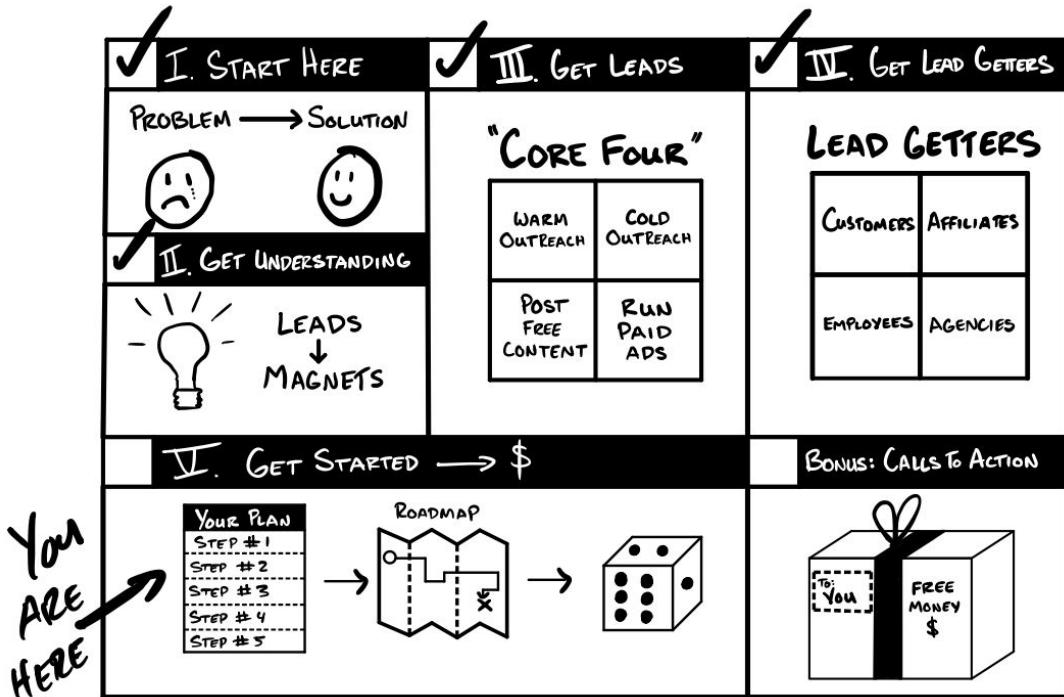
We covered a lot here. This section was how you scale: you get other people to help you. They are the missing link. Each has their own strategy and best practices. Use what applies to you now.

This leads us to Section V: Get Started. I want to put everything together for you in a nice bow so you know *exactly what to do next*. Together, we'll eliminate leads as the bottleneck in your business forever. Onwards!

## Section V: Get Started

*"It's not the end. It's not even the beginning of the end. But it is, perhaps, the end of the beginning"*

-Winston Churchill



*June 2017. Three months after we lost it all, again, and switched Gym Launch to licensing.*

"Hey Leila, what do you make of this?" I asked.

"What's up?"

I gave her my phone.

*Mr. and Mrs. Hormozi, we cordially invite you to a private event for entrepreneurs earning eight figures and up. Let me know if you're interested.*

“Seems cool” she said. “...but we’re not making eight figures?”

I pretended not to hear her. “You wanna go?”

“Sure. Is it included in our mentorship dues?”

“One sec, I’ll ask”

An email response came a moment later:

*No, this is an additional fee. It is a two-day event limited to ten people at a private resort.*

“Nope” I said.

“Huh. Can we afford to go?” *Ouch.*

“Who cares? We can’t afford not to go.”

*10 days, a long flight, and a short drive later...*

We made it. The “cool kids” meet up. I had one goal, to add as much value as I could to everyone else in the room. But the moment I walked in, I knew I was out of my league. I recognized almost everyone there. They were famous in the advertising world. They all spoke at huge events. Signed autographs. Made millions. Then, there was me. I wasn’t an eight-figure entrepreneur. I was a kid from Baltimore just paying to breathe everyone else’s air.

Once everyone settled we had a short housekeeping discussion and then got down to business. This way of doing things was a sharp contrast to the big stages, booming sound systems, flashing lights, and other theatrics that “real” events have.

The first speaker was ready to go. He had a ‘man bun’ and loose yoga-ish clothing. He looked like a hippie. But then, he opened with how he was *only* doing \$3,000,000 per month...*is this for real!*? I felt like a fraud. The numbers he shared with such a casual attitude blew my mind. *How is this possible?*

He continued on with his talk using all sorts of business, advertising, and tech jargon. He pointed to dizzying charts and graphs. I came here to learn more about advertising but felt dumber by the second. I recognized enough of the words to realize I knew nothing useful about them. His presentation went *way* over my head. I started sweating bullets. Leila grabbed my hand. We both felt stressed and out of our depths.

