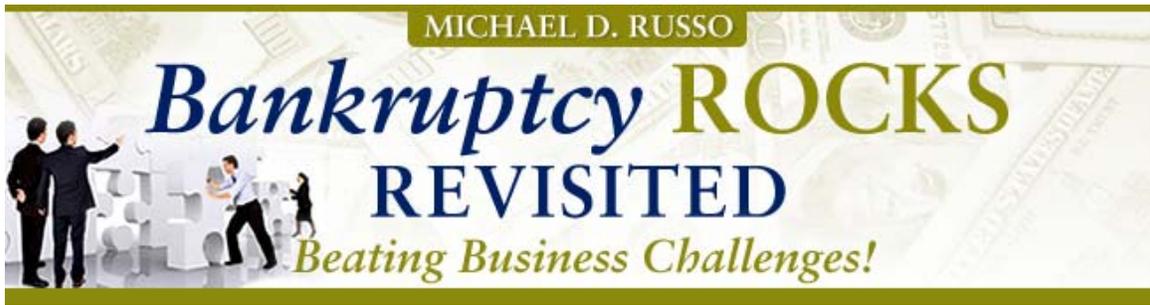


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Dedication

For my *real* friends throughout my bankruptcy.

Michael Russo

Professional Successful Bankrupt

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About the Author

Michael Russo is an international speaker, author, investor and father of three. He has worked in sales, marketing, and commission-only jobs for most of his life. At the age of 14, upon the suggestion and assistance of his father, he started mowing lawns after school and on the weekends for money, (because his father wouldn't let him quit school). After deciding he didn't want to cut lawns for the rest of his life, he completed his High School Certificate and started educating himself in the ways of making money.

Eventually he ended up working for an international insurance company on a commission only basis. After three years, he earned \$100,000 in a single year. That had been one of his financial goals.



In December 2003, (twelve days after his 25th birthday), he quit his job and started his own property investing business. In a little over 12 months he created over \$1,000,000 in assets.

He continued to develop his business and expanded into Internet Marketing, seminars, exporting and property trading.

Michael developed a chain of retail laundries among other things.

The businesses grew incredibly quickly. At one time, he had debts of over \$5,000,000. His business began to implode and he found himself regularly tied up in creditors' meetings. He fought his way back after bankruptcy to build a bigger and stronger business than before.

Introduction

Welcome to "BANKRUPTCY ROCKS REVISITED". This e-book's purpose is to give you a light-hearted, but helpful, look at the most common mistakes that new entrepreneurs make.

My book can help you to jump-start yourself and avoid the years of loss, pain, financial difficulty and lost time which taught me the valuable tips which I share with you in this book.

If you're new in business or (even if you're not)
don't do anything until you've read bankruptcy rocks!

We can show you how to **fail often, fail fast and fail small** - and build a business that works!

Sometimes, the only way to learn is to make your own mistakes and gain that experience. However, we can also learn from other's mistakes to avoid our own costly misadventures.

Let me come clean with you about my own expertise in this area before we get started.

I have no formal training in the area of business, investing, accounting or anything like that. Even though I have studied all of these areas in one capacity or another for years, I have no recognized formal qualification of any sort which is related to them.

I do have a ton of "street smarts" and am gaining more every day. We'll talk more about "*Street Smarts vs. School Smarts*" later on. For now, it is enough to say that I began my first business at the age of 14 with the help of my father. Since then, I have been involved in at least a dozen different business ventures, either on my own or with a partner. They have all had varying degrees of success.

Twelve days after my twenty-fifth birthday, I quit my job as a commission-only insurance sales agent and my wife and I went into the big wide business world on our own.

We began in property development and property trading. We moved onto retail stores, Internet Marketing, personal development seminars and exporting, to name a few areas.

Although we had our share of trials to overcome, we did very well very quickly. Within a few years, we found ourselves with a staff payroll of about \$300,000 a year and in debt to the tune of over five million dollars.

We began to implode, ran short of working capital and had severe cash flow issues.

This book is designed to help you avoid some of our mistakes.

I hope that my book will help you to overcome the effects of many people that you talk to about your business plan or idea and who try put you down, destroy your dreams, and criticize your goals.

The Knowledge Circle

I first saw this in New Zealand at a seminar I attended about property investing. The presenter said that we all have three areas of growth that are represented by three circles:

1. A small inner one -What we **know**
2. A larger one - What we **don't know**
3. The largest one which encircles the two smaller ones - What we **don't know we don't know**.

These circles represent our level of knowledge within our own relative comfort zone at any one particular time. They show how we learn.

Each circle symbolizes our pain barrier or comfort zone. We can't learn anything or entertain any new idea without expanding our comfort zone.

Each time we do, the next circle also gets larger.

Let me give you an example. Most of us learn to drive a car at a relatively young age of 16 or 17. We know at 10 or 11, before we learned to drive, what driving a car involves. We know that there is a steering wheel, pedals and indicators that we always sit up front; we have a seat belt and little dials to look at.

All this is within our first knowledge circle. We also know that before we learn to drive, we don't know how to make the pedals and wheel and mirrors and lights all work together in sequence so that the vehicle moves in the direction we want it to go, safely.

We know that we don't know how to do that yet. We not only know we don't know this but we know we need to learn this. In other words, we are aware that we need to expand our comfort zone and level of understanding in order to develop this skill set.

It's important to remember here that before we learned to drive, we also 'saw' ourselves driving in our mind before we actually did it. In our mind's eye, we could see ourselves driving down the road with our friends, driving to our favorite beach spot, picking up our date in the car and so on.

A new world of opportunities opened up to us as we entertained this new idea. All of this took place mentally before we physically could accomplish the task. This is the first step to expanding our comfort zone within the knowledge circle.

So, at the age of 10 or 11, before we learned to drive, we *know* that driving is possible, we *know* that we *don't know* how to drive and that we need to learn.

But we probably *don't know that we don't know* that you cannot drive if the oil and fuel and radiator water are not all at their optimum levels.

At the first level of the knowledge circle we usually only *know* or understand what we can see or observe with our own eyes. We *know* what it means to drive and that we *don't know* how to do it. But we probably *didn't know* that

if the fuel wasn't in the tank or the oil and water wasn't correct that we may still know how to drive but couldn't move the car anyway.

As we learn to drive, we expand our knowledge circle and our comfort zone increases. We then *know* that we can drive. We *know* that we *don't know* how the car works but that we must service it regularly and put fuel in it for it to go.

What we *don't know* about the driving and maintaining a car gets smaller as our first two knowledge circles get bigger.

This is often how it works in business. When you begin, you start with whatever is in your first knowledge circle. *You know* that you *don't know* everything there is to know about business plans, accounting, and company structures and so on, so you may increase your first knowledge circle by learning about these.



When you first start, there is a lot about business that you *didn't know* even existed. This is where you begin to increase your understanding. As you grow in experience and expand your comfort zone, what you once *didn't know you didn't know* now becomes part of your first knowledge circle of what you do *know*.

Keep this principle in mind as you go through "BANKRUPTCY ROCKS REVISITED". No one can give you everything you need to know before you start – some things you just have to learn on your own – but this ebook will be a great help for you.

Good Luck!

Big Ideas



I called this first chapter BIG IDEAS because that is where everything starts.

Many people begin with a dream that turns into an idea and that is often where it stops. You may hear people talk about their BIG IDEA for years:

- *'When the kids have grown I'll get started.'*
- *'When I pay off the house I'll take a chance.'*

But, there's usually something stopping them doing anything about it:

- *'I've just got a new promotion at work so I'll put it on the backburner for now.'*
- *'My spouse will never let me do that.'*
- *'I don't have the money and I can't start until I do.'*

I love this last statement – the truth of the matter is you will never have the money until you do start. In fact when you begin, the money will find you.

