

[Another eBookWholesaler Publication](#)



By Michael Russo

Proudly brought to you by

Lewis Philips signature books

[Email](#)

Recommended Resources

- [Web Site Hosting Service](#)
- [Internet Marketing](#)
- [Affiliate Program](#)

Please Read This First

Terms of Use

This Electronic book is Copyright © 2010 eBookwholesaler. All rights are reserved. No part of this book may be reproduced, stored in a retrieval system or transmitted by any means without written permission from the copyright holder(s).

You must not distribute any part of this ebook in any way at all. Members of eBookwholesaler are the sole distributors and must abide by all the terms at the [eBookwholesaler page for Terms of Use](#)

No-one may offer or distribute this book through eBay or any type of auction.

Disclaimer

The advice contained in this material might not be suitable for everyone. The author obtained the information from sources believed to be reliable and from his own personal experience, but he neither implies nor intends any guarantee of accuracy.

The author, publisher and distributors never give legal, accounting, medical or any other type of professional advice. The reader must always seek those services from competent professionals that can review their own particular circumstances.

The author, publisher and distributors particularly disclaim any liability, loss, or risk taken by individuals who directly or indirectly act on the information in here. All readers must accept full responsibility for their use of this material.

All pictures used in this book are for illustration only. The people in the pictures are not connected with the book, author or publisher. No link or endorsement between any of them and the content is implied, nor should any be assumed. All pictures are just licensed for this book and must not be used for anything else without the rights holder's prior written permission.

Images © 2010 Jupiterimages Corporation, a Getty Images company.

Table of Contents

Please Read This First.....	1
<i>Terms of Use</i>	<i>1</i>
<i>Disclaimer.....</i>	<i>1</i>
Table of Contents.....	2
Praise for “Passive Millionaire”	7
Dedication.....	9
Acknowledgments	10
About the Author	11
Author’s Note	13
Introduction	14
The Power to Begin	19
A Humble Beginning	19
The Power of Decisions	21
The Conflict Within	23
A Strong Self Image.....	24
Are YOU Thinking?	27
Circumstances - I Blame Them!.....	29
Failure - Sorry, I mean Lesson 1	31
Be Like Mike!.....	33
Build Your Mighty Image in 3 Steps	34
Motivate Me!	36
Forward Thinking.....	38
Never, Never Settle for Mediocrity.....	40
The Magic is in YOU	42
Passive Millionaire Thinking.....	48

<i>Monkey Business</i>	48
Ready or Not!	51
Conquering Million \$\$\$ Conditioning	53
<i>The Little Ones</i>	53
<i>Champion Conditioning</i>	54
<i>A Perfect Awareness</i>	55
<i>Your Thoughts Control Your Results</i>	57
<i>Why are we here?</i>	59
<i>Faith Works Miracles</i>	61
<i>Potential for Greatness through Thought</i>	62
<i>How We Think</i>	63
<i>We Think in Pictures</i>	64
<i>Creating Million \$\$\$ Vibrations</i>	65
<i>The Parable of the Universal Laws</i>	66
<i>The Million \$\$\$ Law of Vibration</i>	67
<i>The Million \$\$\$ Law of Polarity</i>	68
<i>The Million \$\$\$ Law of Germination</i>	69
<i>The Million \$\$\$ Law of Sowing and Reaping</i>	71
<i>The Million \$\$\$ Law of Abundance</i>	73
<i>The Vacuum Law of Prosperity</i>	75
<i>Your Captain and Crew</i>	75
<i>Future Conditioning</i>	77
<i>The AWESOME Power of Authority Figures</i>	78
<i>Build Million \$\$\$ Conditioning</i>	83
An Entrepreneurial Traineeship	85
<i>I Choose Street Smarts</i>	85
<i>A Chance to Show my Quality</i>	86
<i>A 'Financial Freedom' Introduction</i>	88
<i>Searching for Success</i>	92
<i>Security at Last!</i>	93
<i>Big Money Theory</i>	94
<i>'Highly Motivated Individuals Wanted'</i>	96
<i>Apples for Apples</i>	99
<i>Find Positive People in Positive Environments</i>	102
<i>"All Hail the 7th Essential!"</i>	105

<i>Ignorance is Bliss</i>	106
<i>Entrepreneurial Success</i>	107
<i>Open a 'PSI Investment Capital' bank account</i>	111
<i>Begin or Join a Mastermind Alliance group</i>	111
<i>Find a Mentor to Work Closely with</i>	111
<i>Document Your Experiences and Ideas in a Journal</i>	112
PSI: 'Financial Freedom vs. Financial Security'	114
What Do You Want Most?	114
<i>PSI vs. ASI</i>	115
<i>Financial Freedom isn't a Mystery, it's a Plan!</i>	118
PSI Development Stories	119
The Professor's PSI Development Story	119
The Student's PSI Development Story	124
The Technician's PSI Development Story	128
A Retired Couple's PSI Development Story	133
A Single Parent's PSI Development Story	138
<i>Evaluations</i>	144
Your Own PSI Development Story	145
Psi: 'Financial Freedom vs. Financial Security'	146
<i>Cheater!</i>	146
<i>If You Fail, Fail Big!</i>	146
<i>Friends are better than Enemies</i>	148
<i>The Revolving Door</i>	149
The Pain of Growth Growing Up vs. Growing Older!	152
<i>At the Point of Change</i>	152
<i>Break Free!</i>	153
<i>The Healing Process</i>	153
Fast Track Millionaire Strategies	155
Common Beginnings	155
<i>Publishing a Book</i>	155
<i>Multi-Level Marketing</i>	156
<i>What is MLM or Network Marketing?</i>	157
<i>The Internet and Online Marketing</i>	158
<i>Franchising</i>	160

<i>Licensing</i>	161
<i>Innovation</i>	162
<i>'My Knowledge' Kits</i>	163
<i>Family Talents</i>	164
<i>Stock Market</i>	167
<i>Property</i>	167
<i>Just the Beginning</i>	172
A Winning Formula	174
<i>Priority Number One</i>	174
<i>Stock Market</i>	174
<i>Property</i>	175
<i>Businesses</i>	176
<i>3 Step Formula for our PSI Financial Plan</i>	177
Secrets of a PSI	180
<i>You don't know what you don't know</i>	183
<i>Knowledge Sharing</i>	183
Honor, Integrity & Million \$\$\$ Ethics Power, Pride, Greed & Money!	185
<i>Give to Receive</i>	186
<i>When Rich and Poor are made equals</i>	187
<i>Principles of Truth</i>	190
<i>The Farmer Who Loved to Work</i>	192
<i>You're a Crook!</i>	193
<i>Lessons from Hitler</i>	194
Fight or Flight?	195
The 4 Minute Mile	197
<i>All Powerful</i>	197
Q.B.E	199
<i>I am Qualified!</i>	199
A Bumpy Road	200
<i>My Father's Story</i>	200
<i>My Mother's Story</i>	202
<i>Back to the Future</i>	204
A 'Pixar' Ending	206
Epilogue	208

Praise for "Passive Millionaire"

"Passive Millionaire is a humanistic, powerful and real account of what is possible when creating long term wealth generation. Having my own company generating passive income, I know first hand how valuable this knowledge is. This information is gold. It is valuable to assist in changing your mindset, gaining clarity and setting the course, and being unstoppable in your quest to create a never ending long term residual income." - *Geraldene De' Boo-Sharif - Director, People Possibilities*

"If this book doesn't get you moving, nothing will! Michael can take someone from scratch and help them to achieve extraordinary results." *Eric Freund, - Director, NightFLUX and Owner of Total Engineering Consultancy.*

"I have known Michael for about 5 years now and have helped him develop marketing material for a number of his ventures. He is an inspirational guy whose focus has always been about developing long term passive income and developing the right marketing strategies to support them. I'd be extremely surprised if anyone who read this book – and implemented its strategies – couldn't pay for it at least a hundred times over in the next 12 months!" *Scott Bywater - Author, Cashflow Advertising & Director, Copy Writing That Sells.*

"Success is achieved by continually attempting something until you achieve the result you want. Michael does this very well. This book will give you the tools to do the same." *Matt Thom and Monica Wright - Authors, Change Your Body With The World's Fittest Couple*

"Michael is bold, not afraid to take risks and keeps moving forwards despite his failures. That is why he is able to do so much in such a short period of time. That and his dedication to study. I have spent decades and written eight books on family history. He has put the same energy into passive income." *Neil Chick - Cert.Ed., TTC, BA(Hons1), PhD, FTFHS, Genealogist & Multi-Author.*

"Passive Millionaire is great for anyone wanting to improve their position in life, make more money or get out of their comfort zone. Michael gives specific strategies that can help the novice or experienced business person

alike. He never stops learning and never stops trying and that is a key to success anyone can learn from." *Jonas McDonald - Director, ASIA COMMUNICATIONS NETWORK PTY LTD*

Dedication

This book is dedicated to:

My wife Natoma.

My biggest fan and my strongest critic.

Acknowledgments

No one ever does anything on their own. Sometimes it's the people in our lives that we have the briefest of associations with, whether positive or negative, that have the most profound effects on us. I would like to thank anyone with whom I have ever had contact with that has aided in my character development. All our experiences help to mold and make us who and what we are.

I am most grateful for your guidance to my mentors and advisors mentioned throughout the book. Many of you may not even realize the impact you have had on me.

To those individuals who have assisted in the preparation of this book and have made it coherent and understandable, I thank you.

My business partner and best mate Eric – you're a true friend.

My parents, for their loving devotion to me over the years, especially when we have not seen eye to eye, their strength and example have been of paramount importance in where I am today.

My wife, Natoma, who above all, puts up with 'the man behind the image'. Her advice and support, dedication and persistence, wonderfully creative ideas, her ability to always see what is most important, and most of all her love. You are why we are here today. Finally my children, for whom, I treasure above all else – you make our family complete.

About the Author

Michael Russo resigned his successful position as a commission only insurance sales manager, working for W. Clement Stone's company - Combined Insurance Company of America, in 2003 after reaching his goal to earn \$100,000 in a single year.



He began, with his wife, to develop their own business. Initially based predominantly around property development and property trading he developed a multi-million dollar property portfolio in only a few short years. He expanded into retail stores, online sales and seminar workshops to name a few. His biggest challenge was that of developing his retail laundry business in which he expanded to 4 stores within 18 months, one of which he was able to increase the turnover in excess of 800% in less than 2 years.

Having no formal qualifications of any sort, beyond his high school certificate, the majority of his education has been in 'street smarts'. At the age of 14 he began his first 'business', a lawn mowing round, with the help of his father. Twelve years later, after having done over a decade of study in the area of business, self-development, motivation and wealth creation, he made his first million at the age 26.

Rapid expansion and exponential growth led to his downfall and by the age of 28 he was left homeless with his wife and two children for a short time and without an income source. After a grieving period he regained his confidence and rebuilt.

Michael believes that, "True success is only attained by those that persist with all fervor and never lose sight of their ultimate objectives. Your true character is defined, not by what you do when things are going well, but by what you do when things aren't". His greatest aspiration is to develop a loving, healthy, happy and productive family life for his wife and children.

Founder of Passive Millionaire Industries, he travels at home and abroad and regularly conducts lectures teaching that the most important aspects of your financial freedom plan extend far beyond the boundaries of a fat bank account.

Author's Note

This material is not fiction. When used correctly this book can help accelerate you towards your noble objectives. I suggest that you do not read this without a pen, pencil or highlighter. Write in it, mark it, dog ear the pages, draw pictures, use different colors and place photos of your goals inside the covers.

Over the years at each seminar, course or program I have attended, and even ones I have conducted myself, I have found the use of an N.T.S. page very effective. These are NOTES TO SELF pages for you to write action steps, note big ideas, or out-of-the-box suggestions that you will take as a result of the information presented. So, I include as the last page in each chapter, an N.T.S. page for you to use as you please.

Introduction

The road to financial freedom does not start with money! It starts with your conditioned mind. Your beliefs about money and the lack of money are almost certainly not yours. Begin to believe right now that you are worth 10 fold what your current income is . . . within the next 12 months! Keep this thought in your mind throughout the book. You have the potential and the capacity to accomplish this very, very quickly. When you begin to think in such a way you will attract to you the resources necessary to complete the task. There is no such thing as get rich quick. There is such a thing as THINK RICH QUICK. Replace your conditioning right now. Shock it out of existence. Scare yourself into a new vibration and then act on it quickly. This is accomplished by setting yourself on a task that is well outside your normal comfort zone, such as 10 fold your current income.

Write below this figure of 10 x your current income in BIG BOLD writing and keep it as an all consuming focus as you work through the book.

10 x my current income is \$_____

Now put a date to your goal! Let's set it for 12 months from today! The date should be written like this: Monday, 31 December 2007.

I am so happy and grateful now that I have accomplished my goal of (10 x my current income) by _____

Are you scared yet? If you're not your figure is not big enough! By now your heart is pumping, your hands are sweating as you hold the pen, your mouth has gone dry and your mind is probably screaming at you things like:

"You can't do this."

"This is crazy – you'll never earn that kind of money." "What will my wife/husband say?"

"What will my family and friends say?"

"That's impossible!"

"What does this joker know?!"

"Quick, throw this book away and grab a fiction novel!"

Don't worry at this stage about where the money will come from or how you will do it or even that you don't believe it will ever happen . . . yet.

Just put it out there and scare yourself into a new vibration!

I love the explanation of freedom vs. security as defined in one of Robert Kiyosaki's 'Rich Dad' series of books. Rich dad said that those people with the highest level of security in life are in a maximum security prison whereas those people who achieve ultimate freedom have no security blanket whatsoever and can go and come as they please and experience the ultimate joys of life.

The most dangerous thing you can ever do to yourself in respect to your finances is to reside yourself to only one source of income. Gone are the days of so called 'financial security' from your employer or the government. Many of us now work on a contract basis. Holiday pay, long service leave and sick benefits - they are a dying breed. Costs are rising and income is not. Complete career changes many times within our working lives (not just a different place of work) are becoming the norm. We live in a society where we have been trained to feed ourselves from hand to mouth. Most of us have very little resources beyond our job and even those of us with a financial base often have far less than we require to live even a mediocre life. We have very little ability to look after ourselves, let alone aging parents and growing families. Much of what we once thought to be 'the truth' in respect to money is no longer accurate; in fact it was probably never accurate!

My biggest fear for those of my friends and family that have a 'good job', a nice home, a late model car, food in the fridge, disposable income, money in superannuation and (in some cases) an investment property, is that they have tricked themselves into believing that they are immune from the financial plague of our time. My fear is that they are not aware of how easily all that they have worked for can be wiped out and that their underlying value is really very little.

Financial security is not a 'good job'. It is not putting money into

superannuation. And it is certainly not an 'investment' property that loses money each month. In fact financial security really has very little to do with money at all.

It has more to do with how we have been conditioned to think and act in relation to how we manage our money throughout our life. It has to do with how we THINK and what choices we make towards the quality of our life for ourselves and others. Remember that everything we do affects someone else.

The only way to change the way we think about this subject called money, is to understand a little more about our conditioning . . . to understand our comfort zones and how to break free from them.

To help explain my point I want you to think about what I call the knowledge circle. I first saw this while on tour in New Zealand on a 12 day property investing course with 'Australia's Wealth Coach', Hans Jakobi.

The knowledge circle has three circles to signify three areas of growth:

The smallest innermost circle represents **what we know**.

That is surrounded by a larger circle representing **what we don't know**.

Around that is the largest circle which represents **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. It shows 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 and 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 around 16 or 17. We know what driving a car means by the age of perhaps at 10 or 11, before we even start to learn to drive. We know that we have a steering wheel, pedals and indicators etcetera.

We know that we always sit up front, we have a seat belt and little dials to

look at. This is within our first knowledge circle.

Before we learn to drive, we also know that we don't know how to make the pedals, steering wheel, mirrors and lights all work together correctly so that the vehicle moves safely in the direction we want it to go.

We know that we don't know how to do that yet. We not only know we don't know this, but also that 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 actually learned to drive, we also 'saw' ourselves driving in our mind. 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 suddenly opened up to us as we entertained this new idea.

All of this took place mentally long before we could physically 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 don't know that we don't know that you cannot drive if the oil, fuel and radiator fluid 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 coolant wasn't correct, we may know how to drive but couldn't move the car safely anyway.

As we learned to drive, we expanded our knowledge circle. Our comfort zone increased. We then knew that we can drive. We knew that we didn't know how the car worked but understood that we must service it regularly and put fuel in it for it to go.

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

This is exactly how it works in becoming a passive millionaire.

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 started, there was a lot about business that you didn't know even existed. When you begin to increase your understanding and grow in experience, you expand your comfort zone. What you once didn't know you didn't know becomes part of your first knowledge circle (what you do know).

Now that you know this, you have to ask yourself the question, "Where do I start?"

The only place we can start is in your conditioned mind!

The Power to Begin

"Everything begins with an idea. A philosophy based on the fact that riches of every kind begin with the state of mind. That one may start with nothing but thoughts, ideas and organized plans.



Thoughts are things, incredibly powerful things, when mixed with definiteness of purpose, persistence and a burning desire for their translation into material objects or riches.

Riches being whatever it is you happen to want." - *"The Strangest Secret"* - Earl Nightingale

A Humble Beginning

"Dad, I' m going to quit school!"

It was 1993 and I had decided that enough was enough. Life at school was too hard. In fact, life in general was too hard, and I wanted out.

I' m sure that dad, being a school teacher, wasn' t impressed. However, he said, "If you can get yourself a full time job, I' ll let you leave school" . It wasn' t until many years later that he told me that he could not have let me leave school anyway because it was against the law – I was under the legal age to leave school. He didn' t tell me that though, so I went looking for a full time job.

I went to several job agencies and left my details and asked my friends and relatives, but to no avail. I had no skills, a less-than-terrific attitude and was really too young for anyone to want to take responsibility for me.

The exercise proved futile and, like my father probably already knew, I couldn't come through with my end of the bargain, so I reluctantly stayed in school.

It was not too long before I was complaining again to dad about leaving school and getting a job. He devised what I can only describe as a cunning plan to keep me grounded. "Alright" he said, "I will buy you a lawn

mower and a brush cutter. You can cut grass after school and on the weekends and, if you still want to leave after twelve months of that, I'll let you leave!"

Unbeknown to me, I would be of legal age after the twelve months and could leave school by my own choice.

So I set off with my lawn mower, brush cutter, broom and my little brother in tow and started knocking doors after school to earn some cash. I was an entrepreneur and I loved it!

As word got around that we did a good job, we got more business. Dad showed me how to set out our work schedule in a book and keep track of when we had to see our 'regulars' .

It got to the point at one stage where we had the neighborhood boys coming with us to 'help' . After a while, dad started coming with us too. Every Saturday morning, dad would load up the back of the van with all the equipment, now, we had transport!

It was the start of the biggest lawn mowing round in history and I had found my place in life!

I soon realized that my 'business' began to require more and more time. My 'helpers' began to be more and more trouble.

Some of our customers wanted work done for almost nothing or didn't pay at all.

To this day I'm sure we still have some outstanding accounts!

I began to think that school maybe wasn't all that bad. My friends were all playing at Time Zone (the local video game parlor) on the weekends or playing sports, and I was working.

I had money, but not a lot of it, and it began to be less and less exciting to earn it. Looking back a few years later, I realized I wasn't an entrepreneur at all – I was a self-employed, just on broke, tired, angry, under-paid worker!

All I did was buy myself a job. In fact, it was worse than that; my father bought me a job!

“Dad, I’ ve made a decision. I don’ t want to cut grass for the rest of my life so I’ m going to finish school and get a real job!”

I finished year 12 in 1995 and was the top student in three out of my five classes.

My earliest experience in the work force taught me one thing. I didn’t want to work hard for money!

Through the following years, I learnt the difference between active and passive income. I began to understand that, by using the power of choice and invoking my mental faculties, I could actually design the life I chose to live.

Passive income was the tool for me to accomplish tasks that give far greater joy in this life than just working for food on the table and a roof overhead.

The keys to the \$\$\$ kingdom begins first by understanding that you deserve to have all the ‘good that you desire’ in this life and that you are capable of achieving it.

The Power of Decisions

Understand that one single mental move can solve enormous financial problems for you in seconds. It has the potential to improve almost any personal or business situation you will ever encounter and it could literally propel you along the path to incredible success. The name for this miraculous mental activity is called, “DECISION.”

The main objective of this book is to get you to make some decisions about your life and, in particular, about your money.

Think about this: The world’ s most successful people share a common quality - they make decisions. Decision-makers go to the top and those who do not make decisions seem to go nowhere.



Decisions or the lack of them in most cases, are responsible for the making or breaking of careers. Many people will often avoid making a change unless they are forced into it when they have no other option before them.

Most will only ever make a decision in life when their backs are up against the wall and they must do it to survive.

When the choice you make is the only option left before you, you have not actually made a choice. Through your inability to make a decision, you have allowed your circumstances to push you into a new path. Those that lack the power of decision making always end up on the unrewarding path of least resistance.

Conversely, individuals who have become very proficient at making decisions, without being influenced by the usually negative opinions of others, are the same people whose annual incomes are in the six and seven figure categories.

The person who has never developed the strength to make these mental moves is relegated to the lower income ranks through their entire commercial career. More often than not, their life becomes little more than a dull, boring existence.

It is not just your income that is affected by decisions. Because your whole life is dominated by this power, it is right that you should give deep consideration to the choices you are offered and actively practice the development of your decision making ability.

The health of your mind and body, the well-being of your family, your social life and the type of relationships you develop are all dependent upon your ability to make sound decisions.

At this point you may be asking yourself, "How is a person expected to develop this mental ability?"