He finished and finally opened up for Q&A. *Excellent*. But the questions were still at the same level as his presentation. *Nope, I'm still doomed*. Then, an awkward voice cracked. “So uhh... What courses are you taking to learn all this stuff?” *Now we're talking*. I leaned in. Pen in hand. His answer changed my life:

“At this point, I don’t expect to learn anything new from courses. I have to learn by doing. And I ‘do’ by spending a percentage of my revenue to test new campaigns, new channels, new pages, or just plain crazy ideas. And I learn something every time I test, so the money is well spent. Whenever one of these tests is a winner, and *some* are, it’s a big deal. I learn something amazing and make far more money than I spent. It raises the bar for my business and, more importantly, myself. So whether it’s 1%, 5%, or 10%, set *some percentage of your advertising budget* aside to try new things without expecting a return. Consider it an investment in your education.”

I felt chills go through me like some judgment demon left my body. He gave me permission to fail.

*None of this is magic. If he can do this, so can I.*

\*\*\*

The next week, I *tripled* my advertising budget. Yes, it was a bit aggressive. But my mindset had completely changed. I'd either make more, or get better:

Our business went from \$400,000 in June to \$780,000 in July. From there, my cost to get customers went up too high. So I tried new audiences. Most failed. Then, a hit. Boom, we cruised past \$1M to \$1.2M to \$1.5M per month.

Then, I realized we didn't follow up with our engaged leads... at all. We tested email. Didn't work. We tested phone calls. Nothin'. Then I tried text blasts. Wham, we zoomed to \$1.8M the next month.

From there, we tested paid ads like crazy. We made way more of them *and* put more focus on their production value. Boom. We cruised past \$2.5M per month.

Then, we launched our affiliate program and stacked another \$1.5M per month *on top*. That took us past \$4m per month. Years later, our portfolio now does more than \$16,000,000 per month.

So test until you find something that works. Take massive action. Stay focused. Double down on it until it breaks. Then test until you find the next thing that works, and double down on *that*. Taking these leaps are the only way to unlock the business you want and the life that comes with it. And maybe, slay your judgment demon too.

So from now on...

*You either win or you learn.*

## The End of the Beginning

Your speed to making big money depends on how fast you learn the skills to making big money. Getting more engaged leads with the skills of advertising, is a great start to making more money. In fact, if you make *any* amount of money, more engaged leads will make you even more. And, sadly, *those skills take time to learn*. So I share my experiences to shave *years* off your time. To shorten the gap between no money and mo' money. It's time to make it happen.

## Outline Of The “Get Started” Section

This final section has three chapters. They are short and sweet, just like our time together.

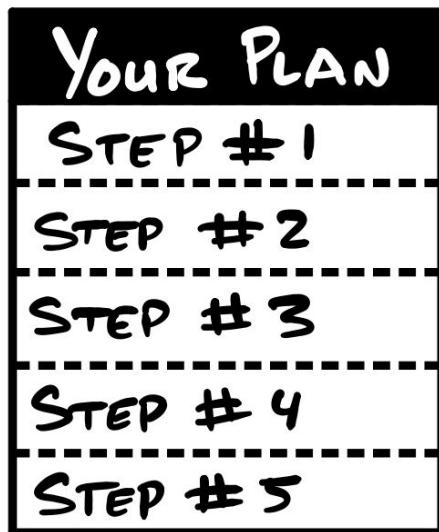
In the first chapter, Advertising in real life— I'll lay out my one big advertising rule. Then, I'll give you my personal one-page advertising plan you can use to get more engaged leads, *today*.

In the next chapter, Putting It all Together— I'll lay out the roadmap to scale from your first few leads all the way to your *\$100M Leads* machine.

Finally, A Decade In Page—I'll distill everything we learned into bullets to show how far we've come in our time together. Then, to send you on your way, I'll share a parable that has gotten me through even my hardest times.

## Advertising in Real Life: Open To Goal

*If some is good, more is better.*



*June 2014.*

When I launched my first gym, I used the same paid ads I used at Sam's gym from way back. And they worked, for a while. Over time, the costs started creeping up. I got less leads for the same money. But, I still needed more customers. I wasn't sure what to do.