I remember talking to one of my cousins and his fiancé at a family gathering about a year ago. He mentioned that his fiancé's family had a business interstate that did very well and he wanted to open up a similar store in his home town. He assumed that it would be very simple because they had already done the hard work of making it work. They had all the suppliers, contacts and detailed stock requirements available.

He thought that all he had to do was set up and manage something like it.

I said to him, "That sounds great; it's a terrific start to have that kind of help, experience and guidance behind you."

Then, I asked him, "Where are you going to put your store?"

He said that he didn't know.

I then asked him what sort of business plan had he prepared. Again, he said he didn't have one.

"What about marketing strategies to attract your target market and the demographics here, which might be different to those interstate?" Again, the answer was that he did not know.

To every question I asked him, his response was that he hadn't done anything about that aspect yet.

"Well, how do you expect to start?" I asked.

His response was this, "I need the money. I can't start until I have the money. I can do all this when I have the money."

I then asked him where he expected to get this money from.

He said, "Oh, I'll ask an investor or the bank to give me the money."

Unfortunately, his response is typical of many potential business owners.

The truth of the matter is that you don't need any money to outline your idea on paper. That is the basis of your mission statement for the business.

It doesn't cost any money to talk to real estate agents about the costs and most suitable locations for leasing the right type of shop.

Nor does it cost any money to put together some estimates of possible costs on paper – this is the basis of your business plan.

It may not even cost any money to talk to an accountant or lawyer about how to begin. The first interview is often FREE!

What my cousin failed to understand was that no one in their right mind was going to give him any money for anything unless he could show that he had put some real thought and energy into his idea first.

The first part of your BIG IDEA doesn't require money. It requires you to THINK and PLAN.

The money comes a lot further down the track.

Another common mistake of potential business owners is not clearly defining their idea mentally before they start. This is probably the most important aspect of your new venture.

Know What You Want!

You should be able to 'see' the end result in your mind's eye before you start.



The clearer your picture is the better chance you have of actually accomplishing it. This is just like imagining driving a car before we were old enough or had any experience of doing it. We could "see" ourselves doing it before we were physically able to.

It is the same with your idea for your next successful business venture. You must 'see' your business successful and see yourself in the driver's seat.

In Napoleon Hill's phenomenal book, "Think and Grow Rich", he talks about a man named Edwin C. Barnes who wanted to work with Thomas Edison. He didn't want to work *for* Thomas Edison; he wanted to work *with* Thomas Edison.

He decided that the best way to accomplish the goal was to burn his bridges behind him and allow no room for retreat. He caught a train and went to Edison's town and knocked on his door. The response wasn't great and he ended up doing some menial tasks for him. As Thomas Edison observed his progress, he began to give him more and more responsibility. Eventually, when Edison had invented the gramophone, the slogan on the device read, "Invented by Edison and sold by Barnes". Edwin C. Barnes had accomplished his goal.

The key to the story was that he allowed no room for retreat. He burned his bridges behind him.

This story has personal significance to me because it was the final catalyst that helped me to make the decision to quit my sales job and start out on my own. After tossing up for months whether I should do it or not, I read this story and decided that, if I was going to go out on my own, I needed to allow no room for returning to my old life.

When I left the company:

- I lost all my team
- My sales were the lowest they had been in the three years I had been there
- I had lost much of the respect of my Sub-regional and Regional Managers

In my mind, this was burning my bridges. If things didn't work out on my own, it would be hard to go back and just pick up from where I left off because their final memory of me was not a promising one.

Now, don't misunderstand me. I didn't do it intentionally. I had just lost the heart for what I was doing. Looking back, I probably stayed 6 months longer than I should have.

If I had left at the top of my game, so to speak, it would have been very easy to just return to my old job and pick up from where I had left off. Because of the situation in which I left, it would have been a lot more difficult.

People often venture into a new area, but do so with the proviso that there is something to fall back on.

We are told things such as:

"Don't burn your bridges - if it doesn't work out, you can always go back and get your old job back."

OR

"Do an apprenticeship and get a trade. That way, you'll never be out of work."

OR

"It's a good thing I finished my degree, now I'll always have something to fall back on."

These are the comments of people that do not have a strong belief in what they really want to do. They lack faith and vision in their goal.

Now, I'm not saying that education is bad or you shouldn't learn different skills - not at all.

What I am saying is that we allow ourselves too many options to get out of moving to a new direction in life.

As soon as we hit one too many brick walls, we retreat and become mighty thankful that we have something from our old life to fall back on.

Notice that Napoleon Hill didn't say that there wouldn't be failures in the story of Barnes and Edison. He said that allowing no room for retreat meant the only option we have is to follow our dream.

The likelihood of failure is greater than if you stayed doing what you already knew how to do. There will be many failures.

Why? Because this is how we learn in real life.

A business associate of mine once gave me a book about CHANGE called "Who Moved my Cheese?" by Dr. Spencer Johnson.

It's a short book but a great read and I suggest you get a hold of it if you can.

I'll give you an extremely simplified and modified version of the story here to demonstrate my point.

Imagine a maze with a huge block of cheese at one end and a bite-size piece at the other. You begin at the end where the small piece is.

You hear that there is something out there bigger and better than your bite-size piece of cheese that you have always enjoyed, and you decide to go look for it.

After some time, you have not found any new cheese and have hit more dead ends than you even knew existed. So, you start to find your way back to your bite-size piece that you always enjoyed.

Upon returning to familiar territory, you find that things have changed – your bite size piece is gone. Where once you sat and enjoyed your bite-size piece of cheese, there is now a wall that stops you entering your old domain.

You have two choices:

1. You can sit and brood
2. You can continue out in your new venture and find the huge block of cheese you were aiming for

The question is, "*What will you do?*"

Often in life, people will not change unless they are forced into it or until they have no other option. When we begin a new venture, we are going out into the maze – the unknown.

Our first "knowledge circle" is very small compared to the size of our other two circles and it's scary. It is for this reason that many people don't go forward - they find something that is familiar and is within the boundaries of their first knowledge circle to fall back on.

By burning your bridges, you leave no room for retreat.

The only option you have is to find the new cheese because your safety net is no longer there. Believe it or not, your chances of success actually improve.

Napoleon Bonaparte, the Military Dictator of centuries ago, arrived for battle by boat and instructed his men to 'burn the ships'. They weren't going home unless they won. They now had no retreat.

Guess what – they won!!

Many people will only change direction in life when their backs are up against a wall and they have no other option before them. When the choice you make is the only option left before you, then you have not actually made a choice. You have allowed your circumstances to push you into a new path. It is far better to choose your own path and 'burn your bridges or ships', so that you are not tempted to return to your old ways.

The best direction is one in which you are moving forward without looking over your shoulder.

Successful Bankrupt's Top Tips

1. Understand YOUR "knowledge circle"
2. Be well prepared
3. Know what *you* want
4. Burn your bridges
5. Be prepared to *change*

Show Me the Money!

At one point in the film, "Fiddler on the Roof", Tevye says, "If riches are a curse, may God strike me with them and may I never recover!"



Money is very important in our lives these days and it can easily become a dominating factor for us. So, we need to be careful about our attitude to money if we are to succeed in a manner that will benefit ourselves and others.

Try repeating to yourself several times each morning, "I love people and I use money" and never get the two mixed up.

It is a general perception that money is hard to come by. That is true for most people.