I have the answer for you. You must do it on your own and you have already begun by thinking about and digesting this information that I am sharing with you.

This information is causing you to become more aware of the importance of decisions.

The Conflict Within

You can virtually eliminate conflict and confusion in your life by becoming proficient at making decisions. Decision-making brings order to your mind... and, of course, this order is then reflected by the results you get in your objective world.

James Allen, the great Victorian author, might have been thinking of decision-making when he wrote, "We think in secret and it comes to pass. Environment is but our looking glass."

No one can see you making decisions, but they almost always see the results of your decisions. The person who fails to develop their ability to make decisions is doomed because indecision sets up internal conflicts which can, without warning, escalate all out mental and emotional wars.

Psychiatrists have a name to describe these internal wars; it is AMBIVALENCE. My Oxford dictionary tells me that ambivalence is the co-existence in one person of opposite feelings towards the same objective.

This is the fear and excitement you feel towards a new project, a trip, marriage, new business idea, that big speech and so on. Which emotion wins in these situations? Fear or excitement - the emotion that has the strongest conditioning!

Conditioning is something we have been taught or trained to do, to be or to have.

I heard a story once about two men who met on the street.

One man says to the other, "Good and evil are like two wolves biting and clawing and fighting inside of me". The other man asks, "Which one

wins?"

"The one that I feed!" said the first man.

Emotions that we don't choose but are the result of our conditioning that we have never actually made a conscious choice for remain if we feed them. Stop feeding them and they must die.

However, you cannot simply stop; you must replace the conditioned idea with something that will produce a greater, more positive result.

Cease feeding the 'evil wolf' (the old conditioning) and feed the conditioning that you make a conscious active decision to keep.

A Strong Self Image



It seems obvious to me that successful people that have become very proficient at making decisions all have one thing in common. They have a very strong self-image, and a high degree of self-esteem. They may be as different as night is to day in numerous other respects, but they certainly possess confidence. Decision-makers are not afraid of making an error. If and when they make an error in their decision, or fail at something, they have the ability to shrug it off. They learn from experience but they never submit to failure. Since failure only becomes finite when you stop . . . if you never stop you create a strong, sturdy foundation of stairs to success.

Every decision-maker was either fortunate enough to have been raised in an environment where decision making was part of their upbringing, or they developed the ability themselves at a later date. They are aware of something that everyone, who hopes to live a full life, must understand: Decision-making is something you cannot avoid. By now you must be thinking, "Alright, where do I start?"

Begin by improving your ability to make decisions in exactly the same place you start any journey and with exactly the same resources. You decide. Start

right where you are with whatever you' ve got. That is the cardinal principle of decision-making.

Decide right where you are with whatever you' ve got.

This is precisely why most people never master this important aspect of life. They permit their resources to dictate if and when a decision will or can be made. When John Kennedy asked Werner Von Braun what it would take to build a rocket that would carry a man to the moon and return him safely to earth, his answer was simple and direct. "The will to do it."

President Kennedy never asked if it was possible. He never asked if they could afford it or any one of a thousand other questions, all of which would have, at the time, been valid questions.

President Kennedy made a decision... he said, we will put a man on the moon and return him safely to earth before the end of the decade. The fact that it had never been done before in all the thousands of years of human history was not even a consideration. He DECIDED where he was with what he had. The objective was accomplished in his mind the second he made the decision. It was only a matter of time, which is governed by natural law, before the goal was manifested in the physical or material form for the whole world to see.

It was only a few years ago, I was involved in a discussion with some potential purchasers for a house I was selling. We were discussing the purchase price and terms - I was selling, they were buying. After a reasonable amount of time, one of the parties asked me when they had to make a decision. I replied, "right now." I said, "You already know what you want to do." There was some discussion about money. I pointed out that money had nothing to do with it. Once you make the decision you will find the money... every time.

If that is the only benefit you receive from this particular message on decision-making, burn it into your mind. It will change your life. I explained to these people that I never let money enter my mind when I am deciding

whether I will or will not do something. Whether I can afford it or not, has never been a consideration. Whether I want to or not is the only consideration.

You can afford anything; there is an infinite supply of money. All of the money in the world is available to you, when the decision is firmly made. If you need money, you will attract it. Needless to say I made my sale and got my price and it was a great deal for my purchasers.

Now I am well aware there are any number of people who will say that is absurd. You can't just decide to do something if you do not have the necessary resources. And that's fine if that is the way they choose to think. I see that as a very limiting way of thinking. In truth, it probably is not thinking at all... it is very likely an opinion being expressed that was inherited from another older member of their family who did not think either.

Are YOU Thinking?

Dr. Ken MacFarlane used to say, "2% of the people think, 3% of the people think they think and 95% of the people would rather die than think."

Which are YOU?



Most people operate entirely on precedent. What they have always done (conditioning) or what they have always seen others do (lemmings mentality) is how they live their life. Thinking is very important. Decision-makers are great thinkers. Do you ever give much consideration to your thoughts? How they affect the various aspects of your life? Although this should be one of our most serious considerations, unfortunately, for many people it is not. There is a select few who make any attempt to control or govern their thoughts.

Anyone who has made a study of the great thinkers, the great decision-makers, the achievers of history, will know they very rarely agreed on anything when it came to the study of human life. However, there was one point on which they were in complete and unanimous agreement and that is, "We become what we think about."

What do you think about? You and I must realize that our thoughts ultimately control every decision we make. You are the total sum of your thoughts. By taking charge this very minute, you can guarantee yourself a good day. Refuse to let unhappy, negative people or circumstances affect you.

Too many of us spend our time in activities that act as distractions instead of practicing creative thought. Yes, practicing. The ability to use the mind effectively takes time and practice like anything else. When you drive in your car are you listening to the radio? Is the TV constantly on at home, even when no one is watching it? What do you think is being conditioned in your sub-conscious mind? It is the ideas of the people writing these particular

TV and radio shows. Their thoughts and ideals are being fed into your mind even without you realizing it. Are these people aligned with your goals? What are their results? Do their values match yours? Do you wish to end up like them? You are taking on all of their ideas subconsciously, whether you like it or not. Make a choice with how you spend your 'unproductive time' , driving, doing household chores, or relaxing at the end of a busy day. Turn off the radio, TV and avoid reading all the 'gossip' magazines. Program your mind with the knowledge of the areas in life you actually want to get results in. Be it in your relationships, you career, yourself, your finances and so on.

**Decide Now To Stop Wasting Your Time On Non-Productive,
Passive Mind Conditioning You Don' t Want!**

For some of you, you may have to start by throwing out your television set. If that' s you, don' t think about it - just DO IT!

Circumstances - I Blame Them!

The next greatest stumbling block you will encounter when making important decisions in your life is circumstance. We let circumstances get us off the hook when we should be giving it everything we've got. More dreams are shattered and goals lost because of circumstance than any other single factor.

How often have you caught yourself saying, "I would like to do or have this but I can't because..." Whatever follows "because" is the circumstance. Circumstances may cause a detour in your life but you should never permit them to stop you from making important decisions.

Napoleon said, "Circumstance, I make them."

"People are always blaming their circumstances for what they are. I don't believe in circumstances. The people who get on in this world are the people who get up and look for the circumstances they want, and, if they can't find them, make them." - *G.B Shaw, Mrs. Warren's Profession, 1893*

The next time you hear someone say they would like a vacation in Fiji, or purchase a particular motor vehicle but they can't because they have no money, explain that they don't need the money until they have made a decision to go to Fiji or purchase the car. When the decision is made, they will figure out a way to get the amount needed. They always do.

Many misguided individuals try something once or twice and if they do not hit the bulls-eye, they feel they are a failure. Much of this is a result of our school conditioning that teaches us not to fail. Failing does not make anyone a failure, but quitting most certainly does and quitting is a decision. By following that form of reasoning, you would have to say when you make a decision to quit; you make a decision to fail.

Charles F. Kettering (prolific American Inventor) said, and I quote, "when you're inventing, if you flunk 999 times and succeed once, you're in."

The world will soon forget your failures in light of your achievements. Don't

worry about failing, it will toughen you up and get you ready for your big win. Winning is a decision. Failure is the path that follows it and success is the ultimate objective.

Failure - Sorry, I mean Lesson 1

Having to close down my property company, after making such a lot of money from it, was a massive 'lesson' for me. And even though I knew that everyone I had ever read about, talked to or heard about that had achieved great success in the area of business, such as what I was aiming for, had gone through very serious financial difficulties, often including bankruptcy more than once, I still felt a huge failure.

Why?

I knew that it was part of my development to become a bigger better business person and a better person overall. Even at the time I knew it was part of my traineeship of life and of business. Yet I was still unable to lift myself up on my own. Even though I knew all it took was a DECISION to change my life again, even though I knew that I had to KEEP MOVING FORWARD no matter what. I still suffered great mental anguish and a huge blow to my mental conditioning that I had spent over a decade in re-training. It brought out my ugly side that I didn't know existed and brought me to the lowest common denominator in my life. I considered suicide, murder and suffered major physical and physiological damage over this time frame.



For over 12 months I was physically sick. I suffered terrible nightmares about my aggressors. All of this was completely unnecessary but necessary all the same. In reflection on what had actually occurred, I realized that what I had done was to stop taking on the positive reinforcement ideas I had been studying for years and began to take on the entire sum of the negative, narrow minded, destructive and fearful ideas of many of my 'aggressors' (a.k.a. - my creditors).

Since my entire time and thoughts were totally consumed during this 'learning process' , I did not allow time or room for any positive conditioning to take place. I did exactly the opposite of what I had been

taught. There was a healing period that needed to take place also, after which I needed someone to ‘SNAP’ me back to reality, MY REALITY - THE REALITY THAT I CHOSE. I did not want to stay in the one forced upon me by people who only ever operated within their first knowledge circle and chose not to expand it . . . ever. That was their reality not mine and I had forgotten that.

Those that wanted to help me . . . my true friends throughout this ordeal . . . would say things like:

“You’re one step closer to success now Michael”, “You must fail to succeed”

“Most people go bankrupt several times before they make it big, at least you got this one out of the way!” (My friend Eric would say this to me constantly).

None of these comments actually helped, at the time, as I was so wrapped up in the pain I was feeling. Saying . . . ‘failure is a part of success’. . . while in the midst of a major financial meltdown didn’t help. Although, intellectually I knew all this to be true as part of my first knowledge circle, emotionally I was holding myself back from making the decision to move forward with my vision which, thankfully, I never lost.

Be Like Mike!

Basketball champion, Michael Jordan, says "I can accept people who fail because everyone who succeeds fails at something, but I can't accept people who just don't try".

Many years ago, Helen Keller was asked if she thought there was anything worse than being blind. She quickly replied that there was something much worse. She said, "The most pathetic person in the world is a person who has their sight but no vision." I agree with Helen Keller.

At 91, J. C. Penny, an incredibly successful American businessman and entrepreneur in the early 1900s, was asked how his eyesight was. He replied that his sight was failing but his vision had never been better. That is really great, isn't it? When your vision is clear it becomes easy to make decisions.

Picking up the pieces again (because that was all that was left after my ordeal), I began to rebuild and strengthen the vision I had at the beginning. Amazingly this time it had greater clarity and, although I didn't know exactly how I would accomplish it at the time, I KNEW I WOULD ACHIEVE MY GOALS! It still surprises me how much of my vision remained intact throughout all of this. I never lost sight of my objective - I just lost sight of the path for a while. I guess a decade of mind conditioning did pay off. My vision was laying dormant waiting for me to make a simple DECISION to start again.

Build Your Mighty Image in 3 Steps

Take the first step in predicting your own prosperous future.

Build a mental picture of exactly how you would like to live. Make a firm decision to hold onto that vision and positive ways to improve everything will begin to flow into your mind.

Once you have this image clearly defined in your mind's eye and you can 'see' what it is you want with great clarity - commit it to paper in as much detail as you can muster. Write with excitement the sort of house you want, the clothes you will be wearing, the car you will be driving, the holidays you will take, the people you will help and what you will now be doing with your time. What character traits do you want that you don't now have or would like to develop in greater strength? Perhaps there are some addictions or bad habits that you want to remove. Write them out of your vision, in other words your vision includes a life free from these controlling habits or emotions.

Have your image become a physical reality by commissioning a sketch artist to draw you an image reflective of your mental one. Have it done on a large A3 poster size paper, at least, in living color. Include all the aspects of your vision you can with YOU as the center piece. Make sure you are smiling. Remember that you must be happy first to get all that you desire. Place your completed image in a place where you can see it regularly - on the ceiling above your bed may be a good start. You may also choose to get a wallet or pocket size image produced as well.

Many people get a beautiful vision of how they would like to live or what they would like from their business but because they cannot 'see' how they are going to make it happen, they let the vision go. If they knew how they were going to get it or do it, they would have a plan not a vision. There is no inspiration in a plan but there sure is in a vision. When you get the vision, freeze-frame it in your mind with a decision and don't worry about how you will do it or where the resources will come from.



Charge your decision with enthusiasm... that is important. W. Clement Stone used to say "Enthusiasm is the most important factor to successful selling" . I would suggest that enthusiasm is the most important factor to successful living! Give your vision plenty of enthusiasm. Refuse to worry about how it will happen. There is a

power much greater than you that never express itself other than perfectly. That will take care of that responsibility.

Now that you have completed the 3 steps to building your mighty image, it' s time to plan it.

Then - TAKE ACTION!

Motivate Me!

W. Clement Stone started an insurance company in 1919, with \$100 and little more than a vision. It is now a billion dollar company that operates in over 40 countries world wide. In 2000 I joined that company and cut my teeth in the sales world selling insurance for just over 3 years. I memorized and internalized Mr. Stone' s 3 positive self motivators.

“Where there is nothing to lose by trying and a great deal to gain if successful by all means try.”

“Success is achieved by those who try and keep trying with a positive mental attitude.”

“Do it now!” (When you say, “Do it now!” you must hit something for emphasis!)

Self talk such as this overcomes situations that you create by worry. There is no situation that isn' t made worse by worry. Worry never solves anything. Worry never prevents anything. Worry never heals anything. Worry serves only one purpose... it makes matters worse.

I remember as an insurance agent working for Mr. Stone' s company, I used these positive self-motivators all the time. We were given a coin with images and numbers on it to remind us of what we were striving to accomplish each day we stepped foot on the street. In essence the company was using Mr. Stone' s positive philosophy to build the company image of what they wanted and instill it into their agents.

Think about this for a moment. The world' s most successful companies spend a percentage of every dollar they make on the training and development of their staff. Combined Insurance Company did this constantly - weekly and daily even. And each training session started with a positive affirmation statement. We were consciously working with and towards the company' s vision until it was so sub-consciously ingrained that we did it automatically. This was an incredible accomplishment to instill this image into each and every one of their people from the staff secretary and newest agent to the

company President.

Forward Thinking

During my early Sunday school teaching, I found an interesting idea that can help you can gain tremendous benefits from your efforts to become a more effective decision-maker. My teachers called it "decide once and never again" or, as I prefer to call it, "advanced decision-making".

Isn' t that great? Think about it. It is quite common for us to make advanced bookings when we fly. This can eliminate any confusion or problems when the time arrives for the journey.

We do the same when choosing a university degree or a suitable marriage date. Think of the problems you will eliminate by making many of the decisions you must make well in advance.

As a child, this concept was taught to me at home. I was always encouraged not to smoke, take drugs, partake of alcohol or tea and coffee and respect my body. Yes, I did grow up in a Christian household.

When I 'came of age' , so to speak, many of these things became opportunities for me in my outside world, but I did not fall prey to peer pressure or simply act because I was scared to decide against the crowd.

The decision was made many years before the opportunities arose. Thus, I avoided the pitfalls many of my classmates fell into because of their lack of timely decisions.



This same concept works when a person is on a diet to lose weight. Their decisions are made in advance. If they are offered a big slice of chocolate cake, they don' t have to say, "Gee, that looks good. I wonder if I should." The decision is made in advance.

Many years ago, I made a decision that I would avoid all discussions of why something cannot be done. That is all some people talk about. The compensation you receive for such thinking or that type of discussion, is something you do not want.

I am amazed at the number of seemingly intelligent people who persist in dragging you into these negative brainstorming sessions. In one breath, these people tell you they seriously want to accomplish a particular objective. And, in the next breath, they begin talking about why they can't. Think of how much more they would enjoy life, by making a decision that they will no longer participate in that type of negative energy.

Permit me to caution you. The ability to make advance decisions must be mixed with an ample supply of discipline. Peak performers understand and use discipline and any decision they make must be backed by it. Research indicates that highly successful individuals make decisions very quickly and change those decisions very slowly, if and when they are changed at all.

By comparison, the person who rarely enjoys any degree of success makes decisions very slowly and they change their decisions very quickly and often. Henry Ford was a great example of this. He decided once and stuck with it. Individuals, who rarely win, generally have the habit of being influenced in their decision-making by the opinions of others, while their successful counterparts follow their own counsel.

The most natural thing in the world for you to do in life is probably the most destructive; follow the crowd. Historically, the crowd has always been traveling in the wrong direction. If you wake up in the morning and the masses are going past your kitchen window to the left and you see two people traveling against the tide to the right, follow them!

You were encouraged to be like the other kids when you were young. You have been conditioned to follow the crowd. In many schools, you are even dressed like the other kids. Well, you're not a child any longer and you're not like the other kids. You are unique.

That is what makes the Mona Lisa so valuable; there is only one and, similarly, there is only one of you. Be yourself; break away from the crowd. Make your own decisions.

Never, Never Settle for Mediocrity

XXX The humanistic psychologist, Dr. Abraham Maslow, who devoted his life to studying self actualized people, stated very clearly that we should follow our inner guide and not be swayed by the opinion of others or outside circumstances. Dr. Maslow's research showed that the decision-makers in life had a number of things in common, most importantly, they did work they felt was worthwhile and important. They found work a pleasure, and there was little distinction between work and play. Dr. Maslow said, to be self-actualized you must not only be doing work you considered to be important, you must do it well and enjoy it.

Dr. Maslow recorded that these superior performers had values, those qualities in their personalities they considered to be the worthwhile and important. Their values were not imposed by society, parents, or other people in their lives. They make their own decisions.

Being a 'passive millionaire' is to have the understanding that you have control over every aspect of your life including your money. I know many people who have fantastic family relationships, great jobs, strong and committed religious faith and yet they have poor health and little money. The same principals for success in money apply for success in every other area of your life and vice versa. By becoming a 'passive millionaire' you create the time and the resources to accomplish far more important and satisfying things in life. Remember, not only do you deserve it but you definitely have the ability to do it.

Your internal values . . . when you consciously think about and choose those values become a footstool upon which other important and successful decisions are based.

I remember as a teenager, around 17 -19, my greatest fear was to grow up to be mediocre. I knew I didn't want to be another average Joe. I dreamed of being successful and thereby happy. What I didn't realize at the time was that I was already unique and had been blessed with the

talents to do all I choose to do. It was only when I began to be happy that I began to be successful.

I remember hearing a talk from one of my church leaders that cemented this idea I had about being mediocre. His name was Gordon B. Hinckley. He said “never settle for mediocrity” . I thought about that for months. I made a DECISION. I was not going to be average in any area of my life. Not as a Husband, a Father, a Brother, a Son, a Friend, not in Business or as an individual. Why? Because there is no challenge in being average! I would devote my life to continual self improvement. And although I still have many areas of my life I would like to improve in, I know that this decision will serve me well throughout my life.

I would repeat to myself often, “Michael, never, never settle for mediocrity! You’ re worth more than that!”

Your life is too important and, at its best, life is short. You have the potential to do anything you choose, and to do it well. But, you must make decisions and when the time for a decision arrives, you must make your decision where you are with what you’ ve got.

The Magic is in YOU

My daughter Taylor always says to me “The magic is in you daddy” ! There is something mysterious and magical about you. Every day, images of great and grand happenings roll across the screen of your marvelous mind. You have dreams... you have always had dreams, as far back in your life as your memory will take you.

You dream of who you would like to “BE.” You dream of what you would like to “HAVE.” You dream of things you would like to “DO.” You dream of places you would like to “GO.”

Then... just as mysteriously as those beautiful pictures of a more prosperous life appear, something within you causes them to fade. Thoughts fill your consciousness; you experience a KNOWING that they were merely dreams. They are not real, couldn’ t be real! It would be nice, really nice, but mentally you are back to what is actually your reality – your first knowledge circle. Your material world is back in control and you will continue to be the plaything of outside forces. Periodically you will have your “DREAM BREAKS” but that is all they are—dream breaks.

Often when I’ m coaching or in a seminar, people will share with me dreams they had as children. All too often these same people will then explain why it wasn’ t ‘realistic’ to have such a dream. DREAMS ARE NOT SUPPOSED TO BE REALISTIC – THAT’ S WHY THEY ARE CALLED DREAMS!

Look, deep within you, that small spark of hope is always there—maybe... just maybe!

As you go through this book you will learn what it takes to become a ‘passive millionaire’ . You will learn HOW to make your DREAMS your REALITY. It’ s not just a system of instruction... it is an experience—a magnificent experience. Your personal effectiveness will multiply, you will hit new heights. Any thoughts or feelings of ineffectiveness or inferiority will be shattered. The results you will obtain will be difficult to imagine.

“Humankind’ s economic output over less than one hundred years has

already exceeded the economic output of the previous one hundred centuries.” - *Paul Zane Pilzer*

You are involved in SUPER LEARNING. Incremental or gradual improvements are something of the past. You are capable of and will experience exponential improvements in your performance. Note the word ‘EXPONENTIAL’ . Once you begin your results will compound themselves and what you once thought you could only accomplish in 10 years you will now do in 12 months!

Once you make your decision - your dream becomes your reality. A nose for a deal.