I talked to a mentor who ran a chain of tanning salons for some advice. He said “before all this fancy internet stuff, flyers crushed for us, you should try those.” So, try them we did. We printed 300. Over the next day, we put them on cars in areas close to the gym. A day passed. Nothing. The next day, the phone rang. *Finally!*

“Hey, you put a flyer on my car—” My heart raced. *It worked!*

“—Yes, yes I did! How can I—?” But before I could finish, he interrupted right back.

“—yea, you scratched my Mercedes...” *Crap.* “...you’re gonna need to pay for—” I panicked and hung up the phone. He called back. I let it ring. He never called again. That was the only call I got from the flyers. No leads. Nothing.

Universe: 1. Alex: 0.

*A few weeks later*

I sat in the lobby of my gym *waiting for customers to fall into my lap.* Feeling bored, and a bit frustrated, I called the mentor with the ‘bright idea’ to put out flyers.

“Hey Alex - how’s it going?”

“Uh, not too good.”

“Why what’s up?”

“We put out the flyers like you said.”

“Oh yea, how many leads you get from ‘em?”

“None.”

“Hmm...that’s odd.” He paused. “What was your test size?”

“What do you mean?”

“You know, how many did you put out?”

“I put out 300.” I said in a resentful tone.

“Shoot, you only put out 300? Hard to know if anything works with such a small number... I test with 5000. Then when we find a winner, we put out 5000 per day, every day, for a month...”

*Five thousand?* He *tests* with almost seventeen times more than my entire “campaign.” And he does it in a single day. I felt like the person who says exercise doesn’t work after going to the gym one time. And I *hate* that person.

“...I mean what kind of response did you think you were gonna get?” he chuckled. “If we get half a percent, that’s decent. If we get one percent, that’s a winner. With 300 flyers, half a percent would be like one and a half people. That makes it pretty hard to know if you got a winner or not.”

I had nothing to say. He was right. *I felt like a fool.*

I doubt he remembers the call. But, it stuck with me. I promised myself I would *never* let effort be the reason *anything* didn’t work for me. It could be something else. The offer. The copy. The image. The targeting. The media. The platform. The position of the moon. But *not. my. effort.*

Those 300 measly flyers taught me a mondo lesson. I did the right stuff, but I didn’t do it enough times. I lacked what can be described in a single word: *volume*.

Neil Strauss once said “Success comes down to doing the obvious thing for an uncommonly long period of time without convincing yourself you’re smarter than you are.” The right action in the wrong amount still fails. Most people, myself included, *stop too soon*. We don’t do *enough*.

Most people dramatically underestimate the volume it takes to make advertising work. They’re not doing half as much or a third as much as is

required. In fact, they're doing dramatically less. I was doing 1/1500th the level of effort required to make a flyer campaign work—*I just didn't know it.*

I hear this all the time. “Alex, I reached out to 100 people over the last six weeks, I only got one customer, it doesn’t work.” Response: “You did 1/42 of the amount of work required. It was 100 per day, not 100 over time.”

Most people do not get that advertising is an inputs and outputs game. To them, outputs appear out of their control. Their low effort inputs get them their low and unreliable output of engaged leads. We’re ending that now. You input advertising effort. Your output is engaged leads. Period. Now, we are crystal clear on the stuff you do (the core four). And like we learned when maximizing the core four—You just gotta put in *more* and do it *better* than before. We started with the rule of 100—but when you make that the norm, you’re ready to take it to the next level with...

## **Rule of 100 on Steroids—Open To Goal**

A very successful gym chain allowed their sales managers to make their own schedules. But there was a catch—they had to sign up five new members per day *no matter what*. So if they did it by lunch, they could cut out early. But if it took 18 hours, so be it. They called this type of work schedule ‘open-to-goal’.

I’ve found that elite entrepreneurs and salespeople across industries do some variation of ‘open to goal’. This is because it’s like the rule of 100... but for the big kids. You don’t just commit to doing something a specific number of times... you commit to the work until you hit a specific number of outcomes—no matter what. So it means you unlock a whole new level of effort you never even realized you had. It might mean only doing something fifty times to get the desired result. Or, like the flyers, five thousand times, every day, for *years*.

If you want to take your advertising to the next level - work until the job is done. Give up the idea of ‘doing your best.’ Instead, do what is required. And

sometimes that means your best just needs to get better.

## How I Make Open To Goal Work For Myself



If I had to pick the three habits that best served me in my life - they would be:

- 1) Waking up early (4-5 am)—Pro tip, this actually means *going to bed early*...
- 2) Getting right to work—No rituals. No routines. I drink coffee and get to work.
- 3) No meetings until noon—No interruptions. Nothing. Fully focused work time.