People work hard for what they have and most will not risk it easily. Many fear loss more than the desire for gain.

The truth is there is more than enough money in the world for everyone if they know how to get hold of it.

Money is a tool and, like all tools, it must be used properly. And, like most tools it often takes practice to get it right.

If you have previously had difficulty with managing money, don't assume that being in business or developing additional income sources will never work for you. Like anything else, it just takes practice.

You will more than likely need some funds when you set up your new venture. If you have your own, that's great!

If not, you need to decide how and where you will get the money you need. Yes, this also requires practice.

This can be the biggest stumbling block for most people. If you have a good relationship with your bank as a wage earner, do not automatically assume

that your relationship will operate the same way if you branch out on your own.



A whole different set of rules apply and some of those rules are very one-sided.

Your first step is to learn those rules. Find out exactly what the banks would like from you and decide if their requests are reasonable. Sometimes they may not be.

Also, find a good finance broker. They can be instrumental in helping you to source the funds you need from places that may not be open to you directly.

Make sure you have done your research well. An accountant can help you here.

A well-developed business plan is your first step.

I would also suggest commissioning an image of what you want to create. Let's say, for example, that you want to start a snack food business. Get a sketch artist to produce an A3 size image of your completed store, in full operation with all the correct colors of your logo and make sure it shows customers in your store.

This will help to put the image from *your* head into that of your potential financier. Show this to everyone you meet with about your venture so they all have the same image you do.

Remember that a picture may tell your story better than a thousand words.

Of course, this is useless if your figures don't work.

If you're finding that traditional banks and finance companies won't talk with you, try going to private investors. There are companies who may be able to help you with this, or you can go direct and just ask people you know.

Another way is to advertise in the newspaper.

You might be surprised to learn that there may be those who you already know who have the capacity to do something and will listen to your idea *if you have done your research well.*

A word of warning from my own experience; if you do choose to use private investors be very careful about those you consider going into business with. You may think you are great friends but you may have never had dealings with this person over finances before. Is their attitude to money the same as yours?

If difficulties do arise, will they support you or run for cover and pull the rug out from under you as they go?

There are many different types of investors, or I should say attitudes to investing. However, there are two dominating types of investors.

I like to call them: Mum and dad investors and business or professional investors.

Mum and dad type investors will often have equity in their homes and perhaps some retirement money or some savings tucked away.

They will often accept lower returns over the longer term and may be easier to deal with initially. However, they are also the first ones to run and hide when tough times come. Their fear overcomes their better judgment. They will look for someone to blame and that someone will be you.

If you are going to use these types of investors, make sure you work with people that they at least have similar attitudes to you about money. Make sure they know the risks and benefits up-front and you should use a third-party to help with drawing up of the contract.

Even if you deal with family or friends, you should have all the proper paperwork drawn up. Always get it in writing, especially if you use family and friends as investors or partners. If things go wrong, you may find that you don't have quite as many friends as you thought you did.

Business or professional investors vary considerably in their attitudes towards money and their level of risk. In the main, they will expect a much

higher interest rate or return than traditional banks or mum and dad investors and they will also expect to be well secured.

They may even want to have a hand in running the business. This may be a blessing or a curse depending on the investor. Attitudes vary greatly but these investors are generally less likely to run for cover if problems arise. They will be more likely to work through the problems with you for the benefit of all involved.

These sorts of investors will often have a greater knowledge about your industry and will also know what procedures to take if they need to 'take care of you' so to speak. When borrowing from these sorts of people, things can be over very quickly if they think something is going wrong.

There is no right or wrong way about how to generate the funds you need for your new venture. You just need to be wise with your decisions. Sometimes it may be better to go without the money than to enter into an agreement that may potentially cause you difficulty down the line.

If your new venture becomes successful, you may find that you very quickly begin to outgrow your working capital. When doing your planning always allow a little more working capital than you expect to need, just to be sure. After all, it's better to have it and not need it than to need it and not have it!

Plan from the start that you will keep a little aside for future investments, irrespective of how quickly you begin to grow. Do not become the sort of business person that plans to work in their business for the next 10 years with no other contingency plan.

Plan to have funds to invest in your future.

Hold back at least 10% of all revenue for future growth either within the business itself or outside the business.

Property is a good start. Begin by trying to purchase the site in which you operate from. It doesn't matter whether it is your own home, a warehouse or corporate offices.

If you run your business from an office or warehouse along with other businesses, do some research to determine what sort of financial benefits you could gain if you owned the building or site.

I did this with our own business and saved over \$40,000 a year in lease payments and got to own the building with a substantial capital gain.

Because my business involved property, as well as traditional retail stores, I was familiar with different purchasing strategies.

When our business initially began, I was working out of our home office. When that became too small, I found a serviced office that gave me all the professional services and the look I needed for my business.

This was very expensive and it wasn't long before we outgrew the space we had there as well.

Eventually, after an extensive search, I found a vacant double-story office block on a busy street corner. It needed renovations and was larger than we needed for our own use. I negotiated with the owner to let me lease the premises and renovate while I was in there and also to sub-let the ground floor. I had a purchase option over the premises at an agreed price that had to be exercised at the end of a 12 month lease. I renovated and leased the bottom two offices and sold advertising space on the outside of the building.

When it came time to purchase the building, I was able to borrow the whole amount from the bank as I had added tremendous value to the building. The net result was my office costs went down to approx \$7000 a year including outgoings for more than twice the space we had before.

Meanwhile my tenants paid for the mortgage on the building. I later sold the building for a substantial gain.

I had to move offices to do this but the long term financial gains were more than worth it. It's just something to think about.

Perhaps, due to circumstances beyond your control, your business won't be viable in ten years time and it may have to close down. If you owned the site or building, you could continue to generate an income from another

tenant while you work on a new venture. Think how much money your tenants could pay off your mortgage over that time frame even if your own business did not continue.

When tough times come, and they always do, you will be a much more understanding landlord if you are your own tenant.

There are other ways of generating income inside or outside your business to insure your long-term stability. I have a friend who ran an electronics manufacturing business. They were only very small but, after a few years, they managed to buy their major competitor and sell their products under both brands.

Now, you won't do be able to do some of these things right away. But, just think about it and plan for it and opportunities will present themselves. You should keep aside at least ten percent of all your business income for this purpose.

Finally, we come to the important topic of finances. This is a horrible subject for most. I admit I am useless when it comes to managing accounts effectively. I need help for this.

I am, however, very good with numbers and I know how to read my own figures. This is important to know. You can never delegate your financial responsibility for your own business.

If you don't handle paperwork very well, then find someone that can give you the figures you need in a timely manner. Make sure that they are presented in a way that you can make accurate decisions on where you are headed.

I'm not just talking about a profit and loss statement (if you can't get one of those on a regular basis, then you are in real trouble).

I'm talking about the basic numbers for your business:

- ? How much you sell of what stock and how often?
- ? Which clients are worth most to you?

- ? What is your return on investment for each employee, for your marketing and for each and every aspect of your business?

If you really care about your business making money, get your finances in order and know your numbers for everything.

Managing finances effectively extends to deciding how much you expect to draw out of the business and when. If you want your business to grow, take smaller bites now – the big piece of cheese comes later.

Remember that a good business takes time to grow and develop. There is no such thing as overnight riches. I think Robert Kiyosaki said it best in his Rich Dad series of books, "The business owner gets paid last because they expect to get paid the most".

Successful Bankrupt's Top Tips

1. Money is a TOOL – use it well
2. Financial Stewardship is always YOUR RESPONSIBILITY
3. Keep at least 10% aside for future investments
4. Become familiar with different types of investors
5. Managing money takes *practice*

Where's Your Team?