I come from a good home of good parents. My father was very well educated and my mother raised six children. Hand-me-downs were never provided for me as I was the first born but my brothers and sisters after me all got a taste of them somewhere along the line. We never lacked for anything though. If there is one thing I can say about my father, it was that if money ever dried up, he could keep the family alive (and most of the neighbors) just on the veggies in the garden and the fruit on the trees in the front yard. My parents, as long as I can remember, have been very generous with all they had. Coming from an Italian background, family was always very important.

Despite my loving upbringing I desired for more. I wanted things my parents couldn’ t give me. I have always been a restless spirit and willing to try things to gain my own experiences. Having said that, I was also smart enough to learn from the experiences of others as well (at least for the most part)!

I remember having an interest in making deals, making money and in business from a very early age. In early high school I would often save my pocket money and buy a box of 8 Streets paddle pop ice creams for \$3 or \$4. I would then return home and sell them to my brothers and sisters and neighbors for the normal price they would pay for one from the local deli, about 80 cents. It would net me enough money to buy another box with profit left over. The only trouble was that I had a limited market and

when their money dried up so did my income!

As I got into my middle and upper levels of high school the basketball card craze hit my school (and every teenager I knew). Everyone was buying packets of basketball cards, trying to get a 'complete set' of Upper Deck or get the special limited edition Michael Jordan cards or '12 only hologram' cards. Local card shops opened up just about on every corner block. At one point I had more than 5 trading card shops within 5 minutes bike ride from my house. I decided that I could make some money and while all the other kids bought one or two packets at a time I saved up and bought a box of 100 packets at a time. I almost always had a 'complete set' in every box that almost covered the initial cost in the first place. Then I went about selling and or trading the 'special cards' and made enough money to continue the process.

I even bought and sold video games for a while through our local trading post newspaper. I did a local paper round for about one week (not my thing). Later came the lawn mowing. All of these things I tried with varying degrees of success.

Although I didn't know it at the time, I was practicing for much bigger deals later on. I knew one thing as a boy about money. That it would buy me all I wanted to live the life I wanted to live and by doing so make me happy (there's a false concept if I ever heard one!). I guess part of me also wanted to fit in. I wasn't the most popular kid in school (I wasn't at the bottom of the pecking order but I could see it from my spot) and I thought if I had money or things it would make me more popular or at least accepted by not only the 'big boys' but also the pretty girls.

Enter the false conditioned ideas about money! Where did these ideas come from? TV, magazines, friends, who knows? I didn't know it at the time but some of these false concepts I had about money were to bring me much pain over the coming years.

The reason why I chose to write this book was to explain why we have

some of these conditioned ideas . . . and how to change them. In fact it didn' t start out as a book at all. It began as a daily record of writings of my experiences that I wanted to teach my children. One burning question kept playing on my mind. "How do I overcome the conditioning in my children when I am still struggling to overcome much of my own?" I decided if I wrote it down and gave it to them it would be a good start. I began by writing pages and pages of manuscript and overtime, as my experiences became more extraordinary, it took on more of the form it has today.

I began to realize just how far apart we were from most of our friends and family. Don' t misunderstand me, I' m not talking about pride or arrogance or keeping up with the Jones' syndrome. I' m talking about our results. As I would observe the results of those around us I realized that many of the decisions they made were very much the same in most areas of their lives . . . and when it came to money it was almost like they were following the exact same blueprint. Yet looking at their results, I didn' t like it. I knew, particularly when it came to finances, that so much more could be accomplished. Why did so many of them settle for so much less than they could get?

Think about this. Your resources in life magnify your character. Let me explain. Your character development in life, that is your attitude towards yourself first and foremost . . .and secondly your fellow man is far more important than money . . . and the only thing you can take with you when you depart this world. However, if you are a generous, giving, happy, productive person and you have a great amount of resources, these characteristics should be magnified by them.

How many more people could you afford to be generous to if your resources were 10 fold what they are now? Do you donate to a worthwhile charity already? What would you donate if your resources were 10 fold? If you are a happy person, how much happier would you be if you didn' t have to worry about the daily pressures of maintaining the basic necessities

of life? How much of that happiness would rub off onto those around you? Are you the sort of person that would give the shirt of your back if the need arose? What could you give if your resources were 10 fold? Have you a pet project you'd like to achieve one day? The home for disadvantaged children, or the upgrade of the city's rehab centre, the further education of our societies' growing teenage parent population, perhaps that hospital expansion . . . let's THINK BIGGER . . . what about new infrastructure in developing or war-torn countries, ending world hunger, global environment protection or world peace?

Did you know that there are those who are working on many of these same ideas right now? Those that are making a real change for the future with the mass of resources they have at their disposal. These people know how to source and use the resources they need to accomplish their worthwhile goals. Names like Bono, Bill and Melinda Gates, Warren Buffet, Oprah Winfrey and Richard Branson come to mind.

Do you need their level of wealth to do great things, of course not, but it sure helps!

Unlike those mentioned above, should your character be one of a miser, a hoarder, selfish and unwilling to give where you see a need, unfortunately your resources will magnify these characteristics also.

When I refer to 'your resources' throughout this book I mean everything that you've got, your talents, skills, knowledge, contacts, passion, influence and of course, your wealth. You need more than just money to accomplish some of these things mentioned.

Becoming wealthy means having greater influence for good in a changing world and operating on a much larger scale.

The first thing you need to understand about money is that IT IS NOT ABOUT THE MONEY! Get that paradigm shift through your mind first! Money is only as good, bad or useful as the person who controls it. Yes, that's right – CONTROLS IT. You control your money, or should do, not the

other way around.

Passive Millionaire Thinking

Often people that win the lottery or inherit money or come into large sums of money unexpectedly are broke again within a few short years. Many times they are left in worse debt than they were before. Why is this the case? It's because they never learned the secrets of thinking like a wealthy person.

On the other hand, some get a hold of a few positive thinking suggestions and turn their entire lives around.

Results change when people change their thinking. Yet, I see people who are constantly living their life, paycheck to paycheck, struggling all the while. They are trying to figure out how to get out of the woods, always going in circles, listening to the wrong people, making poor choices over and over again. It seems that life is such drudgery and yet I have seen ordinary people without business experience simply take off financially. This is exactly what happened to me. I didn't win the lottery. I just acquired the passive millionaire way of thinking. You will too by applying the strategies in this program.

It may not be easy, in fact it probably won't be, nothing worthwhile in this life ever is. I'm going to be as direct as possible and hopefully cause you to think about things you've never thought of before. Just do yourself a favor and don't reject the idea. Only an idiot would instantly reject a new idea without giving it some conscious thought! Yes I did say idiot! Realize that if you are going to go to another place in your life financially, you are going to have to do some things different and 'doing' first requires 'thinking.'

If you change your thinking, you will change your actions, and if you change your actions, you are going to change your results.

Monkey Business

In Africa, the natives use an ingenious method for catching monkeys. They hollow out a coconut shell by cutting a small hole at one end. The hole is small enough to barely allow a monkey's hand. Inside the hollowed shell

they place a few peanuts. They connect the coconut shells to a thick, strong cord and wait in hiding for the monkeys. When a monkey discovers the nuts inside the shell he reaches in and grasps them in his fist. But the hole is too small to allow the tightly clenched fist to escape. At this precise moment the native pulls on the cord... and the monkey, who won't let go of those peanuts to save his life, is caught.

"Too often, we hold tightly to our own peanut ideas for fear that we may lose them... when all the while, it is these very ideas that hold us captive and prevent the freedom we long for." *Robert Allen*

I am so glad you decided to leave the past behind and look forward to a brighter future by becoming a passive millionaire. There is going to be a lot of confrontation throughout this program; confrontation between your old programming and your new programming.

"If you are going to win a battle, you must ensure that the mind controls the body; never the other way around." *General George Patton*

Make no mistake, you are in a battle. The battle will be against your old conditioning versus this new conditioning. I will make statements that will go directly against what you are conditioned to do, think and be. You are going to hear voices inside of your head that are going to come from your programming that will go directly against what I am going to say in this book. All I am going to ask you to do is to trust in the process. Through this system, I'll give you everything I can to make the mental shift you need to make so you can have more of what you deserve in life, be the kind of person you want to be, go to the places you want to go and in the style you want to go, irrespective of what your old conditioning, of what your friends, and maybe even what your spouse thinks you can and should do. All I am going to ask of you is to trust in the process. I am going to give you everything I've got. Everything in this program is designed to be very practical and useful for you.

For Richer or Poorer

In 'The Science of Getting Rich' by Wallace D. Wattles makes the following statement; "Whatever may be said in praise of poverty, the fact remains that it is not possible to live a really complete or successful life unless one is rich."

On the other hand, John Piper had this to say about the subject, "Buying things contributes absolutely nothing to the heart's capacity for joy."

Who is right and who is wrong? Are they both right? What do YOU THINK? Where do you stand on the topic of you personally becoming wealthy? That is the all-important question and one that we will examine in this book. If you are like most people, you will fall somewhere between Wattles and Piper.

I still remember very clearly the day my accountant rang me to tell me I had now made 'millionaire' status. He had been collecting some information for me on some of our business dealings and rang me with the results. In the course of the conversation he said "Do you want to know what you are worth Michael?" I remember smiling to myself and saying to him in reply, "No. . . I know what I am worth, but you are quite welcome to tell me what you think I am worth!" I had actually already accomplished this financial milestone mentally, long before it manifest itself in my physically reality.

Ready or Not!

Ok, let's talk about how you can get the most out of this book. I don't think there is any question that we have done everything we can to make sure that you get the most out of this book in terms of learning experience and changing your behavior. You know, somebody said that education doesn't mean teaching people what they do not know. It means to teach them how to behave like they do not behave. What we want to do is change the way you behave. We have included many aspects that I think are very rare in an educational product. What I want to do now is quickly walk you through some very simple things that you can do to maximize your effectiveness.

First of all I want you to go about thinking and talking like a 'passive millionaire'. Now don't go around a bunch of negative people and start talking to people like this. But I want you in your own mind to start getting involved and thinking and feeling what it would be like to have a million dollars. Start associating with people who are positive about this idea and open to this kind of thinking and start talking about it. You may have to change some friends. We'll talk later about a mastermind alliance group. For now I want you to spend time thinking about what it is like being a millionaire. Think about it, talk about it, and make this your study for the next little while.

If you have any questions, if you have any problems, if there is anything that is bothering you or not working or you want to improve on, simply email me, michael@passivemillionairebook.com.au. You can simply send me an email at any time and you will usually get a response between 48hours and 72 hours depending on whether I am traveling a lot.

I included that into this book because I thought of the times when I grew the most and it was when I have had an opportunity to respond and correspond directly with the author of the material. Take advantage of it. Every single day, I deal with countless numbers of emails of people who have questions.

Use this information to make your dreams become reality. Before we get to that let's prepare your mind to multiple your income 10 fold within the next 12 months!

Notes to Self

DATE:

.....

DATE:

.....

DATE:

.....

DATE:

.....

DATE:

.....

DATE:

.....

DATE:

.....

Conquering Million \$\$\$ Conditioning

The Little Ones

Our present level of mental conditioning is based primarily on what we see, hear and experience within our own environment. Since very few of us take the time to THINK about whether what we are doing daily is actually helping us to grow and develop, we usually end up doing what we see those around us doing. And this starts at a very young age.

As children, we are taught to listen and not to speak. We are taught that mistakes are not good to make and that you must get things right the first time or else. A child's mind is open to endless possibilities and yet he/she is often times held back by parents and adult guardians who think that their level within the knowledge circle is all there is.

"Don't climb too high - you'll fall and hurt yourself."

"If you don't go to school you won't learn to read and write and get a good job."

"If you don't eat your vegetables you won't grow up big and strong."

"If you don't put your jumper on outside you'll catch a cold."

"If you're naughty Santa Claus will put coal in your stocking." "If you pull a face and the wind changes it will stay that way!"

Some of these are innocent enough, some based on fear (such as parents watching a young child climbing a tall tree) and some are just ridiculous (the face in the wind – where did that ever come from!?).

These gradually convert into things like:

"We can't afford that dear; your dad doesn't earn enough."

"If you get a good education you'll get a good job that provides financial security." "Play it safe, don't do anything too risky."

"Just do what everyone else is doing son – you don't want to be left out."

Eventually these become controlling, sub-consciously rooted ideas that we

live our lives by. Never challenging them because that is the precedent we have been brought up with.

“If I stay at this job for another 10 years, I’ ll get my gold watch and my pension.”

“I have a family to look after; I can’ t risk my money on those sorts of investments – what if it fails?”

“We’ ll just get a loan to buy the car. We can save for retirement later.”

“I don’ t want to do anything too different – what will people think?”

Children only know what you tell them to be the truth, they know nothing else. If you bring up a child and you tell them for the first five years of their life that they will grow up and be nothing, then there is a very good chance that that is exactly what they will become. Conversely, if you tell them they will be the best in all they do, then there is a very good chance that that is what will happen. You have the power as a parent to plant seeds of doubt and failure or seeds of confidence and success.

Champion Conditioning

I remember a few years ago I walked into my parent’ s home and saw my father sitting on the couch intently watching a champion tennis match. As dad’ s not much of a sports fan I was curious. “What’ s the story dad? I didn’ t think you liked tennis.”

“I don’ t mind watching a good match but that’ s not why I’ m watching this match” he said.

“Why then,” My curiosity rising higher.

“That’ s Lleyton Hewitt playing.” He answered without looking from the screen. I nodded, “Yeah, he’ s got a house not far from ours. What’ s the interest?”

Dad spoke slowly, “He’ s very good. Did you know I taught him when he was in year 10?”

“No I didn’ t – what was he like.” By now, I was intently watching the match as well.

“I remember talking with him on one occasion and he told me he was going to grow up to be a champion tennis player one day. He did it too!”

Lleyton Hewitt knew he was going to be a champion when still in high school. That kind of conditioning would have begun being planted in his sub-conscious mind years before he could hit a winning serve by parents with a higher level of awareness than most I would suggest.

A Perfect Awareness

Children are born perfect – without conditioning. Their awareness is wide open and they take whatever is given them as gospel. A child has no inhibitions; they will do exactly as they are told. Children do not fear failure. They are taught to fear and to fail by those who have an impact in their daily lives. As a child you are conditioned by your parents and relatives that if you don’ t do things a certain way, there are dire consequences. When a child is learning to walk we encourage them. If they fall, we naturally help them up and tell them to try again.

Parents will say things like, “come on, you can do it” or “never mind try again” and “aren’ t you the smartest little baby in the world” .

As the child gets older and begins to ask questions and want to learn more and more the parents start answering questions by saying, “just because” or “stop asking silly questions” . Parents give a quick answer hoping to quiet the child but a child is very inquisitive, their mind is open and their intelligence is growing at an incredible speed. They are sucking up information and turning it into knowledge so as to build a library of instruction manuals in their head. This is where the conditioning begins to take shape.

To give you an example, let me explain the difference between my two children over just the last few years. My son Lincoln at time of writing is 4

and my daughter Taylor is 6. My daughter has had a year and a half at school and my son has just begun kindergarten. Lincoln likes to play computer games, play outside and be rough like most young boys. He will constantly repeat something until he gets the result he wants. It may be a computer game, a new toy, a puzzle or whatever he can get his hands on. He will try and try and try until he gets it right and he is not afraid to make mistakes and ask for help, but only after he has given it a good go himself first. It is not uncommon to hear him say, "I can do it, Daddy" or when he has completed the task he will often say, "See daddy, I knew I could do it" . I even heard him a few weeks ago encouraging his young friend while playing video games when his friend was having some difficulty completing a certain level and started to get upset. Lincoln said to him, "Don' t give up, just keep trying – we never give up!" Some of his parents' influence coming out of course.

Taylor is the same, although not as vocal about it, she also is very persistent. However I have noticed over the last year or so, she has begun to be very cautious with the tasks she undertakes. She doesn' t like to make mistakes with her school work. She would sooner erase the error before anyone saw her 'mistake' and make sure it is 'right' the first time around. She has also become very dependant on the actions of her friends – she does not want to do anything that seems to be outside of the box. If her friends are making a craft object a certain way, she wants to do the same. She has become afraid of arriving in class to display her work and have it be too different from what others have done. If she completes a piece of writing and an error is made she is likely to crumple up the paper and start again.

Taylor is incredibly creative visually. She produces magnificent drawings with colors and different patterns but if it ends up being too different from the norm of the class, she will take no pride in the work nor want to display it in the class room or at home.

She is being conditioned in an environment that is not always conducive to

our teachings. She had begun to believe that there is a 'right way' and a 'wrong way' to do things. She has begun to develop a fear of making mistakes. A fear of being different, of going against the crowd. She has begun to internalize the conditioning that most people end up carrying with them for the rest of their lives. The conditioning that causes people to cling to safety and security, that creates in them a fear of mistakes, of doing things differently, and most of all a lack of belief in themselves to overcome challenges and improve their lives for the better – above and beyond the mediocrity of normal life.

As parents with a higher level of awareness about such things we recognize this and are doing things to counter-act this social conditioning. Many people do nothing, for reasons none other than they are not even aware it is happening. One of my mentors', Bob Proctor often says, "You cannot escape from prison if you do not know you are in one."

If you are to be conditioned and condition those around you, begin to choose the thoughts you want to be conditioned with. Very few people, throughout their entire lives ever stop and ask themselves the question, "Is what I am doing helping me to get to where I want to go?" Why don't they? Because most of them don't define what they want and second they believe that what everyone else is doing is the only way it can be done.

Your Thoughts Control Your Results

I had a conversation with someone recently who was explaining to me how to invest in property that could give the financial results I wanted in 10 years. There was nothing wrong with their advice on the face of it except that the results they were suggesting to me that I could achieve in 10 years, I had already done in 2! Their conditioning in this matter was over 10 years, my conditioning was 2 years. As a result of searching for what I wanted to achieve, I did in 2 years what many people take 10 to do. The only difference is that they believed that that was the time frame necessary to achieve those

results and I didn't. Perhaps there is someone else whose conditioning is 6 months, to achieve those same results?

I am constantly bombarded by people who say such silly things as:

- x "The deal of a lifetime has already been and gone and I missed it." "Money doesn't grow on trees."
- x "I'm sure that's not legal."
- x "There aren't enough opportunities for us all."
- x "Money is the root of all evil."
- x "Every time you get a deal that's one less for someone else."
- x "I need to wait another 10 years before I can do that."
- x "I'm too old."
- x "I'm too young."
- x "If they are rich they must be crooks."
- x "What sort of get rich quick scheme is this?"
- x "I don't have the time."
- x "I don't have the skills."
- x "I'm not a salesperson like you."
- x "I'm not good enough."
- x "I need to know everything before I start."
- x "It's too late for me now."
- x "That sort of thing never works for me."
- x "I don't know how."
- x "My family, partner, children, parents, friends, boss won't let me."
- x "It's too risky."
- x "There are no guarantees."

x "I can' t"

x "I won' t. . . ."

x "What if. . . ."

We could go on for hours with this sort of nonsense. What I learn from individuals when I hear these kinds of statements is where their level of conditioning is at. Many people will respond in the negative to a new idea without even contemplating if the idea may be possible or add some value to their lives.

Why are we here?

Much of this comes from their lack of understanding about:

- 1 Who they are
- 2 What their purpose is

When you understand that we are 'spiritual beings' in a body, not a body with a spirit (as most people believe) it helps to make things a little clearer. We are a mass of intelligence or energy . . . that is our MIND . . . our THINKING CENTER, is who we really are. We operate with faculties provided to us from a divine being. Faculties such as the ability to THINK conscious thoughts . . . to choose our thoughts and design our life as we see fit. Coupled with this is the powerful sub-conscious mind which has the ability to only accept what we (or others) program it with.

Our purpose? . . . It is to grow! To develop our mental faculties and expand ourselves within and without. To leave this world with a far greater level of awareness (intellect or understanding) than what we arrived here with. We cannot take anything else with us but this . . . the final growth of our knowledge circle. As for our temporal resources, what we pass on when we leave this world, should substantially add more to the growth and development of humanity for those remaining.

Most of us go through life asking the same questions. We all try to work out the reason we are here and where we are headed but it is always preceded

by the ultimate question. WHO AM I? In the bible, we are told that we are made in God' s image. Which means that he made us to be like him, physically, mentally, emotionally and spiritually. We have the same traits that he has. We are capable of being perfect as he is perfect. Dictionaries point out that the word 'image' implies the mental representation of something or someone, an idea or conception. We are God' s ideas or conceptions.

Our journey through this life is given to us with a handicap. That handicap are the circumstances with which we are born into, be it a very affluent family, a poor family, single parent home, orphanage, or born with physical or mental disabilities to name a few. Our purpose here is to be tried and tested to develop and strengthen our character and raise our level of awareness.

Think about this, if we are made in God' s image, then we are definitely not made to fail because he does not make failures. He has given all of us the ability to gain the tools necessary to move through this life to prepare for what' s ahead of us. We will discuss the many different tools later in the chapter.

There is a part of us that is neither created nor destroyed, it was at the beginning and will continue to be after we have laid our mortal bodies to the ground. That part of us is, INTELLIGENCE/ENERGY. We exist on this earth in mortal bodies so that we are able to see, hear, taste, touch and smell. We are able to develop within these mortal bodies, using our physical and mental faculties, which is something that could not be done if we were just a mass of energy.

This intelligence is organized intelligence which is our 'SPIRIT' . We all have the free agency to do and be what we want, if we so choose. Our minds are our greatest assets. W. Clement Stone said "Whatever the mind of man can conceive, the mind of man can achieve with a positive mental attitude" .