To be clear, I don't think there's any magic to waking up early. But I do think there's magic in a long stretch of uninterrupted work immediately after a long stretch uninterrupted sleep. After all, it's the most productive hours in a row of the most productive work I can do... with nothing getting in my way... Every. Single. Day. How can you lose?

And since I have a good idea of what I can do in a day, I set my daily goal accordingly. Then, only after my dedicated block of work—do I go put out fires, talk to humans, and deal with the other day to day stuff.

Waking up early, getting right to work, and working 8 hours straight has been my highest ROI “habit stack.” By a longshot. If you choose to try it, I hope it serves you as well as it has served me (or better). And for those of you thinking “Wait! That’s more than twelve hours of work a day!” You’re right. I’m playing to win. But if it overwhelms you at first, I get it. Just throttle it back a few hours and then work your way up. Some days it’s tough, but I always like to remind myself:

*“Do more than they do, and you will have more than they have.”*



Alex Hormozi ✅  
@AlexHormozi

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Whenever I get to a low point where I think “why do I even bother?”

I just try to remind myself “this is where most people stop, and this is why they don’t win.”

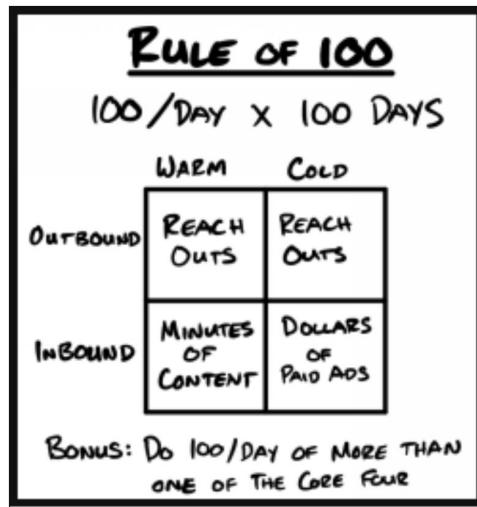
Since my job is usually to “get more customers” in most of my companies, advertising is what I focus on. This book, for example, was written exclusively in that open to goal time block. Why? Because it’s an asset that can bring me more companies.

So, if you’re gonna follow my high ROI habit stack, then you’re gonna want a clear action plan for that time. This is the simplest advertising plan I can give you.

## One Page Advertising Checklist

**Step #1:** Pick The Type Of Engaged Lead To Get: Customers, Affiliates, Employees, or Agencies

**Step #2:** Pick Rule of 100 or Open To Goal. Commit To Your Daily Advertising Actions



**Step #3:** Fill Out The Advertising Checklist For That Daily Action

Advertising Daily Checklist	
<b>Who:</b>	You
<b>What:</b>	Your Offer or Lead Magnet
<b>Where:</b>	Platform
<b>To Whom:</b>	Audience>List
<b>When:</b>	First 8 Hours
<b>Why:</b>	Get X Engaged Leads or Lead Getters
<b>How:</b>	Warm/Cold Outreach, Content, Ads
<b>How Much:</b>	100 or Until you hit your goal
<b>How Many:</b>	# of Follow Ups/ Times Retargeted
<b>How Long:</b>	100 Days or Until you hit your goal

**Step #4:** Do this daily action until you have enough money to afford paying someone else to do it.

**Step #5:** When you do, go back to step 1. Make employees your new target lead type. And repeat steps 1-4 until you have the help you need. Then, scale again.

## Conclusion

Lots of pages. So many ideas. We're almost at the end. But, you don't have any more leads. What gives? Answer: Reading doesn't get people interested in the stuff you sell... *advertising does*. If you're not telling anyone about the stuff you sell, then you aren't getting anyone interested in the stuff you sell. Period.

This chapter laid out the plan to advertise in the simplest way I could:

- Work 'open to goal.'
- Structure your day to make open to goal possible.
- Create *and* commit to that goal with the one page advertising checklist.

Many skip planning, or worse, they write a one hundred page plan that never gets used. So skip the atrocious waste of time that is writing pages of baloney. Harness the power of laying out your action steps on a *single page*. It leaves little room for excuses, distractions, and delusions. You either did the stuff or you didn't. You can fill out your one page advertising checklist in about five minutes. And once the naked truth stares back at you, all you have left is to *do it*.

**FREE GIFT: Downloadable Advertising  
Checklist**

You can watch an added training and download this checklist to fill out for yourself at [Acquisition.com/training/leads](https://Acquisition.com/training/leads). As always, you can also scan the QR code below if you hate typing.