This chapter applies to everyone, even if you don't have any staff.

Many self-employed people think that they can do it all themselves. This is just not the case.

Even if you don't have or don't need staff, your TEAM should still allow you to manage your business more efficiently and help it to grow. If you're thinking "I don't want my business to grow" or, "I'm happy where I am", just remember that a business must change and grow if it is to survive in today's business world. If you run your business exactly the same way each and every year for 10 years *and* you survive, you'll still be well behind your competitors that have focused on growing and evolving.

Having a team does not necessarily mean you always have employees. It may mean that you have outside consultants helping you with marketing, accounts, and stock purchasers and so on.

If you have an aversion to hiring employees or believe you don't need them to grow, then try it. Perhaps outside contractors, licensing or franchising will enable you to grow without devoting huge resources to employees.

One of our first business ventures was a linen and laundry service. We did a lot of commercial work for local restaurants, cafes, apartments, hairdressers and so on. We ended up having so much work at one point that we had about eight staff and twenty pieces of equipment working at least twelve hours a day, six days a week. We were operating out of just one seventy square meter little shop.

Costs were up and revenues were dragging. We ended up negotiating with a subcontractor that had greater resources than us and re-directed most of our work there. That meant we could cut staff by half and reduce our costs across the board.

As a result, our business continued to grow with less staff rather than more. The subcontractor effectively became part of our TEAM.

I remember speaking to a family friend who had retired. He was at one point in charge of one of the largest government owned utility companies in the state and on the government's list of ten most valued employees.



He mentioned to me that they would often use highly paid consultants for a short period of time rather than putting someone on permanent staff for a long period of time. For example, he might commission someone to do a job for three months and pay them a large fee. But, once the job was done, there were no ongoing payments for salaries, insurances, superannuation and so forth.

If the job needed to be done again, then they would call the person back for another short period of time. This saved them hundreds of thousands of dollars each year.

There are other costs associated with employees that you don't have with outside consultants or contractors. Business owners often forget that employees need a place to eat (a lunch room), tea, coffee, extra phone calls made using a business phone, paper and pens used for non-business purposes, facilities and resources in the bathroom, perhaps a new desk and computer and so on. These "minor costs" that are often overlooked when hiring someone, but they all add up.

For most of you, a strong supportive employee base could become essential as your business grows. The dynamics of the business changes with each new person that comes on board, particularly if your business is small.

Ensure that you have a plan for them to follow – a set of standard operating procedures. This will help to make sure that all your customers get the same service each and every time they deal with you.

Pay them fairly and treat them well and most people will respond in kind. But, always remember that their objectives are different to yours so don't expect them to have the same attitude as you to money, running things or how to deal with customers and so on.

Having said that, they often are at the forefront of the business and can give you suggestions to improve things you may not have thought of yourself. Don't dismiss everything they say as worthless.

Building a strong team takes practice and time. Like anything else, you must test and measure.

You may have heard the saying, "The speed of the leader is the speed of the team". This is true. Your team is a reflection of your own attitudes and actions.

Try conducting regular one-on-one interviews with them. Your staff should feel they can tell you anything about the business without you reacting negatively. Learn to delegate. This can be hard for an owner that is used to working on their own. Give them responsibilities that will stretch them and free up *your* time.

Remember that the purpose of being the business owner is to eventually give you *more* time, not less. This will not happen if you are one of those people who believe you are the best person in the business and that no-one can do it better than you. You may be an expert in one area, but you aren't in all areas. Practice delegation, hold people accountable for their actions (both good and bad) and your people will respond.

Use different methods of hiring staff; advertise in the paper, try a recruitment company and even look for government-assisted staffing programs that may subsidize you for hiring them.

When hiring people, place them on a training probation period at first. Even experienced people sometimes look great in the interview and turn out to be nightmares later on.

Give both of you a chance to make sure things work out.

When trying to sell a new product or start a new method of distribution, I've often hired experienced people under the proviso that I will fund their wage initially but, if they cannot pay for their wage within ninety days, I have to let them go. That way, they know up front that they don't have a job if they don't reach their targets quickly. It must be enough time to get them to do what you need done, but not long enough that you fund unproductive work habits.

It's a lot easier to remove someone who's on probation if things don't work out than someone who has a permanent contract for twelve months. Make sure you or someone on your team knows something about hiring and firing people. As sure as you will hire someone, you will one day have to fire someone.

There are laws about this and they do not always favor the employer.

People are basically the same the world over. They like to be appreciated and respected. Your staff will be no different. Do not expect them to respect you right away. You must earn their respect just as they should earn yours.

Create incentive programs for them, if possible, to help them improve the business' sales. Provide opportunities for them to grow and develop. The most successful companies in the world spend a percentage of every dollar they earn on training their staff.

There are many government-assisted programs that may be able to help you with this. Some organizations will even pay you to do the training.

Always look at your return on your investment on your staff just as you would with anything else in the business. You will probably spend about half of all your revenue on your staff once you start hiring people. If they cannot return you at least 2 to 3 times what you are paying them, perhaps you need to review your situation.

Correct figures and proper planning will also help you know when you can afford to put on someone new.

Each business is different and each will have people that do a more key role than others, but I offer a word of warning. Business owners often place too little importance on the financial management of the business. Correctly managing accounts and the money that goes with them are probably always one of the most important keys to the success or failure of your business.

Make sure that you choose each person carefully and watch them closely. An account officer can make or break a business. Find one that will help you to grow and not just push papers around a desk. They must be more than a data entry person.

Initially, this will probably be the job of the business owner but, when the time comes to delegate, do so with care because the ultimate responsibility still rests with you.

Successful Bankrupt's Top Tips

1. Expand your team by using outside consultants
2. Learn to delegate
3. Start all employees initially on probation
4. Create a set of standard operating procedures for them AND YOU to follow
5. Create incentive programs

I Advise You To.....

Find people who are experts in your industry in areas where you are not. Sometimes you will need to hire them. At other times, you will work with outside consultants.

Keep this in mind when dealing with advisors. Advisors are not always right. They operate on facts and figures and with no vision. For a business to be truly successful it must have a vision and that vision belongs to the founder. Sometimes you might have to fly against the conventional wisdom just to prove that something can be done. At other times, you must concede to the advice given and follow the counsel you pay for.

In all things, this takes time, practice and patience. There's a reason why patience is a virtue – particularly when dealing with advisors.

I was once given some advice about finding people who thought just like me. The advice was, *don't*. Find people who will work with you but not against you. There's usually only room for one entrepreneur in each business. You need a whole lot of different skill sets and thinking caps to make your vision come to life.

A mentor of mine once told me that most entrepreneurs usually operate like a locomotive plowing through a wooden fence. They provide the momentum, creativity, forward thinking and determination to keep the train on the tracks and pushing and through the barriers. But, they leave a lot of smoke, debris and people cowering for cover behind them. They need good advisors to help them pick up the pieces and put them back in place for the new track to work well long-term.

A business coach can be a great start to help keep you on the track once you've got the train running. Choose one that will grow with your business, preferably one that currently has or had in the past, successful businesses of their own.

Always check their references. These people can often help with contacts, start-up procedures, marketing strategies, database development, product sourcing, staff training and more.

Very few people go this way when they first begin. The right coach may give you a huge advantage over your competition. The right coach is also not cheap, so budget for it early.

A separate mentor may or may not be necessary for you. Perhaps, one of the people mentioned above will also be a mentor. A mentor serves the roles of a motivator, creative ideas stimulator and voice of reason and warning, to name a few.