Another amazing individual, Bob Proctor, who continues to teach today, explains that thought is energy, constantly flowing and creating. Whatever we think about, we can bring into reality.

Faith Works Miracles

If we are to believe what is taught in the Bible, this universe was created through thought. In order to create such a vast and complex solar system and a never ending universe, He, being God, our divine creator, must have had to think about it first before the words "let there be light" were spoken. This ancient scripture also talks about a man named Jesus Christ who was on the earth over 2000 years ago. As the scripture goes, he went about healing the sick, raising the dead and also healing all those that were lame, deaf, dumb and so forth. Have you ever noticed that he did not take the credit for these miracles? He always taught that it was the people's own FAITH that made them well, ". . .thy faith hath made thee whole" (Mark 5:34).

What is this FAITH? It is the hope for something not seen or belief that is not based on proof. Faith is believing the truth without the physical evidence. It is knowing what you want and having faith you're going to get it. It's your intelligence proving your will which in turn manifests into your physical reality.

Clarence Smithson said this on the subject of Faith, "Faith is the ability to see the INVISIBLE. Believe in the INCREDIBLE in order to receive what the masses think is IMPOSSIBLE."

History is full of great teachers who performed 'miracles'. These teachers all performed great tasks or made great discoveries that were deemed improbable, and in many cases impossible, and yet it came to be because of what they conceived and believed in their minds . . . and then acted on in faith. It was for this reason that they were able to make it manifest on the physical plane of life. Moses, Abraham, Noah, Elijah, Elisha and Jesus Christ. In more modern eras we have Plato, Socrates, Einstein, Columbus, Edison, the Wright Brothers and Gandhi, just to name a few. These men all had an idea in their minds; they gave energy to their ideas and created a whole new world for man through their teachings and discoveries. They knew who they were and why they were here and were not afraid to

act on their ideas.

Potential for Greatness through Thought

“Of all the beautiful truths pertaining to the soul which have been restored and brought to light in this age, none is more gladdening or fruitful of divine promise and confidence than this – that man is the master of thought, the molder of character, and the maker and shaper of condition, environment, and destiny. As a being of power, intelligence and love, and the lord of his own thoughts, man holds the key to every situation, and contains within himself that transforming and regenerative agency by which he may make himself what he wills.” *James Allen – "As a Man Thinketh"*

There is a story about a man who found an old picture in the attic of his father’ s home. It wasn’ t a priceless art and the picture would not mean much to anyone outside the home but it meant the world to this young man. It was a picture of his grandfather surrounded by a metal framework that was dingy and it had become crusted due to time and wear. The young man decided that he would replace the frame with something more appropriate so he started to pry the frame off but as he was working, a bit of the dirt and grime came off in his hands. The exposed part of the frame showed a light gold hue. The astonished man started to carefully remove the rest of the grime from off the frame revealing a golden metal underneath. He was now more interested in the frame and took it to antiques professionals who were able to clear away all the outer grimy shell to fully restore the beautiful and very valuable gold-leafed frame. That frame, had always been golden. Through misuse over time, the previous owners had let the frame become tarnished making its true value disappear beneath an outer shell that was dirty and grimy. As godlike beings, we have been made with many hidden talents and traits; we have been made with gold. We are supposed to find that perfection within us all and use it for good. We are creative and creation flows through us. We think that we are not good enough, so we let our golden hue be hid from the world. As we make the choices that are necessary to be our true selves, we are bound to fall down along the way.

We don't have to be perfect ONLY that with all our hearts, WE TRY. By trying, without even thinking, we will get there. It should be in our second nature. We have great potential and capabilities within us; we just need to tap into it.

How We Think

I first saw this at Bob Proctor's Seminar, 'You Were Born Rich', in an image which was originated by Dr. Thruman Fleet of San Antonio, Texas in 1934. He was the founder of the Concept Therapy Movement.

We are a mind with a body, hence the mind represented as the larger part of our being, the non-physical part that we cannot see. The mind is an activity, not a thing. The brain is not the mind but is the 'electrical switching station' for our thoughts.

The image was broken into three parts.

The conscious mind has the ability to accept or reject any idea that is presented to it. It gives us the reasoning factor of choice. This is the THINKING center of our being. This is where we originate thoughts.

The sub-conscious mind is our 'power center'. It has the ability to transform any idea presented to it into physical results. I say any idea because this part of our mind does not have the ability to reject anything. Whatever we give it becomes fact. Any idea once fixed in the sub-conscious mind is the truth. These conditioned ideas become our paradigms. Controlling our actions and thereby our results. For most people, these paradigms are developed very early in life and once formed never change. This part of our mind attracts (or repels) to us what we want or rather what we THINK about. That is why it is so important to choose your thoughts carefully and concentrate on only those things you do want and not that which you don't. Once an idea is placed in this part of the mind it begins at once to send out vibrations or feelings seeking to create the manifestation of the idea.

The body is the instrument of the mind, the tool with which the work of

producing the ideas of the sub-conscious mind come about. It is by far the smallest part of our overall make up but the one part most prominent to our physical senses. Our actions determine our results.

Within our conscious mind we have two factors that are within our control. They are our deductive and inductive reasoning factors. As our sub-conscious mind is totally deductive, accepting any idea we give it (or is suggested to it by outside forces) without question we must filter what we feed it. We do this by using our inductive reasoning factor. If an idea is suggested to you and you THINK about it and make a DECISION, a conscious choice whether to accept or reject the idea.

Then you have invoked the power of the inductive reasoning factor of your conscious mind. By seeing if it will change, alter and/or improve the results in your life you have given your sub-conscious mind an idea you want it to manifest into physical reality. However, too often, we allow our deductive reasoning factor of our conscious mind to operate on auto pilot. This happens when listening to the radio, watching TV, listening to negative conversations and so on. We watch or listen without determining if what is being viewed is beneficial to our growth and goals. We then accept whatever is being suggested without filtering it. When we do this, we automatically make these ideas part of our own conditioning.

We Think in Pictures

Our mind operates by 'seeing' images. We think in pictures. If you think about your car at home in the garage you immediately get a picture of it. Your mind says this is your reality – this is YOUR CAR. The only way to change the car is to change the image in your sub-conscious mind. You do that by first deciding on the car you want. The color, make, model, features and so on. Change the image by getting your physical senses involved. Find the car that YOU ACTUALLY WANT TO BE YOUR REALITY, not the one that is. Smell it, sit in it, drive it, take a photo of you in it and create a new image for your sub-conscious to focus on. Then use your inductive reasoning factor to talk, think and act as if you are already in possession of it. Your sub-

conscious mind will set up the vibration or feelings created by this new thought and begin to seek for it's manifestation on the physical plane of life. It will 'create' the opportunities for you to secure the car. This will continue to happen for as long as you give energy to it, until the new image does become your new reality. This applies to everything you do in life - relationships, health and wealth.

Creating Million \$\$\$ Vibrations

Attracting million dollar results begins with million dollar thoughts. Since you can only ever attract what you are in harmony with – what is on your current level of vibration – you need to change to thoughts of a higher vibration to get the higher results.

Let's use your income as an example. Say you're earning \$30,000 a year and your desire is for \$300,000 a year. If you are operating on a \$30,000 a year vibration then the only thing you will attract is what is on that level. That means your resources (all your skills, talents, contacts, wealth and so on) are vibrating on this level. It means that this is the level that you have been giving energy to. To attract resources from a higher level in order to accomplish your desire you need to be thinking like someone on that level of vibration. You need to start giving energy to the higher vibration. The more energy you give to the thought the faster you will attract all you need achieve what you want.

It's reasonable to assume that in order to earn \$300,000 a year you would probably not be doing what you're doing now otherwise you would already be earning it. I'll give some specific steps in later chapters on how to start to earn 10 fold your income. In truth no one can really tell you how to do it because no one knows. Everyone's path to accomplish their desired level of financial freedom will be a little different because everyone will attract different resources based on their level of conditioning when they start and how well they alter it as they 'grow' towards their goal. Everyone's starting point, however, is the same.

Change your conditioning by:

- 1 Choosing your thoughts using your inductive reasoning factor.
- 2 Firmly plant those new thoughts into your subconscious mind and give them loads of energy.
- 3 Step out and act on the new thoughts by making organized plans and watch as your physical results begin to mirror your sub-conscious image.

The Parable of the Universal Laws

Dr. Wernher von Braun said, "The laws of this universe are so precise that we don't have any trouble in building a rocket ship. We can send a man to the moon and literally time the landing with the precision of a fraction of a second".

"Just make sure you get on that plane! I won't be paying another fare for you if you miss it." I could hear my wife on the phone talking to her sister, in Newcastle NSW. She was concerned but angry.

Her sister was in need of major help, but like so many people, seemed to be unable to help herself. In about four months time her second child was due and the 15 month old she already had was enough of a handful for her as it was. Her 'partner' was far less than supportive and she had not been to see a doctor once yet about the second pregnancy. She had no family support base there, no transport and very little funding.

"Thanks honey." My wife turned to me as she hung up the phone with tears in her eyes. She was very worried about her sister. My sister in law was the oldest child in the family yet the one with the most problems. Always the party girl, she made one bad decision after another, and it had been that way for years. Now she had, soon to be, two children, an unsupportive, dare I say it, destructive 'partner' and no real skills or education to her name and no way to support her young children or herself other than from government handouts. My wife had seen it coming for years and it hurt her.

She was tired of trying to help someone who did not seem to want to help themselves. She had asked me if I would pay for her flight back to South Australia for her and her first child. It was the beginning of a number of extremely stressful weeks but also the start of what became a new life for us.

They arrived on the doorstep four days later. It took about 2 hours before the first blow-up happened. My wife and her sister were at it again. After about half an hour of this I joined in. I knew this would happen. Here we were at the kitchen table, three adults arguing, with 3 young ones running around our feet listening to the nonsense of unproductive bickering family members.

The Million \$\$\$ Law of Vibration

Simply put, everything you see and don't see is in a constant state of vibration. You attract only what you are in harmony with or rather who and what is vibrating at the same frequency as you.

Have you ever met someone for the first time or have to associate with someone who is the complete opposite of you in almost every way? You don't have to say anything to each other; you feel the 'mood' or atmosphere in the room change when you meet. People become defensive or stand-offish. It's like the two ends of two magnets that just will not meet. Communication in these situations is almost impossible.

This is the 'the law of vibration'. That is where two people are operating in different vibrations or frequencies and they do not 'meet' and are unable to communicate. Everything you attract into your life is in direct correlation to what your vibration is at any given time. For example: 'success attracts success' and 'misery loves company'.

Nothing will get through to these individuals. It doesn't matter what is said or done communication is almost impossible in this state of mind. One or both individuals need to change their mindset to be open to new ideas in order for communication to occur. It also works the other way of course.

Like two people in love whose vibration is in line with each other so communication is generally much easier and they can relate to things with ease.

The Million \$\$\$ Law of Polarity

In families as in life there is opposition in all things. These oppositions are there for our growth and development. If you're going through a rough patch it has the potential to get better no matter where you are right now. Train your mind to begin looking at the positive side of your situation. What are you learning from this and how can you change it to get what you want. W. Clement Stone used to say "Through every adversity is the seed of equivalent or greater benefit".

This is what it was like every time my sister in law and her 'partner' came over to our home. The mood in the room changed the moment they entered. After a few years the mood began to change before they would enter the room. An hour before they would even arrive, the mood would change in anticipation for their arrival!

Talk about unproductive mental conditioning!

It's not that we didn't love and care for my sister in law, it was just that we operated from completely different mental plains. This is not uncommon in families anywhere across the world. One individual will become hugely successful in their chosen field and the other will have difficulty getting out of bed in the morning!

After three weeks, she still couldn't find a place to stay.

We decided that because she didn't seem to be able to get a place to stay we would give her a place to stay. We decided to give her the house.

We decided to move on the Sunday night. On Monday we found about half a dozen properties in the paper that looked like they might suit us. We physically inspected only three and signed the lease on one on Monday afternoon. Tuesday afternoon we were accepted and on Thursday of the

same week we moved into the new place.

This place had everything we wanted. My wife wanted a family size pool and a spa, 3 nice big bedrooms with built in robes in all rooms, big kitchen with plenty of cupboard space, large formal family and dining areas, a rumpus or playroom for the children, two bathrooms with two toilets, a nice garden with flowers, floor boards, security, close to schools and shops and in the same area we were now in – just to name a few.

I wanted a space for my office; double lock-up garaging with remote control roller door access plus a shed!

Since my sister in law had nothing with her from interstate other than a few clothes, we left the house with almost everything in it. All we took to our new house was the couch, fridge and children' s beds. Everything else including cutlery, crockery, towels, sheets, clothes, cot, master bed, and kitchen table etc, etc, etc we left at the old place. Natoma and I slept on the floor for the first six weeks in the new place. We bought her a fridge, bed and couch so she had the basics to get started. We set up a new lease with the old landlord and she was set to go. The new house we moved into was only 5 minutes away so we were still close enough to lend support.

Now you may wonder why I am telling you this. It seems to be fairly straight forward what occurred and nothing too special from all outside appearances but let me relate to you circumstances and conversations that occurred before we made this move.

The Million \$\$\$ Law of Germination

The Law of Germination states that an idea needs time to grow. Like a tree that sprouts from an underground seed or a baby conceived 9 months before birth our ideas are growing long before we can see them with our physical senses.

On the weekend before we moved my wife had attended a 'Bob Proctor' self-development seminar entitled 'You Were Born Rich' put on through the networking company we were involved in. I still remember the

dates. It was the 17th & 18th of July 2004. It was the first time she had actually gone to a seminar in her own right without me being there or without me dragging her along. Up until this time we had always made provision for me to attend any and all seminars I felt were relevant and she stayed home with the children. In a few moments I will explain some of the things that she learned in that seminar that have helped us to change our lives dramatically over the preceding months. First, however, I want to explain the importance of working together as a team.

Up until this point in time, any and all ideas for improving ourselves had come from me. I had been the driving force in many of the things we wanted to do such as the commission only insurance job that allowed us to earn \$100 000 income in a single year, the starting of various business ventures, trying new ideas through all of these fantastically expensive seminars I liked attending and so on. All of the goals that we were striving for were really my goals not our goals. It was really me taking all the risks and dragging my wife and children with me rather than standing at the helm together. In fact I often felt as if I was being held back because I really wanted to be driving the car at 120 kms an hour but had a passenger that only wanted to go about 80 kms.

In the insurance game we had a phrase called 'The Mastermind Alliance' . That is: 'Two or more people working together to achieve a common goal' .

I understood that; from a business point of view when selling insurance and even from a personal point of view; when it came to decisions about our children or church. But when it came to personal financial matters we were poles apart. Don' t get me wrong, both of us had changed a lot over the previous few years and we were definitely 'working together' as a couple much better than we had been when we first got married, but our ideas on wealth, money and finances were still very different. We had ideas of what we wanted but they were scratchy, scattered and not nearly as defined as goals needed to be. At least we did have something written down though, which is more than most people.

The most important thing that seminar helped us to achieve was a 'Mastermind Alliance' . We were now working together to achieve a common goal that we both wanted and that made all the difference.

The Million \$\$\$ Law of Sowing and Reaping

The law of germination is succeeded by the law of sowing and reaping. What you sow you must reap - misery or happiness, sickness or health, poverty or wealth. You cannot reap while you sow and you cannot sow while you reap. Each has its own season.

Some five years earlier, I had been given a set of cassette tapes of this particular 'Born Rich' seminar which I had listened to over and over and over again to the point where I knew almost all of the tapes by heart. When I was first given the tapes I was told that they were a recording of the most successful seminar available on self-development anywhere in the world. The title 'You Were Born Rich' relates to our state of mind when we enter this world. We are born as a child of a Divine Being blessed with all of the talents and abilities necessary to accomplish anything we desire in this life. We are 'Born Rich' . As we go through life we pick up many 'shackles' along the way. These 'shackles' come in the form of our environment we are born into and the mental conditioning that surrounds that environment.

Although we do have the power to change it and see the 'truth' , many people have great difficulty in letting go of their 'old conditioned ideas' :

"The world is flat."

"No one can run a mile in under four minutes."

"I can never earn more than \$30 000 a year."

"Man shall never walk on the moon."

"This is the way my father did it and his father did it and this is the way you will do it!"

The Israelites said, "We shall never be free."

Christopher Columbus proved them wrong. Roger Banister did.

They were right! But their younger brother earns \$100 000 a year.

"That' s one small step for man, one giant leap for mankind."

Closed mind to new ideas – results remain the same.

Open mind to new ideas – possibilities are endless.

Moses said, "Let my people go!"

Well, when Natoma got back from that seminar many of her 'old conditioned ideas' were gone. After listening to her excited vision of the future for about an hour, I realized that from now on I had better start running to keep up because now I had the ball and chain and she was so far in front I had difficulty seeing her.

"Michael we need to move, this home is making us sick" . She said it as a statement of fact.

"That' s great" I said, "But I thought we had already talked about moving at the end of the year. We have no money to move now."

"Well you quit your job because you wanted to make changes and we' re going to make them. Money is no longer an issue for us!" She was talking more quickly and I was thinking about how little money we had at the time – it seemed like a fairly big issue to me!

"Let me explain what we are going to do. " The Million \$\$\$ Law of Attraction".

Working along the frequencies of the law of vibration you attract whatever corresponds to your ruling state. Make sure you're attracting WHAT YOU WANT!

For the next half an hour we talked together about our "mastermind alliance" goals. The first decision we made was what kind of house we were going to move into. As mentioned above the house we moved into had

everything we wanted. What I didn't mention was that everything that was in that house was actually on a piece of paper that we wrote down on that Sunday night. It was a very specific list - right down to the color of the floorboards in the formal lounge and the number of cupboards in the kitchen. It had the pool, spa, 3 bedrooms with built-ins and so on and so on and so on. It was as if someone had 'heard' us and 'created' overnight the exact image we wanted in a house in the exact location within the exact parameters we wanted. In fact that is exactly what happened. We got what we 'asked for' . 'Ask and you shall receive, knock and it shall be opened unto you' . Exercise the good that you desire with faith, believing that you will receive and expecting it to happen and it will happen.

Now for some of you that may sound strange and unbelievable but I can assure you that it works. There are definite principles that govern this universe we live in that relate to getting rich, having great relationships, being happy and being healthy. When you become in tune with these principles anything is possible for you to achieve.

The next thing we decided was what sort of furniture we wanted in the house.

Remember that we were now in a new 'larger' home with almost no furniture.

We walked around the house and created a mental image of the type of furniture we wanted in each room. In fact we even went as far as to leave a space (sort of an imaginary outline) around the area where we wanted the furniture to go. If the children walked into the lounge over the space where the dining table was to go we would ask them to get off the table. When people came to visit we would walk them through the house 'around' the furniture that was not there yet as if it already was.

The Million \$\$\$ Law of Abundance

When you begin to understand that truly there is no cap or lack or limitation to the good that you desire you will begin to ask for bigger and

bolder dreams. Don't settle for second best because you can have all you want without taking away from others. **There is more than enough for all.**

Then we went 'shopping' (without money) to choose the items we wanted in the home in the space we had made for them. We decided on the amount of money we thought we would have to spend to buy the furniture we wanted. It amounted to almost \$20 000. We went and put deposits on some items that needed to be ordered in and wrote down the prices, sizes, and colors of the other furniture we wanted. The interesting thing about this story is that we didn't have \$20 000. In fact, we didn't have \$1000 to spend on furniture or anything else for that matter. But it didn't matter. We decided on what we wanted, put small deposits on the larger items and expected the money to be there when we needed it. Within six weeks we had every item of furniture on our list paid for in full and in their place in the home. The strange thing is that it didn't cost us anywhere near what we thought it would and to this day I still don't know where even that money came from to pay for it all. It just seemed to appear right on cue a day or so before, or in some cases on the day, that the final payments were due.

The money we were paying every month on this new home was more than twice what the old one was. I had resigned from my job six months earlier and had no regular income at the time. We maintained those payments for the entire time we resided at that home.

On that Sunday night we also re-set many of our long-term goals. Most of which we made grander and to achieve them sooner. We re-set most of our short-term goals from a date of the end of that year to achieve them before the end of that month! Don't forget that it was the 18th July. One of the goals we had set was to purchase our first business; in this case it was a Laundromat, by the end of that year. We did it by the end of that month and ended up with 3 Laundromats by the time the year was out!

The Vacuum Law of Prosperity

This law states that you cannot have two objects occupying the same space at the same time. In other words you must make room for the good that you desire. You must allow room for the manifestation of your idea on the physical plane of life and expect it to appear.

We decided on a brand new car that we were going to purchase, a Ford Territory Ghia – top of the line.

We got a picture of the type of car we wanted and then went and test-drove it. We knew what that car smelt like, felt like, looked like and could visualize ourselves driving it – because we had. We got emotionally involved in the idea and expected to receive it. We made room for the good that we desired by ‘giving away’ our other car – we did not sell it! We cleaned out the spot where the new one was to go and put up a picture of the new one.

We did the same for all of our other goals.

By having my sister in law come into our lives we were forced to make a decision to either ‘shrink back into safety or move forward into growth’ (Abraham Maslow). We decided to move forward and test some of these ‘laws’ or ‘universal principals’ along the way. We can testify that they work.

Your Captain and Crew

So let’ s review. Look at your thinking center this way – as a captain and crew. The captain is the conscious mind. The crew is the sub-conscious mind and does exactly what the captain tells it to do.

Whenever you have an idea or a thought that you impress upon your sub-conscious mind, it is viewed as a command by the ‘crew’ .

The crew automatically begins to fulfill the order that has been commanded:

- x “I’ m so tired” .
- x “I’ m stressed” .