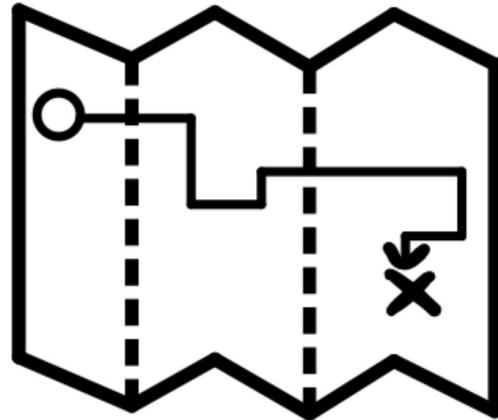


## The Roadmap - Putting it All Together

Zero to \$100,000,000

*“A leader must aim high, see big, judge widely, thus setting himself apart from the ordinary people who debate in narrow confines.”*

*- Charles de Gaulle,  
French President During World War II*



To get to where you want to go, it pays to know what lies ahead. So in this chapter, I describe the phases you will go through as you scale your advertising. Acquisition.com uses this roadmap to scale our portfolio companies from a few million a year, all the way to \$100,000,000+. These levels will help you identify where you are on the advertising totem pole so you know what to do to get to the next level.

**Level 1:** *Your friends know about the stuff you sell.* To start getting engaged leads, you make one offer, to one avatar, on one platform. The moment you get engaged leads, is the moment you can start making money. For me, this started with reaching out to *everyone* I knew.

**Primary Action:** Warm outreach.

**Level 2:** You *consistently let everyone you know about the stuff you sell.*

You know the exact inputs to get an engaged lead with your chosen advertising method. And, by scaling those inputs, you get *consistent* customers with it. But the consistent customers come from maximizing your personal work capacity. For me, on top of warm reach outs, I maximized my personal work capacity with paid aids, using a case study as my lead magnet. But looking back, I wish I would have started with posting free content. So I suggest that.

**Primary Actions:** Do as much warm outreach and post as much content as you can *consistently*.

**Level 3:** You *get employees to help you do more advertising.* You've maxed your personal advertising inputs, but not the platform. And if you want more engaged leads that can only mean one thing. Doing more. For me, I hired a videographer and a media buyer to take most of the paid ads work off my plate.

**Primary Action:** You hire people to advertise profitably on your behalf.

**Level 4:** Your product is good enough to get *consistent referrals.* You continue building goodwill and shoot for getting 25% or more of your customers from referrals. Now, you've set yourself up to ramp your advertising again. But to make that work, you have to get more serious about hiring a team to make it happen.

This is when I realized that my ads were shut off but I was still getting referrals every week. So, I doubled down on referrals. I built goodwill using customer feedback to update my product every two weeks. I also started a strong referral program with big incentives at the same time.

**Primary Actions:** Focus on your product until you get consistent referrals then go back to scaling your advertising with a bigger team. This is where most people mess up. They let their product slip and never recover.

**Level 5:** *You advertise in more places in more ways with more people.* First, you expand to new audiences on your best platform. Then, you make ads with all placements and media types the platform supports. And, after your team can get consistent results, you expand your team again to add: *another platform, lead-getter, or core four activity.*

For me, I hit two birds with one stone. I expanded my paid ads to include potential affiliates. And this paved the way for my affiliate programs.

**Primary Action:** Advertise profitably using at least two methods on multiple platforms.

**Level 6:** *You hire killers.* Your executives grow departments specific to an advertising method or platform without you. And you're not looking for potential. You're looking for experienced leaders specializing in exactly what you want. We capped here.

It took me three years to figure out two things. One, that I needed veteran executives with experience suited to my problems. And two, that they needed stronger incentives. But by the time I realized this, I sold those companies. Once I started Acquisition.com I realized the power of expanding the pie to get more of the right people invested in winning. This is how we crossed \$100M+ then \$200M+ in portfolio revenue and beyond.

**Primary Action:** Get battle-hardened executives and department heads to take over new advertising activities and channels.

## **Pro Tip: Hire Experience, Not Potential.**

I tried cold reach outs twice before it worked the third time. The main difference: the person I hired to run it. First, I tried someone external with experience - that failed. Then I tried internally with no experience - that failed. Then finally, I hired internally *with* experience - that worked. Since it's a people heavy, operationally complex machine, the person you hire to manage the team matters a lot. Pick experience. They should know *more* than you do. If you're not learning from them in the interview, you've got the wrong person.

**Level 7:** I'll come back and edit this chapter once I cross a billion. I promise, I'll send the lessons as soon as I have them. You have my word.