They may be someone you know very well or someone you've never met before. They may or may not be actively involved in your business. They are a resource and a guide. Mentors also have a way of pointing out more of our faults than we would sometimes like. Unfortunately, it's the only way we grow. Preferably, look for someone that has done what you want to do.



However, this does not automatically qualify them to be your mentor.

Perhaps your local church or community leader may be your voice of reason on your journey. Mentors often show up in the strangest of places.

I only knew one of my mentors by voice for over 7 years. I never even knew what he looked like. He was a very experienced master success coach whom I had been listening to on cassette tape for years. I eventually met him in person at a seminar one day and asked to facilitate his programs. He invited me to Canada to train with him and our relationship built from there.

You may have more than one mentor but remember that, if they do their job well, you can expect to be told things that may be hard to hear at times. As with my mentors, the best ones do not always play the role of friend.

Successful Bankrupt's Top Tips

1. Try to find advisors who share your VISION
2. Find a mentor and stick to them like glue
3. Ensure there is enough DIVERSITY in your business to make it grow
4. Some of your best advisors may be experienced friends or associates
5. Know when to lead and when to be led

Advertising and Marketing

The major difference between advertising and marketing is the formulation of the strategy or plan. Advertising often involves placing an advertisement in the local paper; for example: "Joe's Plumbing, - Great service - Pensioner Discounts". Or the entrepreneur may pay for random letterbox drops which usually have a response rate of around 1%. Or, they may sponsor the local school newsletter for \$200 a year. Or, they may accept an offer they get in a phone call from a magazine selling you guessed it, advertising space. The Yellow Pages advertisement is another example of advertising.

The problem with all of these is the spontaneity of it all and the random, uncalculated results (if any) which they produce.

Marketing infers that all methods of promotion of the business are done under the co-ordination of a master plan. The advertisement in the Yellow Pages ties into a regular monthly promotion. The letter box drop is part of a three-monthly regular campaign only to specific suburbs or a direct mail campaign to a database of existing or potential clients.

The magazine advertisement is industry specific and targets your particular market and geographical area.

All of these methods of promotion would then feed into the customer loyalty program you have which builds your customer database (a tangible, salable asset by the way).

Passive power partnerships or mutually beneficial co-promotional activities with other businesses will help each of you to grow by tapping into each others client base.

With marketing, everything must be measured. If it doesn't work, stop it. If it is working, don't change it.

Each new marketing strategy that you put in place may generate an additional source of income for you. Try to build as many sources of income for your business as possible.

There are many marketing consultants that can help you. Once again, the best ones can be quite expensive. Perhaps pay for a one-day training and then a follow-up to reduce the cost. Or, buy a few books to help you get started. There are many great marketing books.

The key with marketing is to test and measure. The old McDonald's line "would you like fries with that" will work in almost any business. A few simple sales lines and on-sell items can add thousands to your bottom line. Learn some statistics about marketing.

Did you know that it is significantly cheaper to keep an existing customer than it is to find a new one? Learn how to look after your existing database.

Do you ask for referrals? If not, why not? Why should you go out and find new clients when your existing clients can give you all the leads you need.

We discovered that by offering free services to new customers, we recouped on average over 10 times our original outlay within a 12 month period from each new person through the door.

We discovered that existing customers would use us again for other services if they were offered.

There are many creative ways to promote your new venture.

Have you ever noticed that whenever the media wants to explore any particular topic, they immediately get a hold of an expert who is usually an author, to get their take on the situation? "With us today is Dr. Jason Jones, author of 'Your Tummy and You' to talk to us about rising obesity in our society today". No matter what this guy says, he is the expert because he has written a book. If they want to counter his comments, they get another authority on the subject who is also an author, and they debate it.

If you are not perceived as the industry expert in your field, become the industry expert. Begin by running seminars or workshops talking about providing the public or other businesses with solutions to problems by using your product or service. This is not just a glorified way of talking about your

product; this is a presentation by an industry expert. *You or someone who works for you* just happens to recommend your company.

If you think this doesn't work just remember this one word, endorsements.

A book is a great way of giving your business, or you, the profile you need. It's a lot easier to get free air time on radio if you have written a book.

It also provides another source of income for you.

If you live in a small town, perhaps you can organize to run or sponsor the local fair each year. The key is to think as far outside the square as possible. Don't ever compete, create instead. That way, your competitors will spend their time keeping up with you, rather than you keeping up with them.

The tag line on the bottom of each of my emails is "*Create and Innovate*". It's the only way to go.

Successful Bankrupt's Top Tips

1. Develop a marketing plan with measurable results
2. Find an 'add on' or 'up-sell' line for your business
3. Develop passive power partnerships
4. Write a book to raise your profile
5. Don't compete – CREATE

Too Much Success

If your business is anything like mine was, you put your heart and soul into it to get it going. As a result, it began to grow.

I set it up as if I had already done what I wanted to do. I hired staff, leased shop space and ordered equipment before I had the money to pay for it.

This was not necessarily a bad thing as, by doing this, I attracted to us all the things necessary to making our vision possible. I expected to make money and have the business grow and it did what I expected.

What I failed to realize was that I only budgeted for growth far less than I had envisioned. Our commercial laundry business revolved around securing contracts from other businesses to launder their linen. We would purchase the linen up front and provide it for them, and then launder it for them as well. It would take anywhere from 8 weeks up to 12 months to pay for the stock outlay, depending on the type of linen and size of the contract.

At the same time I was paying a sales manager to go out and get us the work. At one point, he was bringing in the contracts faster than we had the money to buy stock for the new clients.

I quickly found myself outstripping the working capital I had tied up in the business several times over.

The only way for us to stop the impending implosion was to stop securing contracts. My sales manager had to go as did some other staff. We effectively had to wait until those contracts paid for themselves before we could move forward.

It was a painfully slow process. We were doing well on paper and hitting our benchmarks but, in reality, it took about six weeks before we started receiving money from new clients and the lack of working capital it made it very difficult to operate.

What's the point? Sometimes, slow and steady does win the race. There is no need to take over the world in one night. Painful as it may be, it may be

necessary to wait and build the financial buffer needed in your business to get through the next stage of growth.

One reason that network marketing or MLM companies grow so quickly is that all the money is paid up front for everything. I know of one such company which has done very well and been able to grow without major bank financing at all. In fact, the only time they expanded was when they had the cash in the bank to do it.

This may not work in all cases as you may need some level of growth supported by bank funding just to keep trading, but it is good advice.

The relationship between your capital funds and cash flows are very important. Can you go broke making a profit? I think you can. A friend of mine had worked for a number of years in his business to set up a particular transaction which should have netted him several million dollars.

He was leasing high-end equipment to large companies. He made the huge capital outlay for the equipment and then got lease payments from the clients. On his first major transaction, he did not receive the lease money agreed for many, many months. The deal was sound and profitable on paper but, in reality, the financial pressure was huge.

We often laughed about it because, although the figures in our respective businesses were very different, the problems were the same.

While you may be profitable, you may not be profitable enough to grow at the rate you would like. A business experiences growing pains just like a child and will from time to time throw temper tantrums. You need to learn how to deal with them when they come.

Be wise about how quickly you allow your business to grow. Remember that not all business which goes out of business in the first few years do so from lack of sales or because of a bad product or service.

Most suffer from problems to do with finances. It often revolves around too little capital or cash flows that are too slow even if they are making a profit.

You are not alone in this matter. Keep in mind that your business neighbors are most likely having similar issues, so it's okay to admit there are problems. Ask for help if and when you need it.