- x "I' m always busy." "Nobody cares."
- x "I' ll never get that promotion."
- x "I' ll never be rich."
- x "I never have enough time."
- x "The bills never stop coming."
- x "One of these days this job will kill me."
- x "These cigarettes will be the death of me – I' ve tried quitting but it' s not for me."
- x "I always wake up tired."
- x "Things never go my way."
- x "I' m such a loser."

Any and all of these and many more comments we say to and about ourselves, are interpreted by our crew and the crew instantly begins to manifest the results in our physical world.

No matter what the captain says to the crew the crew will follow orders. Even sarcastic comments or those spoken in jest are taken literally by the crew. Your crew is your subconscious mind. They exist to obey the captain. They respond instantly and automatically like clock work. It is a law and it is always true. The crew has only a one word vocabulary and that word is "yes."

The person making \$30,000 a year is sending out thoughts to his crew that says I am worth \$30,000 a year and that is what the crew produces. I did this. I made \$100,000 in a year and then all of sudden as the captain of my ship I started saying, "No, I am going to make a million." So all of a sudden the crew started coming up with ideas on how I could do that. It started attracting into my life everybody, every idea, every person, every relationship, every resource to fulfill what the command was. It did it for me; it will do it for you too.

In order to get magnificent results from your crew you need to give them magnificent orders. A magnificent challenge will be tackled with the same 'yes sir' enthusiasm as a meager everyday task.

Future Conditioning

The first thing you must do is stop looking at past results. Your last year's tax return has no reflection on your future income. Your past relationships have no reflection on how wonderful future relationships can be. Your past health problems don't have to become your future health problems. But none of these will change if your crew continues to be given commands to do the same. You must give them new orders.

If I had not done that in my own life, I would only be earning a meager paycheck. Instead I changed my thoughts. I don't care what I earned in the past, what mistakes were made or what people thought of me. The past does not equal the future. I sent that message down to my crew and my crew produced a million dollars. Most people look at their bank accounts and say "I can't be a millionaire, look how little I have in the bank." I am telling you to visualize being a millionaire and driving the car you want to have and having the toys you want to have and going to places you want to go to and living the lifestyle you want to live and helping the people you want to help. Most people have an "I'll believe it when I see it." mentality. Mark Victor Hansen has been saying for 20 years, "believe it and you will see it."

When I sold insurance as a sales manager I would often talk to my team about setting 'big goals'. Invariably someone in my team (usually the new guy) would say, "I thought we should be realistic?" What a stupid question. I've had the same question many times in seminars.

You tell me what's realistic about my income going from \$100,000 a year to creating over \$1,000,000? That's what can happen to you if you put this material to work for you. I always remember Bob Proctor saying in his seminar, "The people who set practical and realistic goals are never as practical and realistic on the long run of life as the dreamers who pursue

their dreams” .

In order to move from where you are, your comfort zone, to where you want to be, the unknown, you must set goals that will create in you the ‘call to action’ . It must be something totally unrealistic and something you truly want. The more unrealistic the better in my view.

Many realistic concepts come from unhealthy, unhappy and broke people. They try to justify what is going on in their lives. I am saying don’ t be realistic.

The AWESOME Power of Authority Figures

Once on my travels I ran into an old co-worker of mine. I’ ll call him John. As we caught up on old times he began to express surprise at the amount Natoma and I had accomplished in such a short period of time. We began to speak about how to improve his financial situation. I said to him,

“John, why don’ t you get your own business going? You’ re worth so much more than what you’ re doing at the moment. Not only that, you deserve more. Start some sort of a home base business. Get involved in taking care of your own finances. Don’ t you know you are never going to become wealthy working for somebody else? You’ re doing the same thing you were doing in our last job – just with a different product! Most of the millionaires that are created are working for themselves. There are not that many million dollar jobs around!”

He was very quiet. I knew he longed to do what we were doing – he definitely had the talents and skills to do it. I also knew what he was thinking. He was thinking about his single income household, where his wife stayed at home and looked after their four small children. I could see he was becoming very uncomfortable but I pushed my point none the less. I said, “John, what’ s the problem? When I started talking about quitting your job and being your own boss, it seems to hit a chord with you.”

“I don’ t know, Michael, my parents have always taught me that I should

have something to fall back on, that I should find a secure place to work and stay there and work hard, study hard, and work long hours. My father is very well educated and I' ve been taught to avoid risks. I' m also worried about my family – how will I feed my kids - what if I fail?”

“Don' t worry about it John, the kids are young enough not to remember if you end up on the streets for a few months.” I was really digging him now. I recalled having the exact conversation with Natoma prior to leaving my job. We tried, failed and rebuilt. Having been homeless for a number of weeks during this ‘learning’ time myself with my own wife and children I know how hard it was – but we got through it as a family and were stronger for it. Here was John, not doing what he wanted to and could do because of what authority figures had been telling him for years. Now I understood his position because my parents had very much the same advice. However, I also remember my father, when I was young, discussing with my mother that my younger brother' s primary school teacher had said he had learning difficulties. This teacher had, in no uncertain terms, told my parents that Joseph would probably never read well at all. My father decided that his authority over his own son should be greater than that of his teacher and never at any time allowed Joseph to entertain such a destructive idea. He worked with him, reading every night and praising his achievements, and helped him to become not only an accomplished reader but a successful student doing a double degree in engineering at university. So much for learning difficulties!

Too many times we allow these authority figures to determine our results. Often times these people are no longer a part of our lives (some may even be dead) but we continue to let them rule us.

You see, there is an awesome power that is affecting you right now and that is the power of your authority figures. These are your aunts, uncles, religious leaders, educators, people who have been around you and have influenced you. Val Vanderwall calls them Uncle Twit and Aunt Wart, who dumped concepts into you when you were in your little life, from 0 to 7. People go

through their life unhealthy, unhappy and broke most of the time. Never realizing that they are doing that because of some concepts that were planted in their mind by some authority figures with the best intentions but no real idea what they were doing.

Why didn't your parents tell you that money is always flowing? There is no shortage of money and if you need more money all you got to do is think some certain thoughts and get emotionally involved with those thoughts, set some huge goals and, step out and act on those thoughts. You can have more. Money is always flowing, there is no shortage of it, and there is an endless supply of it. All you got to do is think a certain way, move into action, think positive, and see yourself already having, moving it into action, and attracting it into your life. Why didn't your parents tell you that?

I'll tell you why. Because their authority figures told them things like...

- x Money doesn't grow on trees.
- x A penny saved is a penny earned.
- x We're not rich but we are happy. Rich people are unhappy.
- x Money doesn't buy happiness.
- x You aren't lucky.
- x We can't afford it.
- x Be happy with your lot in life.
- x Don't buy a Rolls Royce; they cost too much to repair!

You have all kinds of concepts within you that are put there by authority figures. Part of what I am going to do throughout this book is to get you to yank those out. All I want to do at this particular stage is make you aware and get you to start thinking about the concepts that were put in you, in your little life by authority figures and people with all the best intentions. But in most cases, especially when it comes to the earning of money, were dead wrong.

You were probably told things like, go and get a good education, study

hard and once you get a good education with good grades, you' ll go and get a good job in a good company and work hard and long and stay there for twenty five years and get a pension and be set for life. You get a chicken little education so you get some chicken little degree, so you can go and impress some chicken little companies and go to work for some chicken little boss so you can stay in that chicken little company getting some chicken little paycheck for thirty years, listening to some guy you hate your whole life so that at the end of thirty years you get some chicken little pension. That' s not a life, that' s chicken feed. You know why they call it take home pay? Because you would be embarrassed to take it anywhere else.

You are strong enough to go against authority figures. You know, one bad habit usually spoils a dozen good ones. Habits are usually the best of servants or the worst of masters. Those habits are deeply ingrained in most people. So when I tell you can be a millionaire. You don' t have to wait fifty years for it to happen. It can happen in the next two years. It can happen in the next year for you. You can make a million dollars a year!

Listen to this. This is one of the most profound things I am going to say and it is this. What you argue for, you get to keep.

I remember a guy recently said to me that he could never be a millionaire and he started to defend himself as to why he could never be a millionaire. Guess what, what you argue for, you get to keep! Another person told me she could never go into sales or start a business like me. No, why not? What you argue for, you get to keep! Be careful what you argue for. Many people argue for things that they don' t want in their life. You have the power to choose. This book is about choice. How are you going to choose for yourself? Be careful what you argue for, because that is what you get to keep.

When I first began with the idea that real estate was something I wanted to learn about and get into, my first vocal opposition came from a major authority figure in my life, who was none other than my own father.

In early high school he decided that he needed to start to plan for his

retirement and looking after his children (at this point my father had been diagnosed with an illness that stopped him from working full time – in fact he had stopped working for a wage altogether). On the whole of it, it wasn't a bad idea. My father's property backed onto what was once old farming shed grounds that belonged to the property behind ours. The land was so big, it actually spanned from one side of the suburban block to the other passing the back fence of my father's property. In time the house and land came up for sale and my father bought it. He also bought the house next door to the first one, thereby owning land (including his own house) that covered 3 sides of the suburban block.

His idea was similar to most ethnic immigrants who had been taught that owning land was a good idea and financially intelligent. Providing the land can be positively cash flowed, I'm inclined to agree. I know my Nonno (grandfather) had quite a bit of land in his day and had owned and rented out homes as well. Well the idea was to rent these homes out thereby providing, not only cash flow, but good capital growth over time as well. Dad decided that he would take care of choosing the tenants himself and manage the house himself, collecting the fortnightly rent, fixing broken pipes and so on. He was doing just like a good ethnic immigrant should and do it all himself. After all why pay an agent for something you can do – that's just silly!

His story some time later is familiar to many. He got 'the tenants from hell' !

That is no exaggeration either. I remember dad showing me photos and taking me through the place after he forcibly removed them for excessive damage and significant overdue rent. Rubbish was piled in the corners, the whole house stunk, furniture was broken, blinds and fans were cracked, windows smashed, carpets destroyed and the list goes on and on. I don't ever remember seeing dad as angry as I did then. When they finally left he packed up the rest of their things (it took a full trailer load) and literally dumped it on the front lawn of their new premises.

You can imagine what he said to me when I said I wanted to get into real estate and buy a few houses. Often the reasons why these authority figures are so prolific in their objections are because of their own negative experiences.

As it turned out, dad's experience turned out to be quite good for me because it helped me to understand exactly what I was not going to do. I am pleased to report that later dad came around and decided to support me in one of my early real estate ventures. Sometimes, if you're patient, these authority figures will come around and begin to see the 'truth' of what is possible.

Build Million \$\$\$ Conditioning

List right now 10 negative conditioned ideas you have about money (if you have more just keep writing).

.....
.....
.....
.....
.....

Now, list 10 ideas you would like to have about money?

Examples:

- 1 I attract money to me.
- 2 There is more than enough for all.
- 3 I can have all that I desire.
- 4 Passive income is possible for me.
- 5 I can replace my full time wage through part time activities.

Now create a story you want to tell your crew about money . . . an image you want them to begin at once to act upon. Write it down here and remember that if you tell yourself a lie and repeat it often enough it will become fact.

Become a passive millionaire by reading this new image to your crew each day. Make sure they don't forget their orders!

Notes to Self

DATE:
.....

DATE:
.....

DATE:
.....

DATE:
.....

DATE:
.....

DATE:
.....

DATE:
.....

DATE:
.....

DATE:
.....

An Entrepreneurial Traineeship

I Choose Street Smarts

During the first 6 months after I left school I attended the University of South Australia studying computer and information science. I studied three subjects in that first semester and got three grades, a distinction, credit and fail. I can recall the exact time when I made the decision to quit Uni. I was working at my Uncle's fitness center and these two young guys regularly came in to play squash. They were not much older than me and after a few weeks we got to talk about things. I found out that they had both attended the same Uni. I was attending. They had both done the same course and had the same lecturers. Both of them had been unemployed for about 12 months or so after completing their diploma and when they did find work it was back at the University doing maintenance on the computers where they had studied. I cannot begin to describe to you how depressed that made me feel. Here I was a budding something or other wanting to take on the world one day and become all that I could be and I suddenly realized that I might end up like one of these guys. I decided I hated school again and I left after that first semester. I now knew, however, that education was important but I realized that the 'right kind' of education was far more important than education for education's sake. I wanted to be a business owner.

Not just any business, mind you, but a big business. I wanted to be calling the shots and not be told what to do all the time. I hated being told what to do. Not necessarily the best motivation to begin in business but none the less often where most entrepreneurs' attitudes start.

So I dropped out of Uni. much to the dismay of my parents (my mother in particular). I had been working at my Uncle's fitness center behind the desk during the majority of year 12 and I decided that this was my first port of call. After some time the management opened up a new center and I was placed there. It was great. I got to meet lots of interesting

people, I could use the equipment for free before and after my shifts, I enjoyed riding my bike to and from work and I was usually on the desk on my own – responsible for everything – in other words no one was there to tell me what to do all the time. I began to think that I wanted to own a gym of some sort.

A Chance to Show my Quality

As it turned out it didn't take long for me to have the opportunity of running a business. My best friend's parents had bought a carpet cleaning business for their two eldest sons's to run. It didn't take long before I was helping to clean carpets and became involved in the business on a weekly basis. After a while my friend decided that he didn't want to do it any more as did his older brother. I asked my friend's parents if I could look after the business for them for 12 months. They said yes!

My friend's parents would sign the checks and let me pay the bills as they came in. I worked long hours and did my best to handle all the challenges that were thrown at me. I learned that I had to be able to not only clean carpets but I had to learn how to fix machinery, communicate with the client when up-selling things like carpet protection products, maintain the work van, negotiate and order stock, manage the bills, do paperwork, handle customer complaints, generate new business, make cold calls, develop a customer database and not to mention having a pager strapped to my waist constantly because we were a 24 hr service.

None of it bothered me though. I was doing what I wanted to do. I was going to build the largest carpet cleaning business in the country! There was just one problem . . . I had no idea what I was doing!

This was far different to my lawn mowing days when my father was always there to help if needed and it was handled as more of a hobby than a business. This was the real world. My friend's father had his own business to run and although he helped as much as he could, I tried to do it all on my own. After all I was self-employed! – Sort of.

I was playing with 'real money' and was by now trying to earn a real living for myself. I was way out of my depth but it took me almost 12 months to realize it! I began to do what I thought was best and started working hard for my money. After all that was what my father did all his life and my best friend's father. They both worked hard all day long. So I did likewise. Even on days when I had little or no work to do I would do something that made me feel as if I was working. It might be making phone calls or door knocking for work or doing menial tasks that kept me busy but did not generate income.

I began to realize that I needed help but I wasn't sure how or what help I needed. I remember seeing an advertisement in the paper to listen to some business guru (who I found out later turned out to be Brad Sugars and his company Action International Business Coaching), so I went. Lucky for me it was free because I didn't have any money. For 2 and a half hours I listened to these speakers talk about ways to improve your business. How to make it more efficient and generate bigger profits. How to improve your marketing and target it directly to your customers and drive them straight to you!

It sounded fantastic, just what I needed, and just what the business needed. After all it was only going to cost a few thousand dollars. What a small price to pay for all that good, and potentially profitable, information. So I signed up. Now all I had to do was convince the owners of the business that they needed to pay for it!

After a number of talks and apparently, not a very good sales pitch, they said no. I remember thinking at the time, why would they say no? Why wouldn't you do anything to try to improve your situation? The information would not only help the carpet business but the owner's other business as well. Why would they not jump at the chance? In fact why had they not done something like this year's ago? It was a few years before I learned why. Their mindset was completely different to mine. They had done things a certain way for many, many years and they had been

reasonably successfully at it and supported themselves with a large family through doing so. So why change? They were also small business people. They were used to running a small family business where they did or were involved in doing everything themselves. They did not have a business mentality. They had a self-employed mentality.

Brad Sugars' definition of a business is, "A commercial profitable enterprise that works without you!"

They definitely did not have one of these. At the time I didn't have this sort of business mentality either but I was striving for and looking for one whereas they weren't (at least at that point), and that made all the difference.

However, not being easily deterred, I decided I would pay for the seminar workshop myself and improve the business anyway. But after repeated attempts, I came up empty handed and the seminar weekend passed me by.

A 'Financial Freedom' Introduction

For the next few months I continued to do what I was doing . . . working hard and trying to do it all myself. This was my life, scratching a meager living as a commission only one-man carpet cleaning operation, until I met Dennis. I don't remember where I met Dennis now or even his last name and I lost track of him a few years later but Dennis was my first real business partnership. He had his own domestic cleaning business cleaning houses that he also wanted to grow. I had been looking for other services or products we could sell to our customers to increase the income from each job (as we didn't have many jobs we needed as much money as possible from each one to stay afloat). Dennis likewise was looking to expand his services to include carpet cleaning. So we began working for each other by referring each other business and paying a commission to the other for the work done. He came on a few jobs with me and me with him and we began to learn about each other's businesses.

Dennis was much older than me (I was only 18 at the time) and had been

involved in business before as a mechanic.

As we spent more time together, I began to realize that he seemed to have something in his business that mine lacked; vision.

He had a fairly good idea of what he wanted his business to be doing in 5 years time. He knew what services he wanted to concentrate on and what services to add to his product list. He had an idea of what he wanted out of life and how his business was going to play its part in his life plan. From what I recall he was recently divorced and had some children, so he was much in a similar predicament to me in the sense that he was starting from scratch again. The only difference was that he had a little more life experience than me, and a clearer picture of where he wanted to go.

We spoke about many things, one of which was earning money. He was the first person to introduce me to financial books as it were. He told me I should buy a book called 'The Richest Man in Babylon' as it was a good guide for basic financial understanding. I couldn't afford to buy it (this was probably why he suggested I read it) so I borrowed it from the local library and buried myself in it. It was only a short book and I read it quite quickly but I was engrossed in it from start to finish. The way it was written enthralled me. The basic principals it taught I really needed to know and I couldn't understand how such simple principles were not taught to me at any time in my schooling life. For a number of years I had 'The 5 Laws of Gold' stuck up in my room along with 'The Seven Cures for a Lean Purse' and I reviewed them regularly.

The Five Laws of Gold

Gold cometh gladly and in increasing quantity to any man who will put by not less than one-tenth of his earnings to create an estate for his future and that of his family.

Gold laboreth diligently and contentedly for the wise owner who finds for it profitable employment, multiplying even as the flocks of the field.

Gold clingeth to the protection of the cautious owner who invests it under the advice of men wise in its handling.

Gold slippeth away from the man who invests it in businesses or purposes with which he is not familiar or which are not approved by those skilled in its keep.

Gold flees the man who would force it to impossible earnings or who followeth the alluring advice of tricksters and schemers or who trusts it to his own inexperience and romantic desires in investment.

The Seven Cures for a Lean Purse

Start thy purse to fattening.

Control thy expenditures.

Make thy gold multiply.

Guard thy treasures from loss.

Make of thy dwelling a profitable investment.

Insure a future income.

Increase thy ability to earn.

(from "The Richest Man in Babylon" by George Samuel Clason)

Looking back on my early understanding of these principles I now smile at their simplicity, yet at the time they were a huge revelation to me. Such small, logical, common sense principals should be free and available to everyone. I believe these principles should be part of early learning development in schools just like reading and writing.

My relationship with Dennis was only short lived and our informal business arrangement sort of fell apart after a while due to inactivity on our parts but the help and guidance he gave me will stay with me for life. I doubt that he would even remember me or realize the part he played in my early working life but as with many of the people that help shape us in life, rarely do they realize the impact that they have in moving us forward.

However, despite the guidance he provided, my carpet cleaning days were coming to an end.

The final straw came a few weeks before I made the decision to move on. It was tax time! All of a sudden the owners were asking me for the figures, paperwork, receipts and records of the last 12 months. I held them off for weeks not quite knowing how to give them the information they wanted or wanting to tell them how incompetent I had been.

The phone was ringing. It was my friends' mother. "Michael. I' ve had it. We need the paperwork today. I' m coming over to pick it up now!" She was angry.

I still remember going into my 'office' (our spare junk room) and looking at all the scrappy bits of paper, receipts, and scattered documents lying on the floor. I was scared. I felt the fear rising up inside of me. I was to be found out that I was a fraud! It would soon be discovered that I was unable to do any of the things I was supposedly doing for the last 12 months. This was not a business. It was a joke!

She arrived. I handed over a white plastic bag full of torn off bits of paper – my records. She was not happy at all. Then she left.

It was a strange feeling. I felt like I had failed yet I felt relieved at the same time. It was no longer my responsibility and it felt like a big burden had been lifted from my shoulders, in fact, I think I actually smiled as she drove off. A few days later I had the conversation I had been dreading. What was I thinking!? The truth was, I didn' t know and hadn' t known the whole time. I never should have started it. And yet it was one of the best experiences

I have ever had in business. I made all the mistakes I could have made and learned invaluable experiences that have helped me in all my ventures since. Unfortunately the cost was at someone else' s expense and a few years' later I had the opportunity to thank them and apologize to them for the privilege.

When I was 16 I knew everything. There wasn' t a thing in the world that I couldn' t handle or I didn' t know something about. I was now 18 and I began to realize that maybe, just maybe there were some things in this world I didn' t know.

It was finished.

Searching for Success

By the time I was 21 I had a very clear image in my mind of what I wanted and I knew that education was the key. The problem was I needed street smarts education not just school smarts. I spent some time at a Business College called Prides. All of the lecturers were industry trained and had years of real life experience in their field. As with all my other efforts in post high school education, this one too was cut short, this time due to lack of funds to pay for the course. By this time I now had other pressures. Natoma and I wed at 19 and she bore our first child 13 months after we were married. So my main concern was money to eat.