Last Points: I know this looks clean. But it never is. Real business is *messy*. It takes *a lot* to find what audiences, lead magnets, methods, and platforms work best. And you can only find out what works if you try. So you have to try a lot of different things, a lot of different ways, for a long enough time to know for sure.

*Nobody* can ever know the absolute best thing to do. But I do know this: the more you advertise, the more people find out about the stuff you sell. The more people who know about the stuff you sell, the more people will buy it. This is the key to the *\$100M Leads Machine*.

**The \$100M+ Lead Machine**



Let's look into your future. Your business makes \$100,000,000+ annual revenue. It's great to have a clear picture of what the \$100M machine looks like. Let's have a look, shall we? First and foremost, your advertising fires on all cylinders...

- Your media team scales tons of free content, in all media types, on many platforms.
- You regularly make offers to your warm audience to get more customers or affiliates.
- Your ravenous audience makes *anything* you launch *immediately* profitable.
- You have teams running and scaling profitable paid ads across multiple platforms.
- Your cold outreach team gets you more customers.
- You have an affiliate manager launching and integrating all new affiliates.
- You have recruiters *and* recruiting agencies bringing in more lead getters.
- Your product is so good that a third of your customers bring you more customers.

- Your executive team drives all this growth without you.
- And...*you have more engaged leads than you can possibly handle.*

How long does this take? For business owners who know what to do—anywhere from five to ten years. Building something great, even if you know exactly what to do, takes time. And so many like to trumpet “overnight success,” but looking behind the curtain tells a different story. It took my wife and I *more than ten years of our best effort*, to cross the first \$100M in net worth. So the bigger your goals, the longer your time horizons need to be. You want to play games where if you wait, you win.



Entrepreneurship isn't for the faint of heart.

The load is heavy and the road is long.

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### **FREE GIFT: BONUS TUTORIAL - Scaling from \$0 to \$100M+**

Sometimes it's useful to hear a narrative of what each stage is like. If you know what comes next, you can start preparing for it today. I recorded a free tutorial where I help you identify where you are at, and what comes next so you can win. You can grab the tutorial free at, you guessed it,

[\*\*Acquisition.com/training/leads\*\*](http://Acquisition.com/training/leads). As always, you can also scan the QR code below if you hate typing.



## A Decade in a Page

*“Simplicity is the ultimate sophistication” - Leonardo Da Vinci*

We've covered a lot. And I think organizing what we learned into one place helps it sink in. So I made this “back of the napkin” list of what we've covered and why.

- 1) How to define a lead from this point forward. Now you know what you're after: engaged leads, not just leads.
- 2) How to turn leads into engaged leads with an offer or lead magnet. And, how to make them.
- 3) The *Core Four* - the only four ways we can let people know about the stuff we sell.
  - a) How to reach out to people who know us: *ask them if they know anybody*
  - b) How to post publicly: *hook, retain, reward. Give until they ask.*
  - c) How to reach out to strangers: *lists, personalization, big fast value, volume*
  - d) How to run paid ads to strangers: *targeting, callouts, What-Who-Whens, CTAs, client financed acquisition*
- 4) Maximizing the Core Four: *More Better New*
  - a) What keeps us from doing what I'm currently doing at ten times the volume? Then solving for that.

- b) Finding the constraint in our advertising. Then testing until it frees the constraint. Then doing *more* until it gets constrained again.

5) The Four Lead Getters: *Customers, Employees, Agencies, and Affiliates*

- a) How to get customers to refer other customers
- b) How to get employees to scale your advertising without you
- c) How to get an agency to teach you new skills
- d) How to get affiliates launched and integrated

6) When advertising in the real world: *The Rule of 100 and Open to Goal*

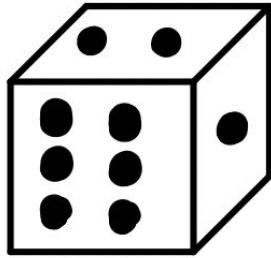
- a) The five step one-page advertising plan to get more leads *today*.

7) The seven levels of advertisers and the *\$100M leads* machine in action.

As I promised in the beginning, the result of these bullets is more, better, cheaper, reliable engaged leads. I hope this book provides you utility. I hope as a result of reading this you know how to get more leads than you currently are. And I hope I unmasked the mystery behind lead getting.

Also, since you are one of the few who actually finish what you start, I want to leave you with a parting gift: a fable that has gotten me through my hardest times.

## **The Many Sided Die**



Imagine you and a friend play a dice-rolling game. You are each given one die. One of the die has 20 sides. The other has 200. On each die, only one side is green. And the rest, are red.