I remember seeing a movie some years ago; I think it was called "Dave". In the movie, a regular Joe on the street is picked to replace the President of the United States as a look-alike while he undergoes an operation. It was only supposed to be for a short time but complications arise and he ends up sitting in on cabinet and finance meetings and fulfilling all sorts of duties of the President.

There is one line in that movie that I love. At one point the look-alike president is in a finance meeting and things just don't sound right to him. Later that night, he calls in a friend of his who is good with numbers in his own business to look at the official White House books.

His friend looks through the books and scoffs, "Wow, if I ran my business like this, I would be out of business". I love that line.

I recall a mentor of mine saying that too much money is just as much a problem as too little money. Often, when we do too well, we assume things will always be that way. We stop being innovative, frugal and watching our bottom line closely.

"A lack of money creates creativity", he would say, "but, when you have money, there is no need to be creative".

Successful Bankrupt's Top Tips

1. A little cash on a regular basis feeds you while you chase the bigger deals
2. Expansion is NOT always a good thing
3. Avoid offering long credit terms
4. Get upfront cash for bigger deals
5. When you lack funds – *get creative*

Not Enough Stress

This universe works very simply, based entirely on rules and regulations that were established before we existed. The law of gravity works whether or not we understand it. You can act in harmony with it or not. You get the consequences either way.

It is the same with the Law of Opposites. Right and wrong, left and right; you cannot have one without the other. One of these laws is that you attract to you whatever corresponds to your ruling state.

In other words, you will attract more of whatever you are in harmony with. Your thoughts precede your words, your words precede your actions and your results are the consequences of your actions.

James Allen wrote a little book in the early 1900's called 'As a Man Thinketh'. In it he wrote:

"Mind is the master power that molds and makes, and man is mind. And evermore he takes the tool of thought, and shaping what he wills, brings forth a thousand joys, a thousand ills. He thinks in secret and it comes to pass, environment is but his looking glass."

I love that last phrase, "environment is but his looking glass".

James Allen is telling us that the master power is the mind because nobody can choose your thoughts for you. Your thoughts determine your state of being; happy, sad or angry and so on. You think in secret and begin to attract to you whatever corresponds to those thoughts which control your ruling state. Your mind then sends these thoughts out into the universe and the universe sends back to you what you want. You get a thousand joys or a thousand ills. How do you know what your thoughts have been or what your ruling state is? Your environment tells the story.



Why is this so important? Because one of the most significant factors in building your business (or doing anything worthwhile) is spending your time focusing on WHAT YOU WANT AND NOT WHAT YOU DON'T WANT. Hold the image of what you want clearly fixed in your sub-conscious mind and give that image as much energy as possible.

The only thing that grows is that which you give energy to. So, give it energy. This is why bean counters, lawyers and the like can only help you so far.

The strength of your character may be the only thing that gets you through sometimes. Your vision is more important than anything else because it is the foundation of what you are trying to create. Since you attract whatever corresponds to your ruling state, think about those things that you want.

Talk only about what you want. Step out and act on what you want and your results will follow.

A very wise man once said; *'you must want the consequences of what you want'*.

You will have problems. Your stress levels will fluctuate, but you will develop character and understanding as you deal with the challenges of setting up and successfully running your new business. When problems arise, and they will, step back. Control the emotions and make sure your thoughts are attracting to you the solution to your predicament and not more of the same problems.

A positive attitude may sound like a cliché but it works. Keep this in mind. The world was around long before the great scholars of the world could prove it. The law of relativity and the law of gravity all operated, despite our ignorance about them, long before they were 'discovered'.

The truth is out there. You can succeed. There is often a proving time before we accomplish what we want. We may have to try several times over.

If we pass the tests we win. If we succumb to indolence, impatience and negativity we will attract corresponding results and we will lose!

When you get stuck, the best way to go is forward. So, go forward. It may be slow and painful, but there is always hope. If it hasn't worked out, tuck that into your experience drawer and try again.

Remember that your mind is the master power, so use it wisely.

I found that the more positive I was when things were going bad, the more it was seen as a weakness, not strength. It was thought that I did not understand the situation, that I was oblivious to reality or ignorant of others misfortune and suffering because of my mistakes. This was not the case at all.

Often people would ask how I was and I would respond. "I feel healthy, happy and terrific". That was despite being on the verge of bankruptcy for well over a year, being homeless for a number of weeks, without a car, unable to feed my children at times and being unable to draw an income for months on end. Add to this the days when I hid under the bed and drowned myself in pity.



But, through all of this, I worked hard to keep my focus on my ultimate objective. I never gave up on my goals. I knew that everyone else was wrong about my ability to set up and run the type of business I chose but I couldn't prove it at that time. The results had not yet come to pass. What could I do but accept their criticism and narrow-minded, visionless thinking and try with all my might to move forward?

I have to admit sometimes I didn't make it. I took great support in my wife and close friends reminding me of who I really was and what I was capable of when I had difficulty lifting myself up.

I won't tell you that by being positive and cheerful everything will be alright because it probably won't. I will tell you that you are not defined as a person in business or otherwise by what you do or say when things are going well, but by what you do and say when things aren't going well. All too many cry

out in agony and take the path of least resistance. Sometimes all you can do is take things, one painfully slow day at a time, but keep moving forward.

Don't let stress and frustration cloud your thinking to the point where you cannot see your vision. It's the most important thing.

Successful Bankrupt's Top Tips

1. Only strength of character will get you through at times
2. Re-affirm your VISION daily
3. Find a support base and then lean on it
4. Don't ask for what you don't want
5. Put a lot of ENERGY behind whatever path you choose to take

What Family?



Families are wonderful institutions instigated by God. You may have heard the saying, "the strength of any Nation lies in the strength of its families". This is where we should feel comfort and love and peace – at least in an ideal world. For most of us, our main support base should be at home.

Yet, when things go wrong, where do we also take our frustrations? Home! Too often, too many of us bring our trials of our business home and lay them on our partner or children. Our daily frustrations become their torment. Children grow up to believe that it's better "to go out and get a job than work for yourself".

How many times have you heard someone say something like; "Oh, I don't want to start a business. My parents owned their own business and they were always working. I just want to finish at 5 p.m. and come home and not worry about all that extra stuff."

Do we teach our children the principles of why we are really in business? Is it just because we don't want to work for a boss or is it to create a better quality of life for your family.

How do you communicate that effectively to your family? Perhaps your family has no interest in your business dealings or your spouse is not very supportive of your entrepreneurial endeavors.

Does that mean you stop? I don't think so. The point is that you are in business to have a better quality of life, to have trials *and enjoy the benefits* that others do not have.

Use your business as a teaching tool for your children. Many life lessons, often called street smarts, can be taught to your children. These are often things that they cannot learn in school. Teach your children the correct principles of managing their finances. Talk the problems of your business

over with your partner. They often may see things differently to you and come up with solutions you didn't think of.

When I decided to quit my job and go out on my own to start my big idea, my wife and I discussed how we would create a better lifestyle by doing that. One of the main issues we disagreed on was the amount of time I would devote to my work. It was not unusual in my previous occupation for me to work nights and weekends on top of traveling away every other month. During our really busy periods, I would work as much as 70+ hours a week. I didn't spend anywhere near the amount of time with my children I would have liked and, when I did, I was always thinking about something else I had to do.

I'm sure some of you can relate.

I would say things like, "We need to work hard to get the business running and that means long hours – we can slow down later". She would say; "What's the point of working all those hours if you miss the kids' childhood anyway. By the time the business is built the way you want, the kids will be all grown up. Besides, you did that with your last job. Why don't you just stay there if you're going to work those hours?"