I had tried numerous commission jobs, including selling finance and home cleaning machines. I had tried my hand at a state distributorship for a certain cleaning product, secured a State Based Distributor contract for reselling long distance phone services in which I hired a number of staff, investigated and began a catering business for kids birthday parties and been involved in a number of MLM companies to name a few. All the while educating and training myself in the ways of money. I was constantly looking for evidence that my theory was correct.

Security at Last!

Around the middle of 2000, after a stint selling finance for about 12 months, I found a job selling carpets for a national carpet retailer. I was hired on the premise that I could earn \$50K p.a. I was given a salary of \$30K a year and was told that unless I was selling enough carpet to earn commissions of \$400 a week (\$20K a year), they could not afford to keep me on. I thought my luck had changed for the better. I was given the impression that it was very easy to make bonus every week and told I was basically on \$50K per year.

My wife loved it! Every week we had money, rain or shine. It didn't matter how much or little I sold we got money every week. I hated it! I felt useless, I was bored and it got to the point where I would sweep the same patch of floor 4 or 5 times a day just to pass the time away. Being a brand new store they had no clientele as yet and many people didn't even know they were there. I went on a number of appointments in people's homes to measure and then sell the carpet but to no avail. I got very few people across the line and didn't make bonus once in 3 months. I remember the dread I felt the week before I knew I was going to be fired. They told me I couldn't sell and fired me. My wife was devastated but I was greatly relieved.

Are you trapped by the appeal of security vs. freedom? Many people operate in a box their entire lives all but trapped by the idea of a regular income. Everyone needs a regular income but the way most people go about it is very inefficient and time consuming. Understand that we have the capacity to think and as such we do not need to work to live. Work was made for us; we were not made for work. The ability to work was given to us to have joy and satisfaction in a job well done and to help us to grow and develop our MINDS. If we were created just to work and work alone we would have all been created as mules! When we work, we should be contributing something back to the growth and development of humanity greater than just that of providing the basic necessities of life.

At any rate, I now had a chance to once again test my theory.

Big Money Theory

Although I had had very little success with many of the sales/commission jobs I had had in the past I was absolutely convinced that I could make a lot of money in a very short period of time working on commission. That was my theory. I had already made a decision that I was going to work hard for a very short period of time and make a lot of money and then financially retire. There were more important things in life to do than working hard for money all the time (my lawn mowing and carpet cleaning days had taught me that). My theory was that somewhere out there was a company that I could work for and earn a lot of money on a commission only basis - I just hadn't found it yet.

I still remember the conversation I had with my wife the day that I was fired from the carpet shop. I was reading the newspaper by the phone in the sitting room of our flat. My wife was very specific, "Michael, I don't want you to go for any more commission jobs! Anything you go for must have a base wage, a salary or retainer of some sort. NO MORE COMMISSION JOBS!" She had gotten used to the regular money and she didn't want to lose that again. She was conned, like the majority of the population. Financial security in life meant a good job with regular income from a salary. I was not so easily convinced however. Even though I hadn't proved my theory to be correct yet I was convinced it was out there - a commission only job that I would be able to earn a lot of money in a very short period of time - I wanted to make \$100 000 a year and I didn't want to take 10 years to do it working up the corporate ladder.

As soon as Natoma left the room, I started calling every single commission job I could find. Sometimes you have to make a stand! I didn't care what they were I just made appointments with them all. I figured if I saw enough of them I would find what I was looking for. If you have every tried to get a job as a commission only sales agent you may

have found that it isn't that hard to get the interviews. Usually these companies will accept appointments from almost anyone because you can't tell a good salesman from a resume. In a very short period of time I had a substantial list of interviews to go on.

I remember feeling very confident about what I was doing. I wasn't nervous about getting a yes or a no to any of the interviews I went to. All I wanted to do was find someone who would give me a yes to my question – then I would worry about getting the Job.

“Do you have any questions?” I was at my third or fourth interview that day. I was sitting across the desk from a car sales manager of an A-1 used car yard. This guy was somewhere up towards his 50's, overweight, frowning and looked utterly unexcited about his job. At one point in the interview someone walked into the office (obviously unfamiliar with the place) and promptly apologized to me for interrupting the interview I was in. He then asked me where he could find someone he was looking for. I just smiled and looked over to the manager who told him what he wanted to know. I suddenly realized that if a stranger walking into the office thought that I was in fact the one giving the interview, perhaps that didn't say a great deal for the manager and I probably wasn't going to find what I was looking for here. None the less I asked my question anyway. “Yes I do have a question – Can I earn \$100 000 a year or more in this business?”

He looked at me kind of blankly, like he wasn't sure how to answer or was afraid I was challenging his own income position. Eventually he said, “not really Michael. No one here earns that kind of money. The only way you could earn that sort of money in car sales is in the new car game and even then you would have to be the owner of the yard in most cases.”

I found the answers to be the same at nearly every job interview I went to. It soon dawned on me that most (if not all) of the people who were interviewing me were probably not earning anywhere near \$100 000 or more a year in income. Still I kept searching. I should note however that I got

accepted for almost all the positions I interviewed for but I still hadn't found what I wanted.

'Highly Motivated Individuals Wanted'

At length I applied for an interview with a commission only insurance agency. I remember that I wasn't all that keen on insurance but I remember that the guy on the other end of the line sounded like a live wire. He was all bubbly and excited and seemed to be jumping down the phone to meet me. I decided that I needed to go in for this interview if only just to meet this guy – he sounded pumped!!

Natoma dropped me off at the office in the city. It was on the second floor. The offices looked big enough to me with a training room, lunch room and nice professional reception area. Not at all like some of the dingy offices and buildings some of these 'commission only' companies worked from. There also seemed to be a good feeling in the place – very positive. I filled out the interview form and felt at ease while I was waiting there. Finally I was ushered into the boardroom with the fancy wooded table with 12 leather chairs and light streaming in through the window at one end – It looked and smelt professional and rich. There I met Mr. Pump Up!! “So how are you Michael, Thanks for coming in, I trust you found the place alright? Terry Reibelt pleased to meet you!”

He was only a short bloke with graying hair around the sides, probably around his mid 40's. He had a smile plastered over his face and he spoke like he was trying to win a race. He gave me a firm handshake and then jumped up and sat down again. He just couldn't seem to keep still (I put it down to ants in his pants! – I later found out his nick name was THE ANT).

“I'm great” I responded smiling – it was infectious. “I have to be honest with you though Terry, I'm not all that interested in selling insurance” .

“That's fine” he laughed surprising me, “Neither am I. But tell me if you're not interested in insurance why did you come in?” He seemed to

have a cheeky but genuine grin on his face like he had heard that 1000 times before. I instantly liked him though – he gave off a very positive vibration and I felt happy suddenly – not like in any of the other interviews.

“Well, I just wanted to meet you. I’ ve been looking for positive people to work with but most people seem to be very grumpy or unhappy about their jobs. You on the other hand practically jumped down the phone while talking to me. I decided that it didn’ t matter what the job was I was going to come in just to see why you were so pumped!”

He laughed. I think he was taken aback a little. “Most people who work for this company are very positive Michael. It’ s all to do with the company philosophy – we’ re healthy, happy and terrific! Any why wouldn’ t we be happy, we have great jobs, earn lots of money and have lots of fun. What more do you want!?”

The next 15 minuets or so we went through my interview form I’ d filled out earlier. I was more and more at ease the longer I was there. It seemed like we were having more of a friendly chat than anything else. In truth, just a very experienced interviewer, I found out later.

He asked me a series of questions and then asked if I had any thing I wanted to ask him. “Yes two things. First Can I earn \$100 000 a year or more and how flexible is the job.” Not bad, my first interview and I ask about earning the big dollars and how much time I get off – the two big no no’ s in any job interview. Terry took it all in his stride and without missing a beat and with all the confidence in the world answered “Yes! In fact I have a number of my team right now who earn \$100 000 a year or more and a few more heading up in that direction. As for flexibility what do you mean by that?”

“Well what are the hours like?” My previous experiences with commission only jobs were predominately night and weekend work. “What would be the chances of taking say a long weekend every weekend to spend with my family? We have a new baby girl and I would like to spend time with her and my wife on the weekends.”

He got up and went over to the white board, “You see it works like this Michael. We have an awards system based around a figure we call the 100 CALL or WINNER’S SCORE. It’ s a bit like 100 runs or a Century in Cricket. Each insurance policy we sell has a certain number of points attached to it and each and every week we aim to sell 100 points or a WINNERS SCORE. Do you understand?”

“Yes” . It sounded very much like the stories my sales lecturer at Prides Business College used to tell us – he worked for AMP insurance for almost 20 years.

Terry continued, “At the beginning of each and every week you’re team manager, who we call a Territory Representative, will ask you for your week’ s sales objective. The aim should always be a 100 CALL by Friday night check in, or more if you’ re going for a higher sales award. If at the beginning of the week you negotiate with your Territory Representative that you would like to take the Friday off and he or she agrees to let you check in on Thursday night with your WINNERS SCORE then you can have Friday off. Providing it’ s not an Official Company Challenge Week or the like there should be no reason why you couldn’ t do this every week. I haven’ t been here in South Australia long, they brought me over from running a team in Queensland, but I did have one agent in my team in Queensland - she almost never worked a Friday. Having said that though, if it came to Thursday and she didn’ t have her 100 CALL, she would work the Friday. Does that all make sense to you?”

Not only did it make sense, it sounded great! If everything he said was true I wanted to be a part of it. Now I had found a job I actually thought might be what I was looking for, I started to get nervous. “It all sounds great” I replied.

“I see here you’ re married and you said you have just had a baby girl, is that right?” “Yes. In fact my wife dropped me off – she’ s probably in the waiting room now.”

Terry walked over to the door, opened it and looked out. "Is that her?"

"Yeah that's her" I said.

"Well I better go get her then" he said as he walked out the door. In no time at all he had made small talk with her, given her an overview of the business, asked a series of questions and then proceeded to tell her that if she gave her permission, he would like to send me on a Field Demonstration to see in person what it was like. As I said, he was a very experienced interviewer.

I found out later that due to the nature of the position and the reputation of most 'commission only' jobs they often conduct a 'spousal interview' with potential hires. They do this to make sure both parties know what they are getting themselves into. I guess they have had lots of experiences with wives or husbands like Natoma.

Apples for Apples

When you're doing your training to become an entrepreneur, sales is a big part of it. You must learn to sell. The best way to do that is to join with a company that has a good reputation and training program. So many sales positions just 'throw you out there' and wait to 'see how you go'. The carpet firm I worked for fired me after three months because I 'couldn't sell' but Combined promoted me within ten months!

You want to find a company that will help to develop you to accomplish your objectives of running a business that will eventually produce a passive source of income for you. One of the first things I noticed about Combined was their offices. They were clean, well presented and professional. They were very thorough with their hiring procedures and the interviewer was well trained. It makes a huge difference to your end results to spend the time and find the right company to do your 'entrepreneurial training' with.

Natoma must have felt at ease with the situation as well because she gave her 'permission' for me to go on a Field Demonstration. Later that night I got a phone call from Terry. "Hi Michael. I've organized a Field Agent to

take you with him tomorrow for a few hours. You need to meet in the city with a bloke by the name of Barry Roberts!”

“Barry Roberts!” I said astonished. “You don’ t mean Bazza Roberts do you?! He’ s a big bloke with thinning hair on top and drives a beat up old silver Mitsubishi!”

“That’ s the one, although he doesn’ t drive the old Mitsubishi anymore Michael. Do you know him?” asked Terry.

“Yeah I know him” . I had met Barry a number of years earlier in an MLM company I was introduced to. He was my upline and very supportive even though I’ d lost touch with him for several years at that time. At least I knew someone I could trust to tell me the truth about this company. I arrived the next morning at the Hungry Jacks Service Station on West Terrace in the city. As we drove in, I didn’ t recognize him until we got closer to his car – I was looking for the beat up old silver Mitsubishi. There he was sitting in the car on the phone with a smile plastered on his face as he motioned that I get into the car. He was driving a late model Ford Futura, not at all like the vehicle I remembered him driving. I would later buy a similar car.

“How are you Mike, it’ s been a long time!” he said as he shook my hand. I wasn’ t interested in small talk, “Barry, this is fantastic, when did you get this car?” .

He laughed, “Several months ago, I’ m glad you like it. So you want to be an insurance agent hey – let me show you how this works. . .”

For the next hour and a half he showed me the business. It was all very simple, we went to the assigned area where there were existing policy holders and began cold calling door to door on businesses. If we came to a business where there was an existing policy holder we would review their policy, try to sell them an upgraded coverage policy, if allowable, and then ask for referrals. Otherwise we just moved from business to business talking

to the manager and then anyone else who would listen. Now I had no idea what Barry was saying but he did open his folder and repeat the same thing to every person, and worse than that he repeated the same joke to everyone as well. I seemed to remember Barry having a little more wit than that. To me he seemed like a lion, no one would get in his way, he just ploughed through his presentation irrespective of what objections the individual had.

After about an hour or so of this we came to this little old workshop tucked away behind another building. We went down the long driveway and found a guy covered in grease with his head under the hood of a car. Barry did his thing and even shook the guy's hand without blinking an eye. Before I knew it Barry had got through the entire presentation, had the policy document written up and had the guy handing over a check covered in grease.

Ten minutes later we were back in the car. "Well what did you think of that?" . Barry had a confident look on his face like he expected nothing less than what had happened.

"That looked so easy" I replied, "Tell me how much money did you earn just then?" . "About \$130" he smiled.

"\$130 for an hour and a half's work!" My mind was racing trying to do the math on a full weeks work – it was more money than I'd ever earned in a month! "So does that happen all the time?" I was getting excited.

"Well. . ." Barry smiled knowingly. It wasn't until a few years later that he told me that when he got Terry's call, and he knew he was going to be taking me on a field demo, he made the decision to show me something special (a live cold sale). Anyone who is involved in commission only sales knows that sometimes the sales come thick and fast and you can earn in a day what some people earn in a week or month, and other times you can work for days with seemingly very little results.

"Sometimes it works like that and sometimes it doesn't. But believe me

when I say the rewards are very good for those that are persistent and dedicated to getting results. I know you' re a very determined guy Michael and I think you would do very well in this business. With the right training, which the company provides, I think you could go places."

Well, that was enough for me; if it was good enough for Barry it was good enough for me. On Barry' s recommendation to Terry, I was hired, and promptly scheduled into the next 2 week 'training school' .

The training school was fantastic. I attended with 6 other people, one from Sydney, two from Tasmania, one from Perth, and 2 from Adelaide. Combined Insurance, as it turned out, was started by an American named W. Clement Stone. At 19 he started with \$100 and rented a small office and began selling insurance door to door to business people in their offices. He eventually built a billion dollar insurance company with one of his mottos being – 'success is achieved by those who try and keep trying with a positive mental attitude' .

I finally felt like I was being surrounded by people who were interested in the same sort of success as me. I had a great time in the training school and learned all the scripts, policies, motivational talks and so on, off by heart during that two weeks (most of which I could still recite by heart today).

Find Positive People in Positive Environments

Two weeks later, I started in the field with my new manager, my Territory Representative as he was called, Robbie McLaren (5 years later he came to work for me as our State Sales and Marketing Manager – I knew he had good training).

Robbie was also a great guy and showed me the ropes. I' ll never forget him saying to me after two days with him that I would become a Territory Representative myself before too long. At the time I thought it was strange since I had barely even sold my first policy on my own let alone get a promotion. Robbie on the other hand had 20 years cold calling experience

with Combined, so I guess he had gotten fairly good at picking the 'good ones' right away – he was right, however, as 10 months later I was promoted.

My fourth week in the field, I was sent to a little country town called Peterborough. Natoma was dead set I wasn't going away without her so we spent the week staying at her parent's place in Port Pirie. It was more of a necessity than anything else because I didn't have any money to pay for accommodation anyway. I drove one and a half hours to and from Peterborough every day. Robbie was on holidays that week and the other agent who was supposed to be 'looking after' me that week was away working in a neighboring town (he never even bothered to stop by and see me during the week) and I was out of mobile phone coverage. All in all I was on my own and the only communication I had with the office was early in the morning for calling in my figures.

It was the week I was to get my first sales award – the 'Initial Award' – one of the most prestigious awards in the company. Robbie had promised me that, if I got my Initial Award, he would give me a cash bonus on top of what the company gave me. I remember driving through the town on the Monday morning and having that feeling of hesitation and fear of the unknown.

"Do it Now!" W. Clement Stone

"Do the thing and you'll get the energy to do the thing." Bob Proctor

Robbie's words the previous Friday rang in my ears "This area is a gold mine Mike, everyone that goes to Peterborough does a fantastic job and makes lots of money – you will too!" The more time I spent with Robbie the more I realized that he said that about every area, particularly to new agents. No matter how many times I heard him say that, he always seemed to make it sound genuine.

I walked into the first place of business on the street, "Excuse me, are you the manager? Good. My name is Michael Russo from Combined

Insurance. I believe this will interest you also. . . !”

I was rejected, but the fear and hesitation began to leave me. Second business, rejected, third, rejected. In fact, it was about lunch time before I had any success. This continued on all week but as ‘Barry the lion’ had shown me I just pushed on. I didn’ t get back to my in-laws house until around midnight every night. As I rang in my figures each night to Terry he got more and more excited. “This week is the week Michael, the Initial Award is yours!”

I was more interested in coming home each night and working out the money I had earned each day in commissions. \$350, \$280, \$560 – I was so excited and each night I did my paperwork, the figures gave me the motivation to keep going. On lunch time Friday I was sitting on around 80 units and I needed 100 for my winner’ s score. I had exhausted every lead in my notebook, seen every existing policy holder, followed up on every referral and canvassed every business in town.

Part of our sales training incorporated what the company called ‘The 7 Essentials’ of selling. The 7th Essential was to systematically re-canvass every business on the street.

I just didn’ t know where else to look. I decided I’ d just start walking back though town starting this time at the other end of the street following the 7th Essential. The second business I came to was the service station. I had already picked up 2 or 3 sales from there earlier on in the week and as I looked though the window I saw the same guy behind the counter – no luck here. I turned around and saw a young guy trying to fix a tire on his car. One of Mr. Stone’ s positive self-motivators that we had been taught in the training school came to my mind. “Where there is nothing to lose by trying and everything to gain if successful, by all means try.” I repeated it over and over in my head as I approached the guy. By the look of him; shabby clothes, covered in grease and an old car, I figured I wasn’ t going to have much luck here but, since I had nothing to lose

by trying and everything to gain if successful, I decided to try.

As it turned out he owned a business with his mum at the beginning of the street where I started canvassing on Monday morning. It was a deli/bakery and for some reason I had missed it earlier.

“All Hail the 7th Essential!”

He suggested that I come up to the shop and show him and his mum. Before long I was talking to them about the coverage and how important accident insurance was when you had a small business. They agreed and decided to take a policy for him and his mum and his younger brother who, by chance, was recovering from a minor accident. I began writing up the policies and counting to myself as I went, “Three policies at 6 units each. That puts me on 99 units!” The time was now 4pm and it was unlikely I’d be able to do any more canvassing by the time I finished there as the businesses would have closed. I decided my best chance to get me my 100 units and my winners score was this guy sitting across from me.

So, I said, “You wouldn’t happen to know anyone else who would benefit from this sort of policy do you?”

He thought for a few seconds. “Yeah, actually I do. My girlfriend could do with something like this.”

I was getting closer, “You don’t happen to know where I could find her, do you?”

“Sure I do, she’s in the kitchen washing dishes. Come out the back and we’ll go see her.” He said as he stood up.

I couldn’t believe my luck. I went though the whole script with her again and in the end she agreed that it was a good idea but she didn’t have any money until next week. I needed that sale now. After all, it wasn’t a sale until it was paid for. Eventually the boyfriend came to the rescue and told me he would pay for it but he had the money at home. By now my nerves were on edge and I was ready to go just about anywhere to get this

done – I only needed one more unit!

We did all the paperwork there in the store and then I followed him home after he closed the shop. As he handed the money to me, I breathed a sigh of relief and appreciation. I had done it, and on my own. I rang Terry on the way home as my mobile came back into range. “Terry guess what, I got it, my Initial Award, I finished on 105 units!”

“Yeeeeeee HAA!” Terry was screaming down the phone to me. I could barely discern what he was saying “Good on you Michael, I knew you could do it, your first winners score and your initial award – fantastic.” I could almost see Terry jumping up and down in his seat like he did. By the time I got back to my in-law’ s an hour and a half later I had half the team ring me. Barry phoned next, “You see Michael, I told you you’ d be good at this. Tell me how much did you earn?”

I was still reeling in excitement and exhaustion “I’ m not sure I think I earned around \$1500.” In fact I had actually earned just under \$2000 for the week with company bonuses and Robbie’ s cash bonus.

Ignorance is Bliss

The next week as I was re-telling my story for the one hundredth time Robbie said something to me I’ ll never forget. “You know Michael, last cycle (we visited the same area in 6 month cycles) 3 agents went to Peterborough including one TR and the three of them together wrote not even 50 units.”

I was astonished, how could that be? I found it so easy. I worked hard for my result but it was in no way hard to sell the policies and there were many people I found who qualified. I also learned that Peterborough, at least at that time, had one of the highest unemployment rates in the state. The majority of the town’ s population were on government benefits (none of those people would have qualified for our policies).

This ‘Gold Mine’ that Robbie had sent me to was in fact the ‘runt’ of the

litter that week. It was the worst area and the one that no one else wanted to go to. The other agents didn't want to send a new guy to a 'premium area' and waste all those potentially profitable sales. "Let the new agent prove himself first" was what they said.