The point of the game is simple: *Roll green as many times as you can.*

The rules of the game are as follows:

- *You can't see how many sides you have. You can only see if you roll red or green.*
- *If you roll green—One of your red sides turns green, and you get to roll again.*
- *If you roll red—Nothing happens, and you get to roll again.*
- *The game ends when you stop rolling. And if you stop rolling, you lose.*

### What do you do?

*You roll.* When you roll red, you pick up the die and roll again. When others roll green, you pick up your die and roll again. When you roll green, you pick up the die and roll again. You keep telling yourself one thing. “The more I roll, the more greens I get.” At first, you roll green once in a while. But as more red sides turn green, the greens happen more. With enough rolls, hitting green becomes the rule rather than the exception.

## What does your friend do?

He rolls a few times and hits red each time. He sees you roll a green and complains that you *must* have a die with fewer sides. He reasons, it's the *only* way you could have rolled green before him. And although you did, you also rolled many more times. So which is it?

In either case, he rolls a few more times in frustration and hits a green. But then he complains about how long it took. He's spent more time watching you and complaining than actually playing. Meanwhile, you've hit your green streak. *It's so much easier for you*, he tells himself. *You get greens every time! This game is rigged, so what's the point?* He quits.

\*\*\*

So who got the die with 20 sides? Who got the die with 200 sides? If you get the game then you see, once you roll enough times, *the die you're given doesn't matter.*

- Die with fewer sides might roll green sooner.
- Die with more sides might roll green later.
- But, a die with a green side *always* has a chance of rolling green... *if you roll it.*
- Every die hits its green streak when rolled enough times.

All of us get a many-sided die. And looking at the other players, you have no idea if it's their 100th roll or their 100,000th. You don't know how "good" other players are when they start, you can only see how well they do *now*. But, if you understand the game, you also know *it doesn't matter.*

A few begin playing early. Others begin much later. The rest sit on the sidelines complaining about how lucky the players are. I guess so, but they're luckier because they play. And when they hit red, which they do, they didn't quit. They rolled again.

Learning to advertise is a lot like the game of the many sided die. You do not know if it will work until you try. And when you start advertising, you will probably hit red on your first rolls. But if you try enough times *you will hit green*. And *when* it works, you have a better chance of getting it to work *again*. The more you do it, the easier it gets. You begin to understand the game. No matter how many players there are or the number of sides on the die you're given, you start to see the only two guarantees:

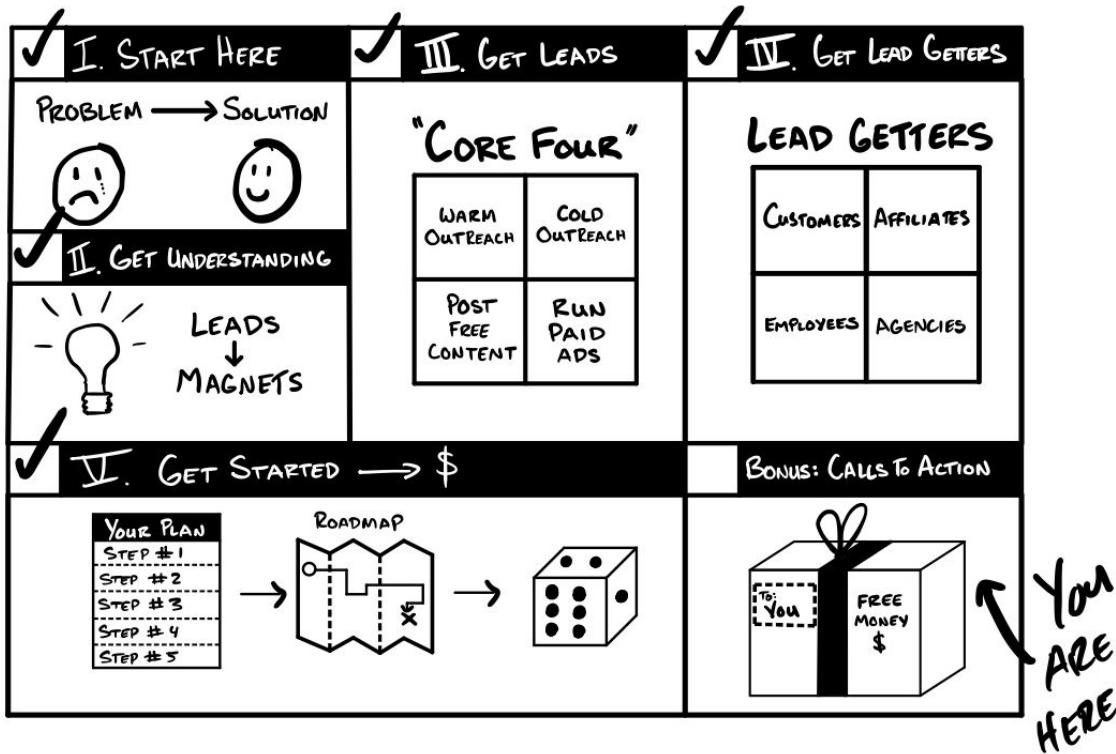
- 1) The more times you roll, the better you get.
- 2) If you quit, you lose