After a number of months, we decided on a work schedule that included me spending time with the children and my wife. As family was important to both of us, we kept working at it until we got it right. Friday night became date night. My wife and I would go to a movie or out for dinner – time for ourselves without the children. Because there was often a need in our business to work on public holidays, Saturdays and Sundays became family time and I rarely arrange work for those days.

Also, one night a week was set aside as "family night". We would play games, sing songs, talk about any concerns we were having and so on. We would always have dinner together on this night as well.

Breakfast time was also family time as we strove to eat together each morning.

We also decided that I would drop the children off to school and pick them up every day. As you can imagine, this was a huge challenge for me. The home bell went at 3.15 each day and I often struggled to meet that deadline, but it was very rare that I was unable to pick them up.

This turned out to be a blessing to me. It gave me time to talk with my children each day about what they were doing. I knew their teachers, sat on the school council and participated in their school activities. I also knew the names of most of their friends and parents, usually the mothers.

I was once asked by a mother at the school how I managed to be there every day for my children when almost all the other fathers couldn't? I replied; "It's simple, I allowed for it right from the start when I set my business up".

Now, I realize this won't work for everyone, but this was one way that I could guarantee I saw my children and spoke to them each and every day. In my previous job it was not unusual for them to wake up and go to bed without seeing me all day.

Just a word of warning; if you are anything like me, all the family time in the world will amount to nothing if you are constantly thinking about something else.

My wife used to say I was there, but never really there. It took years for me to develop the ability to "switch off" and relax.

When we went away on holidays together, I would often spend the first two or three days feeling really jittery, as if I wasn't accomplishing anything unless I was working on something.

Learn to relax and you will enjoy your "time off" better - and so will your family.

Just as an afterthought, those of you without a family at this point should still allow personal time for yourself. It will help you to have good habits in place when you do have a partner and/or family to worry about in the future.

While we are talking about family and work schedules, perhaps I should talk to those of you with a family business.

Sometimes these work very well and flourish. At other times, they cause more problems than they are worth. Only you know if it is right for you.

In our case, we found that my wife and I work better in different parts of the business. I take the active role in the day-to-day operations and she is great as a support base for bouncing ideas off of and keeping me on track with schedules and plans.

She also helps with staffing issues. However, she takes a significantly less active role because our children are still young. We found we did not work well when we were together full-time in the business – we think differently on a number of issues. To keep the family and the business intact, we found it best for one of us to take a backseat.

Organizing an efficient family/work schedule takes time to work out and you may not get it right the first time. But, keep at it because it's important. One of the reasons why I have talked about developing passive income sources through your business is to allow for family time.

Learn to: Manage your business without you being there all the time, learn to delegate and learn to put correct systems in place. All of these will make the best use of that which is so limited for all of us, our time.

There are always jobs to be done, but make your family a priority in your business. Include time for them in your business plans each month.

Whether you travel for your work, start your work early or finish later each day, there must be time for YOU and personal time for you to share with YOUR FAMILY.

There is no long term satisfaction in just working all your life, but there is in working for a purpose; being able to watch you family grow and develop.

When I worked in country areas selling insurance to the farmers, I began to understand the real meaning of 'priorities' very well. I would often hear farmers say. "I do what I can today, the job will always be there tomorrow – it doesn't go away."

I would always smile when I returned six months later and see the same broken down truck still sitting there waiting to be fixed or the barn door still hanging off its hinges.

Farmers would deal with the most important priorities on that day and leave the rest until tomorrow because, otherwise, they would never stop working. When you have your own business, there is always something to do.

As a final thought, consider this. You never hear people on their death bed saying, "I wish I'd just opened one more stores or made an extra \$2000 a month". You hear them talking about family. "I wish I'd spent more time with the children, grandchildren or spouse."

Why? Because they only realize what is really important at the end.

Successful Bankrupt's Top Tips

1. Have 'time off' with your spouse
2. MAKE regular, QUALITY time with your children
3. Have at least one day a week as a NO WORK DAY
4. Organize your business *and* your family life
5. Remember what is MOST IMPORTANT

I Quit!



The single most common feature among all the successful people I have ever read about, heard of or spoken to is their ability to fail and try again.

At the beginning of this book, I referred to the difference between street smarts and school smarts.

In school we are taught to "not fail". The teachers say that failing is bad and that there is a right and wrong answer for everything.

I see this in my 8 year old daughter at the moment. I constantly have to fight against her school conditioning versus what I want her to understand about life. I want her, and you, to understand that there is often more than one way to accomplish a certain task or find a solution to a problem.

She usually thinks that the only way is the way that she had been taught and that anything else must be wrong.

In his Rich Dad series of books, Robert Kiyosaki, talks quite extensively about this difference between street smarts vs. school smarts. It is enough for me to say that, without a doubt; those individuals who achieve the greatest successes in life are almost always those with more street smarts than school smarts.

Those who have the majority of their training in the harsh realities of life experiences usually develop the most valuable skills such as adaptability, determination, commitment, creatively overcoming problems, vision and leadership.

They usually develop a strong sense about their mission in life, so that they have a greater sense of self worth and higher self-esteem.

They often have a greater ability to focus on the positive aspect of things instead of always seeing doom and gloom.

Remember that it is so much easier to quit than to persevere if you are in a position of great difficulty in your business.

If you've had experiences which are anything like mine, you could fill a book with your reasons for quitting. There are always countless people who are happy to point them out to you.

Believe me, I understand those that do choose to quit. It's hard to fight the tide, especially when you don't know what the outcome of your decisions will be.

I remember days when I was sure I could go no further and I would fall asleep at night from mental and emotional exhaustion with severe physical pain in my back, neck and shoulders. My skull felt as if it was being pushed into my shoulders and all that pressing down into my body like a collapsible doll.

I suffered severe headaches and sleepless nights and, towards the end, I would often have violent nightmares about my aggressors.

On other days, things seemed to go smoothly and small blessings or successes were bestowed upon us. The phone would stop ringing for a day and peace seemed to reign. Days like this would give me small rays of hope to keep fighting and to think that maybe, just maybe, there may be a way out of our terrible situation. Perhaps I might be able to hold my head up high again in the future and honor my commitments. These days were sweet and far between and always followed by a kick in the guts by some thing major going wrong again.

Bad news always followed these brief moments of peace and I began to realize that many people take great pleasure in kicking you while you're down.

I absolutely understand your decision to quit! The emotional roller coaster that you're going through is no picnic. Declaring bankruptcy seems very nice sometimes - no more debt, no more calls and no more pain.

Worry free nights are back and, best of all, you are legally protected from any more financial aggression after your assets have been liquidated.

But, heed my words of warning. All too many take this path as the path of least resistance – they choose it as a first option when things go wrong. If you don't fight, you'll never know if you could have made it and that knowledge may haunt you for the rest of your life.

You may find that those who were previously your supporters may also start suggesting that you quit. That may not be because they have given up on you, but they perhaps think that it is the only to end your pain.

My close friends and family, and even my wife, added to my own self doubts at times and encouraged me to quit.

But, it's a fact that you have to fight for your dreams in this life. And that fight always starts within you and often very close to home.



Remember that the strength of your character is tested and developed during your trials in life, not during your times of bliss. When faced with a "fight or flight" scenario, **never, never, never** go down without a fight.

There is a major difference between going down after giving it your best shot and quitting before stepping into the ring. That is a choice no one can make for you.