I had in my mind an idea that was planted by someone else. I was going to get my initial award and earn over \$1000 in a week in commissions because, "country areas are where you make the best money Michael". My manager had put me in the 'best area', with the best ammunition of all - IGNORANCE. I didn't have contact with any other agents that might tell me the 'truth' about that area nor did I know anything about the economy in the area. All I knew was what he wanted me to know - I had a premium area and would write my initial award that week.

While all the others agents knew that it couldn't be done. I only knew that it could. The facts became irrelevant.

That week I learnt a number of things:

First - be persistent and committed to your objective no matter what. success usually comes only after a trial of your faith.

Second - knowledge can be a good or bad thing depending on your objective. I naturally thought that the area was good because it didn't even enter my mind that it was bad. In truth it is neither bad nor good it just is. We make it what we want based on our conditioned ideas being good or bad.

Thirdly - sometimes the only way to get people on side is to prove your point and 'SHOW' them what can be done. It's funny but since that week in Peterborough when I earned \$2000; Natoma has never again said a single word to me against earning money through a commission only basis!

Entrepreneurial Success

"Before trying to build your 'empire' you should know that you will need to develop certain character traits and learn certain skills in order to succeed.

These things are common to all successful self-made millionaires. They are not listed in any particular order and different traits and skills will have more importance to you than others but all are necessary.

Persistence, stubbornness and an uncompromising attitude towards your goal is essential. Often this is mistaken as pride or arrogance but hones this trait well and you will meet with the success you desire irrespective of the opinions of those around you.

That which you persist in doing becomes easier, not that the nature of the thing has changed, only that your ability to do it has increased." *Ralph Waldo Emerson.*

> All entrepreneurs must learn to sell! Salesmanship is the effective communication of an idea from the mind of one individual to another. Learn to sell yourself, your ideas and your product. Often when you begin in your new venture or are just starting out you' re selling your ideas. This can be the hardest part as most people have very little or no imagination. That is why it' s so important to have as clear a picture as possible of what you want so you can present it to someone else.

If this scares you, get over it! There is no choice. All successful millionaires become sales people. Now that' s not to say they all have a slick suit, sharp tongue and boisterous personality but it does mean they have learned the art of getting their point across so that it is accepted by the other party.

Accept rejection: It is a fact of life that you will be rejected more than you will be accepted. This can be a real challenge for some people. Try joining a commission only sales company for 6 months, go door knocking to raise money for a charity, do telemarketing or buy into a party plan style MLM and begin presenting to groups of people. All of these will help to overcome the fear of rejection. When you begin to understand that most people you talk to won' t buy what you are offering you learn to get very good at recognizing the buying signals from those that do want to buy.

Learn what the numbers are for your situation: Perhaps you' ll need to talk to 100 people to make 1 sale. Perhaps it' s 1 in 50 or 1 in 20. Whatever it is, track it and then just play the numbers. In Combined we used a counting card that tracked how many completed presentations we had done. We knew that once we got to 20 presentations we would make a sale - it was a fact. Perhaps by implementing your idea you can make \$10,000 a year in passive income. If you have to talk to 100 people to pull it off then each person you see is worth \$100 in future income for the first year alone. If your income continues for 2 years then each person is worth \$200 and so on. This knowledge makes it very easy to overcome the fear of rejection.

Learn to be led and then to lead: There is no such thing as a born leader. Good leaders learn to lead by trial and error just like anything else in life. Learn to develop and manage a team. You cannot do this unless you get involved in something that allows you to develop these skills. Get involved in local community groups, school committees, and local government - anything where you are responsible for accomplishing measurable tasks with others. You need to learn to work with a team before you can learn to lead a team.

Practice making money: There are many different ways to make money and some are far more efficient than others. A job will only ever earn you a wage or salary set by someone else. Income through commission sales is limited only by the amount of commission per product and the number of sales calls you can make in a month. A property deal can net you \$20,000+ in one transaction. Business and shares are different again. Find a method that suits you best and work with that. In time you will learn to make money from many different sources.

Practice keeping money: This may seem very simple but most self-made millionaires make and lose their first million before they get it back again. Think about your first paycheck from your first job. You blew the lot didn' t you? Same thing here. People think a million is a lot of money but it' s

not! It's just as easy to spend \$30,000 a year as it is to spend \$300,000 or \$1,000,000 a year – in fact it's probably easier to spend because you mistakenly think there is so much of it. Follow the rules of The 5 Laws of Gold. Keep some aside. Spend less than you earn and don't automatically think you can buy a Ferrari and a house with a tennis court.

Practice managing and growing money: When you learn to manage small sums of money well and learn how to make it grow it will begin to multiple in kind. For example, let's say you manage a residential investment property well so that it produces a profitable passive income for you of \$3,000 a year. Once you have this skill set developed you can re-invest a larger amount of money into a commercial property that can produce \$10,000 a year. If you try different ways of growing money you will learn just how fast you can multiply your wealth. Using a business with strong profitable cash flows in combination with other slower moving investments can help to accelerate you towards your objective.

Learn to love failure. You won't get it right the first time so just keep trying until you do. These are the street smarts that are essential to your development. No matter how many seminars you go to, how many books you read or how good your mentor is, some things you will just have to make a mess of yourself to learn how to make it better.

“If you didn't lose everything you would never learn how to make the business better.” - *Taylor Russo – Age 8*

First Million \$\$\$ Steps

- 1**
- 2**,
- 3**
- 4**

Along with your own list above do the following (if you haven't already) and

tick them off once you have completed each one:

Open a 'PSI Investment Capital' bank account

Not less than 10% of all your earnings should go into this account for the purpose of investments only. This is money that you can afford to lose. All care should be taken of course but the purpose of this money is to practice making, managing and growing it. Do your due diligence but don't be afraid to use it – that's what it's there for. It is possible to make money without starting capital but it's a lot easier if you have some.

Begin or Join a Mastermind Alliance group

Get together with a group of like minded people, minimum of two, and talk about different ideas to accomplish your individual objectives. This is not a talk only group. You must hold each other accountable for the actions that need to be taken. Avoid all negativity in this group. Play games, such as Rich Dad's CASHFLOW 101 and 202 or the MLM game Diamond Destination. Conduct due diligence on different property ventures, even if only for practice. Invite a specialist to talk to the group on financing, investments, company structures or the like. Meet no less than monthly (ideally should be once a week).

Find a Mentor to Work Closely with

This may be one or a number of individuals but ideally you want someone who you can talk to on a regular basis. Someone who has done what you



want to do. Perhaps a personal coach that you pay for their services. If you're already in business, a business coach may be for you. The bottom line is to find someone who you can learn from and is willing to help you to achieve your objectives. Start by asking any professionals you already know such as accountants, lawyers etc or

just look in your local phone book. Often mentors show up in the strangest of places. Make sure you check their references too.

Read at least one book on your chosen subject each month.

This may seem very simple but it is very powerful. The masses leave school and never really commit themselves to 'real study' on any subject for the rest of their lives. If you want to make 10 fold your current income, study the subject of making money. At the back of this book is a short list of books you may like to choose from. This is by no means conclusive but it will get you started. Don't just read them but act on them. Successful New Zealand property investor Dolf de Roos once said, "Knowledge in and of itself is not power, only applied knowledge is power" .

Document Your Experiences and Ideas in a Journal

Once you begin this process you will have many ideas come to you as you start to see the world a little differently. Some of these may be of no worth to you or perhaps the timing is wrong but document them anyway. You never know if a silly idea may be of value to you in 5 or 10 years time. Also your experiences are worth something to others. I remember one time in a seminar the presenter said "Every one of you has had experiences that if documented, people would pay to read" . It's true isn't it? Your unique experiences have helped to make you who and what you are. Others can learn from your failures and successes if you give them the opportunity. If nothing else perhaps you can publish your many ideas in a book titled 'The world's dumbest entrepreneurial ideas' and make a buck or two.

Start right now with these steps and then let's move on to developing our PASSIVE SOURCE of INCOME that will multiply your income 10 fold in the next 12 months!

Notes to Self

DATE:

.....

DATE:

.....

DATE:

.....

DATE:

.....

DATE:

PSI: 'Financial Freedom vs. Financial Security'

"I owe my success to having listened respectfully to the very best advice, and then going away and doing the exact opposite." *G. K Chesterton*

What Do You Want Most?



Financial freedom and financial security are two opposing ideas and you cannot have both. If you crave 'security' take a job that pays well and has good benefits – probably a government job – and spend the next 40 years paying off a home and giving half your money to the government. The consistency of a secure paycheck is the biggest con in modern history. There is no such thing as a 'secure' paycheck. Any position

where you do not have direct control over your daily earning capacity is not security . . . it is prison! In fact, it' s worse than prison because you don' t even know when your sentence ends. The longer you stay looking for the 'security' of a regular paycheck, the less likely you' ll ever be called up for parole!

The main difference between freedom and security is CHOICE! Understand that you can never be truly 'free' as long as your main source of revenue comes from active income alone. As long as you are subjected to someone else for your day to day earnings, you will never have real 'choice' in life.

Ask yourself this question. In your current position, could you choose to jump on a plane tomorrow and go to Fiji to 'scout' new business ideas? Could you choose tomorrow to change the vehicle you drive, at the company' s expense, just because you felt the need? Do you have the freedom of choice in your current position to dedicate each Friday for the next year to volunteering your skills at your child' s school without losing any income?

Ask yourself if you think there are more important things in life you would like to be doing this week if you had the ability to do so? And I' m not

talking about leisure activities. I' m talking about activities of ' greater importance' , perhaps a task you have wanted to undertake for some time, a sick member of the family or distant relative you have wanted to spend some time with. Perhaps you' ve wanted to travel to an overseas country to rebuild broken family lines that have spanned the last few generations. Activities of 'greater importance are those in which you provide useful service to others.

List right now the TOP 5 MOST IMPORTANT tasks YOU would do this week if you had the resources to do so.

- 1]
- 2]
- 3]
- 4]
- 5]

Once you have these down, let us concentrate on developing a passive source of income that will provide for you the income you need to take care of the basic necessities of life so you can get on with the more important things you choose to be doing.

PSI vs. ASI

Before we get too ahead of ourselves let' s understand the difference between PSI - passive source of income and ASI - active source of income. One creates freedom and the other does not. However, by using an ASI effectively you can develop the skills and generate the money necessary to build a long term PSI. An ASI is generally a job or business where you either work for a boss or DIY (do it yourself) such as being self-employed. This sort of ASI is generally a 'time for dollars income' , that is, you work 10 hours and get paid a certain number of dollars an hour for your efforts. If you get paid \$6 an hour (a kid working at McDonald' s) or get paid \$100 an hour (a high paid corporate executive or self-employed professional) it is still

trading time for dollars.

My passive income definition is this: *a source of revenue that, once established, continues to produce profits on a regular basis with minimal effort and has the capacity to grow.*

A long term successful PSI can take months or years to develop but whatever the time frame involved this is called our 'establishment time'. This is where all the time, effort, energy and money goes before any idea is viable. Every idea starts with active effort!

Then it must meet the three principles of our PI Definition:

- 1 Profits regularly
- 2 Minimal effort
- 3 Capacity for growth

Profits are our first interest because without this no business is going to work but more than this, we are interested in regular profits. That is no less than monthly.

Why? Because you need money every week to live and if you are going to replace your ASI with a PSI you need one that will help you to live! The amount of money you make from your PSI is not important. What's important is that the profit is reasonable for the effort required to establish it in the first place. If you spend six weeks putting together an online subscription service for a special interest website and it makes you \$500 a month in profits this is a great return for your initial efforts provided it satisfies our next PI principle.

Minimal effort does not mean something for nothing. It means after the 'establishment time', the time to maintain your PSI requires minimal effort of your own personal time. A good rule of thumb for a successful PSI is part time activity for full time or better results. In other words, if you have to maintain your PSI by working a few hours a day or a couple of days a week and you can earn in that time what you would previously have earned in a week with your ASI, you have met the requirement. However, your PSI is

still only viable if it meets principle three:

Capacity to grow: This means there is long term value in what you have created. Keep in mind we are trying to build a PSI that will pay us month in and month out for years if possible. Let' s assume your special interest subscription site caps out at \$5000 a month in profits. If you have tapped the market for that idea and it can no longer grow it seems it does not meet principle 3. However if you were to create another special interest site on another topic that could also produce \$5000 a month in profits then this would meet our criteria. As much of what you have already done on the first site can be duplicated with only the content changed, you could effectively continue this process continually growing your mini PSIs.

Make a list of anyone you know who is earning money through a PSI (based on the 3 principles of the PI Definition) and what the PSI is:

WHO:

PSI:

.....

WHO:

PSI:

.....

WHO:

PSI:

.....

WHO:

PSI:

.....

WHO:

PSI:

.....

If you don't know anyone who is earning a PSI at this point, perhaps you need to find someone who is!

Financial Freedom isn't a Mystery, it's a Plan!

We'll discuss more about the PI Definition and how it applies a little later. However, there's one more point I want to make. A business can be established to serve a purpose and then stop. You don't have to establish something that will last for 250 years! The long term objective is to create a PSI that will last for decades or at least for our lifetime but you can leap frog into something bigger as you build up your resources. Some ideas may only be suited to certain markets or for a specific time period. Government

projects and incentives, changing markets, deregulation, new markets opening, new technologies and new industries are all examples of building a business to suite a purpose. Once that purpose is fulfilled and you' ve tapped the market with you PSI for all it' s worth, move on with your money and start again. This also helps you to stay fresh and alert to opportunities in the market. Often one system of distribution will work for many products or services so learn the systems of distribution and worry less about your particular idea. Ideas are a dime a dozen but a person who can create a profitable pipeline to move that idea, is not.

PSI Development Stories

To demonstrate my point about how to go from ASI to PSI I have written several short stories of different scenarios that people may find themselves in. As you read them, think about if any part of these stories relate to your situation and how you can use their stories to help you move forward. These fictitious stories all started with active income. Although the people have been 'created' most of basic story lines are based on truth. That is people or situations that I have known personally in my life. Let' s begin with the professor . . .

The Professor' s PSI Development Story

Professor Thomas P. Charles is a highly qualified professor with a PHD, working for a university with extensive years of study and research and is a specialist in the field of Environmental Studies. With the amount of talk these days about global warming, CO² emissions, energy efficient fuels, rising water levels, endangered species and so on I imagine this professor' s knowledge would be of great value to the right people.

One day Professor Charles, whose reputation is well known and highly regarded in his field, receives a phone call to conduct a lecture for a group of scientists working for a large company trying to develop new natural energy technologies that have minimal impact on the environment. Their target market being environmentally conscious big corporations, it pays to be seen

to be 'green' these days. The company agrees to pay the professor \$3000 to conduct a half day lecture on the subject. His annual income is \$75,000 a year and he figures he can buy some new golf clubs with the 'bonus' income so he agrees and the day of the lecture arrives. All goes well and the scientists and the company are pleased at their new found knowledge and happily pay the professor for his efforts.

Later that night Professor Charles begins to think a new thought. "I earned \$3000 today! I would normally have to work for several weeks to earn that. I wonder if I could do more of these." The professor begins making some enquires and discovers that there are other companies who would also benefit from his knowledge in his field and would pay well for doing so. After some initial research the professor puts together a basic outline of what he wants to do. He schedules two days a month where he makes himself available to companies for lectures in his field. He goes back to the first company and asks them for a testimonial which they gratefully provide. He also asks for references from other prominent professors that he knows as well as the University Head. He packages this together in a very simple 'kit' that he sends off to companies each month. At length he begins to get more speaking appointments and although each is slightly different for the company he is contracted to he begins to increase his ASI very well. His original objective was to do two speaking assignments a month at \$3000 each which would just about double his current annual income.

After about 6 months of doing this, and filling his two spots most months, he gets approached by another professor after a lecture one day who just happens to work for an interstate university on a similar subject. He was visiting a friend who invited him along to his companies lecture as he knew he was interested in the subject. The interstate professor was impressed with his knowledge on the subject and thought that he and his colleagues would benefit from him giving a lecture to them; however, he did not believe that the university would pay his price. He left his number and that was the end of it.

Once again later that night the professor was thinking about how to take advantage of this new opportunity. His time was already well used between his two lectures most months and his normal classes that he taught. He thought about leaving his full time teaching to travel and conduct corporate lectures. He figured he could make twice as much money in half the time. However he liked working at the university and had been there a long time and wasn't sure he was ready for a completely new path in life at this late stage in his career. He decided to think on it for a while.

The following week he happened to walk past a group of students in the wing next to his filming a short documentary. He stopped and watched for a while and was impressed with what he saw. He decided he would record his next lecture and send it to the interstate professor to see what he thought. He conscripted 2 students on a 'study trip' and after gaining permission from the university to use their equipment and from the company to film his presentation he sent the unedited disc to the interstate professor free of charge for him to view. Six weeks later he gets a phone call from the interstate professor who was pleased with the results. Apparently his colleagues were also impressed with his presentation; however, the quality of the recording was not the best – particularly the sound. He asked if it was possible to do it again and also asked if there was any training material he could send across that he could use for his students.

Once again Professor Charles was stumped. He didn't have the time to develop any training material and wasn't sure how to make the recording any better as he really didn't know anything about making a film.

After some weeks of trying to come up with ways to take his idea to the next level he decided to talk with the University Head for some guidance. "Look George, I just don't know where to go from here? I think there is some potential here but I don't know how to capitalize on it? Do you have any suggestions?"

"Tom how serious are you about this?" asked the Dean.

“Well it only started out as a way to make some extra money but now I see a whole new world of opportunities here and I would like to explore them. So I would have to say I’ m very serious.”

“Ok. How would you like to work with the University to develop your idea? We could help you to develop a professional video that we could distribute to other universities along with a basic training manual. We could restructure some of your classes in order to free up the time you need to do it. Also I could talk to the board about allowing you to give these corporate lectures sponsored by the university. What do you think?”

“That sounds great. I already have a great deal of material of course, I’ ve been doing this for years, it’ s just a matter of putting it together in some sort of a study manual” , responded Professor Charles excitedly.

“I’ ll tell you what. Do one catered to the corporate sector as well since that is where you started. I’ ll talk to the board and we’ ll catch up next week.”

Six months later Professor Charles is in a University board meeting to present his finished product. He now has two work manuals on the subject of Corporate Environmental Studies. One for the corporate sector and one as a student study manual. Unlike the original texts already in circulation which are mostly theory based. His are based on actual events and specific practical measures on minimizing a corporate entity’ s impact on the environment and profitable changes that they can make. He has also, with the aid of the university’ s film department, developed a professional DVD to go with each kit. The University has also agreed to help him promote and sponsor his corporate lectures on a larger scale allowing him to contract to interstate companies as well. The University has agreed to put up all the cost of starting in return for a 50% return of the profits. Professor Charles now spends more time traveling and conducts very few classes. With the aid of his lawyer he has gone into partnership with the University and is looking to license his student course material to other Universities.

Thirteen months later Professor Charles is now at a book signing for his

brand new book "Profitable Environmental Changes". He has refined and developed a series of lectures and put them into a DVD series that he now sells online targeted mainly to the corporate sector for \$450. He has received local and interstate media attention with the University's help. He now commands up to \$10,000 a lecture and conducts lectures and sells his materials to overseas companies as well. He still works for the University on a part time basis and although his salary has been greatly reduced he makes many more times that through his direct and online sales of his DVD series, Corporate and Student Training Manuals and now his book sales which is being purchased by Universities and big companies alike. He has also begun work as a profitable environment consultant to large firms in developing specific strategies to profitably helping the environment in which he can receive up to \$30,000 per firm. He is now working on opening a consultancy firm in which he can train others to perform the corporate consultancy he now does.

His combined annual income this year is expected to gross in excess of \$826,000. Although he still works hard, he doesn't do nearly as many hours as he used to, and he now can choose when he works as companies cater around his schedule. He has more life choices and greater freedom because of the flexibility of his 'new work' as well as his greater income. He has created both time and money.

* * * * *

So when did Professor Charles's income change from ASI to PSI. Let's evaluate that:

Was his University Salary of \$75,000 a year ASI or PSI? ASI

His Lectures that he conducted for \$3000 then \$10,000 ASI or PSI? ASI

Keep in mind that, if you earn \$1000 for an hour lecture or \$1,000,000 for an hour lecture, it is still ASI. You don't get the money unless you show up! It is however much easier trading your time for these sorts of dollars than a mere average wage.

What about his Corporate or Student Training Manual? PSI

When he conducts the student courses directly they are ASI but it is PSI when he sells them to other university professors who teach them.

His direct or online sales of his corporate DVD series for \$450? PSI

His book sales, sold direct to Universities and online? PSI

Corporate Consultancy work at up to \$30,000 per company? ASI

What about the new Consultancy Company? ASI and PSI

Remember that our definition of passive income is based on three things once established:

- 1)** Continues to produce profits regularly
- 2)** With minimal effort
- 3)** Has the capacity to grow

A consultancy company (or any company for that matter) would take time to set up and manage, especially if you need to learn about running a business. If Professor Charles was to be successful first time around and build on his already established success he would be prudent to go into business with someone who knows how to run a business because that is certainly not his area of expertise. At first this company would be mainly ASI. If he develops a consultancy company that is based around him, all he has done is trap himself into a self-employed position where the income relies on him – no matter how much money you earn it is still ASI. To ensure he develops a company that has the capacity to run as a PSI, he needs to focus on training and developing others and in creating proper systems. If done well perhaps there is the possibility to franchise later on. Who knows what opportunities are out there once he gets going?

The Student's PSI Development Story

Stefan Kingsley was no different to most other teenagers. He liked movies, video games and hanging out with his friends. The youngest of 4, children he was now in mid high school with only a few years before he was

due to finish his compulsory formal education. If there was one thing different about Stefan it was his level of maturity. Having been raised in a household with 2 older brothers and 1 older sister he grew up very quickly and had his 'head on straight' so to speak.

