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PREFACE

It's getting easy to identify with a rat on a wheel. In this era of exponential change, most people — business owners included — are working harder than ever but aren't getting anywhere. They're behind the tidal wave of change, and it makes them anxious, exasperated, and feeling more than a little defeated. Fear not, for this book can get you back on the crest of the wave.

I'm on a mission. After successfully owning numerous businesses, and advising countless more, I have concerns about Main Street's ability to compete in a global economy. It matters: private businesses generate the majority of the U.S. economy, yet at least 80% of business owners are not currently increasing the value of their firms. I can see this because I stand outside the Matrix of denial — that self-imposed realm in which so many Americans have imprisoned themselves. These “ultimate insiders” believe that globalization is a fad; that if they continue to ignore cutting-edge technology long enough, it will just go away; and that all they have to do is hang in there and everything will be OK. Yeah, right. I've been outside the Matrix since 2002. As in the movies of the same name, it's cold outside the Matrix. We have to use our brains, our wits, and our guts out here. But at least we feel the exhilarating possibilities of the global reality. And fortunately, thousands of escapees are out here with us.

So what have we learned outside the Matrix? That we can win. Not just win, but win big. The global reality gives ... and it takes away. It especially gives to those who face it head on. Sure, it can be confusing, even overwhelming. I tell tens of thousands of busi-

ness owners each year that the only thing harder than escaping the Matrix is continuing to live there.

Let me be your guide to live and prosper in this new reality. *Midas Managers* was published in 2007, and it illustrates life in the Conceptual Age. That book shows how to reconceptualize your role and business model to better compete in the global economy. When in doubt, imitate the super-successful. The stories in *Midas Managers* enable you to do that.

Midas Marketing shows you how to make markets like Midas Managers. This book empowers you to leverage your intellectual capital by more than 20:1, meaning that you can increase your output 20-fold, without adding proportionate resources. In fact, you must do this, because you are competing against companies that have already achieved this advanced level of effectiveness. By the time you read this book, most industry spaces around the globe will be dominated by handfuls of companies that are achieving better than 20:1 leverage. And they're not stopping or slowing down. It doesn't take many competitors in a supply chain with leverage like this to crowd out the non-leveraged. Welcome to the "Aggregation Age." Think of it as the "Conceptual Age" on steroids.

I've realized late in life the importance of marketing. Like many MBAs, I was taught that the road to riches lies on the finance path, with marketing providing the cake courses along the way. This type of bias likely accounts for the air of superiority emanating from Wall Street, where the smartest guys in the room all seem to wear finance MBAs from the top schools. In the last five or so years, however, I have seen the light. Maybe leaving the Matrix caused this. One major impediment has been that most marketing academics I've met aren't focused on Main Street (although they can't hold

a candle to their finance brothers and sisters in this regard). But by attending my new school — Hard Knocks University — I now fully appreciate that marketing is where it's at.

As you will read, however, I've also come to realize that marketing and sales are not the same thing — not even close. Those companies that confer business titles such as “VP of Sales & Marketing” just don't get it. Because marketing sets the condition for a sale. Marketing is a strategic activity; sales is tactical. This functional difference was well-understood in ancient China. Sun Tzu, the warrior-philosopher, said: “Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.” Different skill sets are required for each of these functions. Typically, the same person can't do both jobs. If the same person could perform both functions (which they can't), the title would be “VP of Marketing & Sales.”

I further believe and demonstrate in these pages that most salespeople are marked for extinction. Marketing in the Aggregation Age is ending the existence of the traditional cold-calling, push-it-out-the-door salesperson. Sure, there will always be salespeople - for the one-off sale. But the one-off sale usually doesn't create value. In these pages, I clearly show that companies leveraging their intellectual capital more than 20:1 are doing it without traditional salespeople. Most managers should be thrilled with this news. They've long suspected that salespeople aren't really adding value, and that there must be a better way to generate revenues. Read on.

MARKETING TERMINOLOGY

This is probably the first marketing book you have ever read. I understand why: I was once where you are now. Most business books are written about large, public companies — the GE Way, Life at P&G, etc. — and you don't care about these companies and how they do it. Nor should you. You're smart enough to know that small private companies operate differently from their intergalactic public counterparts.

Let me begin by clarifying some marketing terminology. The following is a brief primer with everything you need to know.

1. Let's say a typically obnoxious investment banker sees a pretty woman at a party. He goes up to her and says, "I'm a fantastic kisser."

That's Direct Marketing.

2. The typical investment banker is at a party with a bunch of friends and sees a pretty woman. One of his friends (as if) goes up to her and, pointing at the banker, says, "He's a fantastic kisser."

That's Advertising.

3. The banker sees a pretty woman at a party. He goes up to her and gets her telephone number. The next day he calls and says, "Hi, I'm a fantastic kisser."

That's Telemarketing.

4. The banker sees a woman at a party; he walks up to her and pours her a drink. He then tells her about a movie she would enjoy, and says, "By the way, I'm a fantastic kisser."

That's Public Relations.

5. He's at a party and sees a pretty woman. She walks up to him and says, "I hear you're a fantastic kisser."

That's Brand Recognition.

6. He's at a party and sees a pretty woman. She fancies him, but the banker talks her into going on a date with his friend instead.

That's a Sales Rep.

7. The typical investment banker's friend and the woman do not hit it off, so she calls the banker to complain about the introduction.

That's Tech Support.

8. The banker is on his way to a party when he realizes that there could be pretty women in all these houses he's passing, so he climbs onto the roof of one situated towards the center and shouts at the top of his lungs, "I'm a fantastic kisser!"

That's Junk Mail.

Now you know enough about marketing terminology to teach a course on it. Or, at the least, you should have something to talk about at future parties.

I make people in the Matrix quite nervous. They really have no point of reference in dealing with me, with their being locked in a fantasy world and all. Sometimes I do wonder if tackling the world's problems isn't best left to someone else. But now is the time for outrageous, out-there thinking and action. T. Boone Pickens is right when he says that "it's time to do something, even if it's wrong."

In times of trouble I look for guidance from the great minds in human history. Perhaps no greater thinker has existed than Einstein, and he said that, "If at first the idea is not absurd, then there is no hope for it." Let's hear it for Uncle Albert! You're probably working on your 20th absurd idea (at least) this year. This book is written for you.

INVESTMENT BANKER MAN



Why it's so hard for owners to buy
what marketing professors are selling