Successful Bankrupt's Top Tips

1. Learn how to STAND UP to aggressors *and* loved ones who don't yet share your dreams
2. Remind yourself of your SELF-WORTH daily
3. Only by experiencing the pain do you gain the rewards of perseverance
4. Know the difference between a quick decision and a lifetime 'WHAT IF
5. NEVER, EVER GO DOWN WITHOUT A FIGHT

The End in Sight



If you have gone bankrupt or closed down a business, the best thing to do is to start again. Some recovery time is perhaps needed first but, ultimately, you need to "get back on that horse".

I know that is very easy to say and can often be very hard to do. But, understand that once you have taken stock of your mistakes and evaluated your position, you will see that you have learned things from the sort of experiences that 95% of the population never

knows anything about.

Your street smarts skills will have been honed. No other experience could have done that for you.

Test Results 49/100 – Fail

In the book 'You Were Born Rich', by Master Success Coach Bob Proctor, he dedicates a chapter to a concept which he calls 'The Razor's Edge'.

In it, he explains that the difference between success and failure is often as fine as a razor's edge:

- One student gets 50/100 and passes the test and another fails at 49/100.
- One athlete wins gold and the other gets silver and the margin was only three hundredths of a second.

I love using this concept in my seminars to look at the difference between elite sports players.

The difference in the scores of a professional team's top player and the bottom ranking player may be only the difference of half a stroke better

average in golf or one more hit of the ball for every 10 times a player gets up to bat in baseball.

The margin is usually very small in respect to their scoring averages but their incomes differ greatly. Whatever sport you favor, find some statistics on the top and bottom ranking player in your team.

Then compare their scoring averages with their incomes. You will notice a huge difference. This is the razor's edge.

You may have heard a saying that going something like this, "The more I fail, the more I succeed". This is *only true* if you keep going.

The moment you stop pursuing your goals is the moment you fall towards failure. This is the moment when your final test score reaches 49 and never crosses that vital invisible success grade of 50 percent again.

You want that 50+ test result. To get that, you may just need to develop that one extra skill or put that one extra ingredient into your new venture and accomplish your goal. The second, third or fourth attempt may be the one that gets you the results you are looking for.

But, if you give up now you, will stay in the 95 percent of the population whose score card will always read "49% - FAIL".

At this point, I also want to speak directly to those readers that are in the older age bracket.

At the time of writing this book, I am 28 years old. I have a long and prosperous life ahead of me, I hope, and it's easy for me to say that age is not a factor in trying again.

Many people stop because they get too tired of fighting the good fight or too old, in their own opinion, to bother. "It's a younger man's game" they will say.

If you are not sure that you still have the desire or the energy to start again, remember Ray Kroc, founder of the McDonald's chain (one of the world's most successful companies), was in his 50's and selling milkshake machines when he walked into the McDonald's brothers' store.

He never even created the concept! He just saw what someone else was doing successfully and improved on it.

Colonel Harland Sanders of KFC fame was in his 60's and was rejected over 100 times before he found someone who would take on his 'secret chicken recipe' idea.

For you younger ones who may think that "you need more experience before you start" or "you tried but business is just not for you", remember that Bill Gates (currently the world's richest man), was in his youth and in University when he started on his first venture. Once again, he didn't even develop the first software program he used for himself. He built the business around the idea.

Michael Dell did a similar thing, building computers in his dorm when still in college. At the age of 19 he dropped out and began what became the Dell Computer Corporation. That is one of the most profitable PC manufacturers in the world.

What is the common link? Can I suggest that a strong vision and determination to succeed might be more important factors than age?

Age has nothing to do with it!

Some time ago, I was attending church and the speaker read out a story that I think illustrates this concept very well of enduring with your goals. I asked him for a copy of it at the end of the meeting and he gave it to me. I do not know the author or where it came from, but I trust you will get as much meaning out of it as I did.

The first day of school our professor introduced himself and challenged us to get to know someone we didn't already know. I stood up to look around when a gentle hand touched my shoulder.

I turned around to find a wrinkled, little old lady beaming up at me with a smile that lit up her entire being. She said, "Hi handsome. My name is Rose. I'm eighty-seven years old. Can I give you a hug?"

I laughed and enthusiastically responded, "Of course you may!" and she gave me a giant squeeze.

"Why are you in college at such a young, innocent age?" I asked. She jokingly replied, "I'm here to meet a rich husband, get married, and have a couple of kids."

"No, seriously," I asked. I was curious what may have motivated her to be taking on this challenge at her age.

She told me "I always dreamed of having a college education and now I'm getting one!" After class we walked to the student union building and shared a chocolate milkshake.

We became instant friends. Everyday, for the next three months, we would leave class together and talk non-stop. I was always mesmerized listening to this "time machine" as she shared her wisdom and experience with me.

Over the course of the year, Rose became a campus icon and she easily made friends wherever she went. She loved to dress up and she reveled in the attention bestowed upon her from the other students. She was living it up.

At the end of the semester we invited Rose to speak at our football banquet. I'll never forget what she taught us.

She was introduced and stepped up to the podium. As she began to deliver her prepared speech, she dropped her three by five cards on the floor. Frustrated and a little embarrassed she leaned into the microphone and simply said, "I'm sorry I'm so jittery. I gave up beer for Lent and this whiskey is killing me! I'll never get my speech back in order so let me just tell you what I know."

As we laughed she cleared her throat and began, "We do not stop playing because we are old; we grow old because we stop playing. There are only four secrets to staying young, being happy and achieving success.

- ✓ *You have to laugh and find humor every day*
- ✓ *Work and Learn*

- ✓ *Be a friend and have a friend*
- ✓ *You've got to have a dream*

When you lose your dreams, you die. We have so many people walking around who are dead and don't even know it!

There is a huge difference between growing older and growing up. If you are nineteen years old and lie in bed for one full year and don't do one productive thing, you will turn twenty years old. If I am eighty-seven years old and stay in bed for a year and never do anything I will turn eighty-eight. Anybody can grow older. That doesn't take any talent or ability. The idea is to grow up by always finding opportunity in change.

Have no regrets.

The elderly usually don't have regrets for what we did, but rather for things we did not do.

The only people who fear death are those with regrets."

She concluded her speech by courageously singing "The Rose." She challenged each of us to study the lyrics and live them out in our daily lives.

At the year's end, Rose finished the college degree she had begun all those years ago. One week after graduation, Rose died peacefully in her sleep.

Over two thousand college students attended her funeral in tribute to a wonderful woman who taught by example that:

- ✓ *It's never too late to be all you can possibly be*
- ✓ *Remember – growing older is mandatory*
- ✓ *Growing up is optional*
- ✓ *We make a living by what we get, we make a life by what we give*
- ✓ *Good friends are like stars – you don't always see them*
- ✓ *But you know they are always there*

- ✓ *If God brings you to it*
He will bring you through it
- ✓ *God promises a safe landing*
not a calm passage

I love that story. I hope that you get as much from it as all the people that speaker has shared it with have done.

I chose to finish "Bankruptcy Rocks - Revisited" with that because the story really has nothing to do with business. It has to do with your internal values and beliefs for your success in life whether in business or not.

Please do not give up. Try again. Persist one more time. You will give more back to those around you by developing this one character trait than you will realize in your life time.

Steve Bow once said,

"God's gift to you is more talent and ability than you could possible use in this life time. Your gift to God is to develop as much of that talent and ability as you can in this life time."

Please let me know about your experiences in bankruptcy or better yet, in avoiding it.

Thank you for reading and I wish you all the best for the future.

Successful Bankrupt's Top Tips

1. Age is NOT a precedent for success
2. There is a small margin between success and failure
3. After a major failure, allow yourself to grieve
4. Remember that each failure expands our knowledge circle
5. Your next success might be buried in the rubble of your latest drama, so keep your eyes open

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