So here's my final promise:

**You cannot lose if you do not quit.**

# Free Goodies: Calls To Action

*If it's free, it's for me!*



I'm gonna give you a bunch of free stuff in a second - so stay tuned.

Dr. Kashey (my editor) and I spent over 3,500 hours on this book. We wrote 650+ pages and 19 drafts with varying frames, themes, and points of focus. But ultimately, the changes left only the most distilled 'need to knows' inside. We went through 127 pages of hand drawn models to carve out the few that made it into the book. All that to say - I hope this work results in you growing the business of your dreams.

When I look back on my life these books will be among the things I am most proud of. I wouldn't be able to write as fervently if I didn't think people would read it. And as much as I strive to be the man who would work as hard

if nobody cared, I am not there yet. Your support and positivity make a difference for me. So thank you from the bottom of my heart for allowing me to do the work I find meaningful. I am forever grateful.

If you are new to #mozination, welcome. We believe in big ambitions, and matching our ambitions with giving and patience. And I have a personal goal in that spirit of giving: *to die with nothing left to give*.

So if you're still with me, thank you. I want to provide some more goodies.

- 1) **If you're struggling to figure out who to sell to**, I released a chapter called “Your First Avatar” between this book and the last. Think of it like a ‘single’ from a music album. You can get it for free at [Acquisition.com/avatar](http://Acquisition.com/avatar). Just pop in your email and we’ll send it over.
- 2) **If you're struggling to figure out what to sell**, you can go to Amazon or wherever you buy books and search “Alex Hormozi” and \$100M Offers. It should get you on the right path. The digital version is available for sale at the cheapest price that the platform would let me make it and still list it as a book.
- 3) **If you're struggling with getting people to buy, my next book will be on persuasion and sales.** It may or may not be out by the time you read this. It'll either be called \$100M Sales or Persuasion. I haven't decided yet. But if you search my name you can look for any other books that may be out by the time you read this.
- 4) **If you want a job at Acquisition.com** or in one of our portfolio companies - we love hiring from #mozination. We love doing this because we've found our best returns investing in great people. Go to [Acquisition.com/careers/open-jobs](http://Acquisition.com/careers/open-jobs), and you can see all the job openings across all our companies and our portfolio.
- 5) **If your company is over \$1M in EBITDA (profit)**, we'd love to invest in your business to help you scale. It brings so much pleasure to know our portfolio companies have grown much bigger and faster than mine *because they avoided the mistakes I made*. If you want us to take a look under the

hood and see if we can help go to [Acquisition.com](https://Acquisition.com). Sending your info is fast and easy.

- 6) To get the free book downloads and video trainings that come with this book, go to [Acquisition.com/training/leads](https://Acquisition.com/training/leads).
- 7) **If you like listening to podcasts and want to hear more**, my podcast at the time of this writing is top 5 in entrepreneurship and top 15 in business in the US. You can get there by searching “Alex Hormozi” wherever you listen. Or, by going to [Acquisition.com/podcast](https://Acquisition.com/podcast). I share useful and interesting stories, valuable lessons, and the essential mental models I rely on every day.
- 8) **If you like to watch videos**, we put a lot of resources into our free training, available for everyone. We intend on making it better than any paid stuff out there, and let you decide if we succeeded. You can find our videos on YouTube or wherever you watch videos by searching “Alex Hormozi”.
- 9) **And if you like short form videos**, check out the bite sized content we pump out on the daily at [Acquisition.com/media](https://Acquisition.com/media). You’ll see all the places we post and you can pick the ones you like the most.

And last, thank you again. Please be one of those givers and **share this with other entrepreneurs by leaving a review**. It would mean the world to me. I’m sending you business building vibes from my desk. I spend a lot of time there, so it’s a lot of vibes. May your desire be greater than your obstacles.

Hope to meet you and your company soon. Ad astra.

A handwritten signature in black ink, appearing to read "Alex Hormozi".

Alex Hormozi, Founder, Acquisition.com