From a young age he had showed an interest in working with animals. His father had encouraged this and by the time Stefan was in early high school he was well into breeding chickens, ducklings, quail and the like. In their large back yard they would build cages to house their growing brood. When the chicks were of the right age, usually a few weeks old, they would take them down to the country farm auctions and sell them and make a small but welcome profit.

As time went on, Stefan discovered that he could make money by hand raising different types of birds. He would often sell them to the local bird shop and do very well. He learned to manage money, organize his expenses, re-invest into the next project and that some birds were more profitable than others to raise.

Over time, people well experienced in the industry, would trust Stefan to incubate and raise their hens and then buy them back from him. His survival rate was quite high. For years he got up early in the morning each day to feed and tend to his animals.

His 'real life education' as well as his traditional education showed in the level of work he produced at school.

One day, Stefan was talking with his friends at school about his chicks and as usual, they gave him a good ribbing for it. Stefan didn't mind, he knew they were just joking around. One of them jokingly suggested one day that he should write a book about it. "Yeah, go on." Said another friend, "You could call it 'The Chick Magnet' !" and they all laughed. Stefan laughed too. He was used to it. However, the idea struck a cord with him and he decided that just for fun he would write a page or two on his experiences raising birds.

Some weeks later he was talking to one of his older brothers who, after reading his first couple of pages, encouraged him to continue. He suggested he break the book down into certain lessons, 1-10 for example, and focus each 'lesson' on a different task that he had learned as a result of working with his animals.

One day during free period, his school principal was walking through the library and happened to see Stefan working on his manuscript. Knowing that Stefan did a lot of extra curricular activities he asked, "What are you working on Stefan, it doesn't look like school work?"

Stefan explained what he was doing which greatly impressed his principal to which he replied, "I think I may be able to help you Stefan. How would you like to talk to a publisher that specializes in printing books for schools?"

"I'm not sure sir; this was just for fun mainly. I don't know anything about publishing a book. Don't you have to be a lot older to get a book published?"

"Nonsense", said his principal, "I know a few people in the education department and in the Scholastic Book club that may be very interested in what you are doing here.

If you'll allow me to, I'd like to make a few phone calls on your behalf."

Stefan agreed and within a few weeks had a meeting with the publisher at the school, with his principal and his father present. The publisher had read the first few chapters of his manuscript and liked what he saw. After an hour meeting and some pointers on how to improve the layout and flow of his text, they set a date for the finished manuscript.

Stefan's father looked after the legal side of things and had all the paperwork checked by a lawyer to protect Stefan's interests. Essentially, they would produce and promote the book throughout the school system and pay him a royalty for doing so. The publisher also suggested he get some testimonials from other successful authors for young people. His father helped him put together a letter that they sent off to the prime minister,

state premier and local government leaders as well as other authors for testimonials. They sent off around 46 letters and managed to get testimonials from the state premier, who was happy to promote it as part of his own Premier' s Book Challenge program in schools, as well as three prominent youth authors.

Within 6 months, Stefan had a finished copy of his book. The publisher then had him do various book signings. He also soon developed a reputation as a young 'go getter' as his book gained more prominence and it opened many doors for him over the later years.

By the time Stefan finished his formal high school training, he was earning thousands of dollars a year in passive income through book sales.

* * * * *

What other options are available for Stefan? Do you think it would be possible to market and promote his book on the Internet?

Would it help him to get a job if that' s what he chose to do?

How many students do you know are already earning four figure passive incomes before they finish school?

Could he use this money to help him buy his first home?

Could he write another book and market it himself now that he knows a thing or two about publishing and promoting books, and earn a significantly higher profit on his sales?

Could he go on the speaking circuit: would you pay to see a young high school student who had written a book and was earning passive income from it?

Maybe he could tour other schools and talk to other students?

Perhaps he could develop a range of 'Chick Magnet' merchandise from tee-shirts, watches, calendars and stationery?

It is simple; does this simple product give him huge opportunities for both active and passive income for years to come?

Does the timing of this make a difference?

Do you think his 'marketability' is better as a high school student or as a 25, 35 or 50 year old?



Young people have a massive advantage over adults when it comes to marketing new products. People love to see young people doing extraordinary things. Use it to your advantage while you can.

The Technician's PSI Development Story

Fred Neuric was in his mid 30's when he developed his new commercial battery charger concept.

Single and a bit of a loner, he spent most of his time tinkering in his shed after work on various gadgets and devices. Always trying to improve or change things just to see how they worked. He had been working for a medium size electronics company since finishing his double degree in engineering for about 8 years now.

Never short of an idea, he was always coming up with ways his manager could 'build a better mouse trap' with their line of products. Fred had trouble relating to people. He often talked in 'techno speak' with words stumbling out all over the place trying to get people to understand his latest 'discovery'. As a result his manager had long since stopped listening to his 'latest concepts in world innovation'. That and the fact that he had always been too good at his job, and was often seen as a threat by upper management, should one of his ideas actually be viable one day.

One of Fred's great strengths was his determination. He could never let a project drop until he had explored all the options. The only drawback was that he had never applied that determination to anything outside his current job or his home projects.

After 8 years of ideas, proposals and concepts he was rapidly losing patience with his employer. His latest idea was the final straw.

Fred's company, among other things, sold a very successful line of battery chargers which contributed significantly to its battery sales. The problem, at least in his mind, was that they sold five different battery technologies of an almost unlimited combination of configurations, all requiring different charging protocols.

Their chargers were made in Taiwan which meant the sales department had to predict the next three months orders in advance because it took that long to build and then ship the chargers.

Get the figures wrong and an entire battery contract could be lost because there was no supply of suitable chargers.

Fred spotted this flaw in the system quite early on when he came on board. It was only recently he was able to devise a comparable system that he thought could improve efficiency and reduce costs. This was, once again, not something he was hired to do.

He realized that all chargers essentially did the same thing but with different parameters. Those parameters were hardwired into the chargers during production, making after-market modifications difficult and costly.

Fred's great idea was to design a universal 'one size fits all' charger that was configured when it leaves the factory. The new charger would be configured in firmware by simply plugging into a computer's USB port and running a special, simple program. This calibrated and configured the charger to any configuration currently being sold and ones that couldn't be made previously due to power limitations.

Not only would this produce a better product without the need for major stockpiling of many different chargers, but it cut down on manufacturing costs for the company as well.

Once again, management missed the point and saw only the development costs associated with a new product they thought they only had a small need

for. Why spend money on innovation while their existing product sales were doing very well?

Fred was sent back, once again, to his work station to get on with the job he was hired for.

For almost six months he stewed over the company's decision to remain 'in the dark ages' as he called it. Finally after seeing two more charger contracts lost due to the company's inability to deliver on time, he decided to hit up management one more time with his idea. After another blunt refusal, he decided it was time to leave.

Over the next 3 months he began pitching his idea (in very vague form for fear of losing it) to other companies hoping they would take him on and produce his product.

At this point, money was beside the point for Fred. All he wanted was a job with a company that would produce his idea and maybe let him work on helping to develop it. There was really only one company he felt comfortable with. This company was smaller than the current engineering firm he worked for but they had a unique policy that he liked. They encouraged their people to innovate and develop their own ideas.

The interviewer said that if he had a great idea that was viable, the company would not only look at it but put resources into developing it and become joint owners with him on the new technology. Apparently they had been doing this for some time and, as a result, had almost two dozen products in their 150 product range which were jointly owned with staff or consultants that worked with the company.

Not only did this help the company stay ahead of the curve, it ensured they retained more quality staff for longer than most of their competition.

Well, it only took Fred one night to make his decision. The next morning, he filed his letter of resignation for to his current employer and accepted the job at the new firm. Within months of starting he was called into his new boss' s office.

"Hello Fred" said Howard Li his new boss. "Please sit down. Well Fred we've reviewed your proposal and would like to proceed with it. Our head engineer has some suggestions I think you should look at but, essentially, your concept seems quite sound."

"Now, due to the development costs associated with this product and the time involved, we can afford to offer you a 3% royalty on sales of the end product as a joint owner or an upfront payment to buy your concept out now for \$10,000."

"If you accept the lump sum payment we would own all the rights to the new technology including any future profits or losses that may come as a result of the new device."

"Do you have any questions?"

"If I sold out to you, would I get to keep my job?" asked Fred.

"Of course you would" laughed Howard. "We are quite happy with your work. But, I am sensing something else is troubling you, what is it?"

Fred began slowly, "Everything sounds terrific. It's just that, at my old job, I got passed over on all my ideas and felt like I was never appreciated. I really liked my job but I wanted to work with my ideas and they never encouraged that. What is the chance of me continuing to work on my concept while it's being developed? And a \$10,000 payout seems a little low to me!"

"Oh I see," smiled Howard. "I think you've misunderstood me. We would of course include you on the development team - you're the creator after all! Let me suggest something to you. Why don't you join us on the development team to work with our head engineer and take the 3% royalty option?"

"Very few of our staff has taken the lump sum payment option. Work on refining the device. Who knows - perhaps you'll come up with something else in the process, and see where it takes you?"

"We do have an option clause in our contracts allowing you to sell out to us later at a pre-determined price if you choose to do so. Remember. this is a business and the development costs for each new product line can be quite substantial. We are paying up front, plus paying you a wage. The \$10,000 lump sum is budgeted as part of our development costs without really knowing if we will ever make any money out of it. We do our research of course, but no one can be 100% certain. It can be quite a risk for us if things don' t go as planned. Not every new idea we have developed in this manner has worked out well for us. We as a company prefer the royalty option because it means less up front money for us. Also, we tend to have a better retention rate of our staff by doing things this way. So, what do you say Fred?"



"Ok, I' ll take the royalty, let' s do this!" He was feeling better than he had in years.

During the course of the next 8 months, and after a lot of time and effort and developmental changes, their first new 'one size fits all' battery charger went on sale.

The concept hit a chord with the larger commercial firms, particularly in the mining industry, and orders were going out in the hundreds of thousands within months.

Fred had no concept of the volume of sales that his new idea would generate. After 18 months, he had received in excess of \$560,000 in royalty payments. Coupled with his salary, he was earning more money than he had ever seen in his life.

Now, if he could only get the bugs out of his new LED down-light replacement

. . .

* * * * *

Perhaps you' ve noticed that Fred was able to develop a PSI though his ASI. There are a few types of jobs that you can do this with. The key to

Fred' s success was not that he was looking for an opportunity, nor that he was trying to develop a PSI nor even that he was trying to increase his income.

The key to his success was that he wanted to see a good idea realized. He wasn' t just interested in money, he was interested and committed to, seeing his project through to completion and was willing to leave his existing firm to do that.

Fortunately, he finally found a firm that would help to cultivate his ideas for the benefit of both parties. Notice that his royalty was quite small but his returns were quite large. A few cents (or a few dollars in Fred' s case) per sale on large volumes very quickly turns into massive amounts of money.

I think he was wise to take the chance and risk a royalty or nothing rather than take the lump sum payment. What do you think?

A Retired Couple' s PSI Development Story

Katarina and Giuseppe Mancinelli have been retired for about 3 years now. Katarina had spend most of her life raising their 4 children and had only ever done part time work to assist the family in the finance department with Giuseppe primarily responsible for supporting the family. They hadn' t done too badly, managing to raise their children reasonably well, sent them to a good school, saving and eventually building their own family home and even owing a small investment home that they rented out.

However, the last few years had been difficult, with a lot of changes occurring for them in a relatively short period of time. Giuseppe had worked for the same large manufacturing company for most of his life working his way up from apprentice to factory supervisor increasing his income along the way and felt that he had always been good to them and them to him. It came as quite a shock for him when he was made redundant along with many other workers some four years before retirement due to 'official policy changes' within the company. He had seen many changes over the years

but believed if he worked hard and was honest with his employer in his work he would always have a job. This after all was why he came to this country, for greater opportunities for himself, his wife and his children. He felt cheated to know that many of these 'official policy changes' were really cheaper outsourcing of jobs and component parts contracted to other smaller companies, both at home and overseas.

In addition to this, he also found his health failing as he got older, a result of many years of manual labor, and shorter on funds for his remaining years than he had planned. The company had given him a small redundancy package, far less than he felt he deserved for his many years of loyal service, which left him feeling bitter and resentful.

Despite his efforts to find another job, he found he was now in a market place that no longer valued his skills competing with many other people in his same position for fewer and fewer jobs paying far less money than he had earned in his previous position. He was bored, bitter, too young to retire but too old to start over, was asset rich but cash poor and could see his retirement plans of returning to his birth country to visit family and friends an unrealistic dream.

Katarina hated to see her husband like this. Although she had tried to help in any way she could financially, getting a part-time cleaning job, she had no idea of how to help his mental state. So much of her husband's identity had been about his work and the people he had worked with for years that it pained her to see him with little to focus his energies on with still so much life left in him. One day while thinking, as she always seemed to do these days, about how to improve their predicament a coworker handed her a flyer on a hand cream.

"Hi Katarina", said Jenny, "Do you remember the conversation we had the other day about your hands? You said you hated the way the cleaning chemicals always left your hands feeling chapped and dry after using them all day?"

"Hi Jenny, yeah I did say that. I just can't seem to find anything that will

take away the rough feel and look of my hands. Even though I use gloves most of the time it just doesn' t' seem to help."

"Well I told you I have been using something for about a year now that I found works really well for me" Jenny continued, "I though you might like to try it. Why don' t you have a look at this and let me know what you think?"

"Thanks Jenny I will" replied Katarina as she put the flyer into her back pocket.

Several days later while on break, Jenny asked Katarina, "Hi Katrina, what did you think of that flyer I gave you?"

Katarina blushed as she answered, "I' m so sorry Jenny I haven' t had a chance to have a look yet. I' m been so busy with the grandkids this week and I' ve been trying to organize a birthday bash with Giuseppe' s old work mates to try and cheer him up a little."

"That' s OK. We all get busy. Look I just happen to have some of that cream I was telling you about in my bag. I usually carry a tube with me wherever I go, this ones almost finished, you can take it and try it if you like." She smiled as she handed the tube to her.

"Wow, thanks Jenny, I' ll try it tonight."

The weekend came and Katarina found herself busy making final food preparations for Giuseppe' s party. It was several hours before the guests were due to arrive and as she pulled a hot tray of pastries' out of the oven she bumped her hand against the inside of the oven burning herself. Immediately she put her hand under cold water and went into the bathroom cabinet to look for any sort of burn cream. Nothing she had seemed to fit the bill and then she remembered Jenny' s cream. She applied the cream to her hand and straight away felt the cool sensation of the cream. She wrapped a small cloth bandage around her hand and continued the preparations for the party. Halfway through the night her sister asked

her about her hand.

“Oh, it’s nothing,” said Katarina “Just a little burn. I put some cream on it a friend at work gave me. Come to think of it, this stuff works really well. I haven’ t noticed any discomfort at all since I applied it. It’ s supposed to be good for your hands; I guess it works well on burns too.”

“If it’ s that good, you’ ll have to get me some as well” replied her sister Margaret.

For the next week Katarina continued to apply the cream before and after each working day. Eventually she ran out and asked Jenny for some more.

“I’ ll tell you what,” said Jenny, “why don’ t I show you where you can get this for yourself. The company also has some other products you might find useful.” I can’ t do it now but how about I come see you tonight at around 7pm?”

Katarina accepted and Jenny arrived as promised at 7pm. After reviewing a number of products that Katarina felt she could use and placing an order for such Katrina asked, “Thanks for your help Jenny, tell me how long have you been doing this for?”

“About 18 months” replied Jenny. “I do it part time because I like you had a good result with the products and now I earn money from it.”

“How much money?” asked Katarina cautiously.

“Oh about \$2500 a month” said Jenny.

“What. You earn \$2500 a month selling skin products? You’ re kidding me right?”

“No I’ m not. In fact I think that in another 6 months or so I should be able to quit my cleaning job.”

“How can you do that?” asked Katarina, now more interested in the money Jenny was earning than the skin care.

“I’ ll show you how it works.”

For the next 20 minutes, Jenny explained about the concept of multi-level or network marketing. She explained she received a passive income every time one of her customers purchased a product direct from the company that she had introduced them to. She also had a number of 'business builders' as she called them that had their own customers purchasing direct from the company and not only did those 'business builders' receive a passive income she did as well. She explained that the company provided training to help people get started and that she too could be earning thousands of dollars a month with Jenny's help if she wanted to. It just required a small investment of \$200, some training, persistence and a goal.

Well, later than night, Katrina was all excited to tell Giuseppe about it. But, to her surprise he wasn't interested in getting involved in any 'scams'. She tried to convince him but in the end decided she would do it on her own. Later that week she joined and went to her first training session with Jenny where she was advised to make a contact list of people she would talk to about this opportunity. On top of her list, her sister Margaret.

After many months of false starts with various people and a growing list of customers purchasing direct from the company she found she was earning \$300-500 each and every month in residual income. Although she earned more money at work for the hours she put into her 'part time business' she understood the long term benefits would far out weigh what she could earn herself in the cleaning job. Just look at what Jenny had been able to do. Giuseppe had been less than enthusiastic about her efforts and for almost two years kept telling her to stop trying to 'get rich quick' and concentrate on her real job. It wasn't until her income hit half the money he used to earn full time for her part time efforts did he pay attention. He decided to get involved himself and began in the training that Katarina started with.

Together working, and without Giuseppe's continual criticism, their financial results improved dramatically as did Giuseppe's attitude and self-

confidence. Within 8 months of Giuseppe' s involvement they were able to hit the equivalent full time income of what he was earning while still working and Katarina retired from her job.

* * * * *

Katarina' s passive income developed initially by her interest in something else – the skin care product she had a good result from. Because of her open mindedness, desire to find something to help her husband and trust in her friend she found a whole new path in life. The most difficult aspect of this kind of passive income, besides the obvious rejection issues Katarina had to learn to deal with, was the lack of support from her husband. This is the single biggest killer of dreams, new paths in life, great ideas and mountains of additional income for most families. The passive criticism or outright opposition of family or close friends stops many people moving forward in life. The fact that an individual may be married does not automatically assume that both partners have the same attitude or approach to perceived risk or earning money. You see it all the time in families - particularly over money! Parents unwilling to support children in 'risky ventures' , children unwilling to take a chance on 'over the hill parents' and friends strong belief that it' s best to stick with what you' ve always known. Often the only way to 'prove' to loved ones what can be done is to actually do it! Increasingly enough once both Giuseppe and Katarina began working together the 'mastermind alliance' principle kicked in and their results compounded.

A Single Parent' s PSI Development Story

For years Melissa Jefferson had struggled to move ahead in life. After divorcing from her husband Ralph, after 5 years of marriage, she found herself left with 2 small children and no way to provide the life for them she had once hoped. Although Ralph paid his child maintenance fees and saw the children regularly she hated having to rely on him for financial support. Between his money and what she could earn part time she managed to

cover little more than basic necessities. She also regretted having to put the children into day care twice a week preferring, at least at this age, to stay home full time with the boys. Previous to her marriage she worked as a practice manager looking after several smaller medical clinics for a small group of doctors. Although she enjoyed the work, she could see very little future in it for her now with a young family to support even once they began going to school.

She had tried various different things to increase her income but nothing so far had shown her any long term benefits. Everything from work from home internet ventures, to party plan style businesses, MLM and even dabbling in the share market had fallen short of her expectations.

One of her great skills was that she was good with her hands. She loved making things - jewelry, scrapbooking, creative picture frames - you name it. If you could imagine it she could generally find a way to create it. It provided a nice activity for the children and it was also a great way for her to unwind at the end of the day. Since funds were in shorter supply these days, she often put her talents to good use by making Christmas and Birthday presents for family and friends. She had toyed with the idea of starting her own business based around this concept but always ended up at the same place. With little time, a lack of business skills and capital and no idea how to turn her hobby into a full time income, she usually came back to square one. There was just no way she could open up a retail outlet for her wares.

About once a month she would take whatever she had been able to make into the city' s market day venue and set up a stall to sell her items. You could buy all sorts of odds and ends there and most days she did quite well in moving most of her stock. The trouble was that after the cost for the stall, the traveling costs, material costs for her items and her time she usually only made a meager profit.

One day a friend suggested selling some items on eBay, which after some research she decided she would do. However she found it difficult to get reasonable prices as everyone wanted bargain prices. The upside was that

her costs were lower than setting up a market day stall each month and the customer paid for the postage and handling as well.

She felt certain she could begin to make money online selling her wares but only if she could do it in larger volume. Melissa began researching everything she could about online marketing and setting up a website. One book, "The tale of two Websites" , proved invaluable at understanding what she should be doing and what to avoid. She discovered that by using Google Adds for example she could drive specific targeted customers to her site. She learned how to use reverse search engine results to know exactly what key words people were typing in and what key words she should bid on and which ones not to. Doing this helped her gain a higher ranking in the search results.

Initially Melissa asked people to deposit funds directly into her bank account for sales. They would have to email her first, get the details and then transact the sale. This proved time consuming and she lost many sales as a result of not having point of sale purchasing facilities. She tried to get an EFTPOS facility set up at home that would allow her to take credit cards orders but the bank declined saying she didn't fit their criteria for such a service. Setting up an online shopping facility proved to be a little complicated at first but she worked out that by partnering with a large online merchant they would handle all the sales and deposit funds directly into her account without her having to be involved in each sale. This also meant that sales could be transacted 24 hours a day.

Melissa divided her stock into 5 main categories, concentrating on those items that were in higher demand but also marketing those that were simplest to make since she was still doing it herself at this point.

After about 8 months (and a number of times of nearly throwing the computer out the window!) she finally began to earn consistent sales and reasonable profits. At first \$500 a month, then \$1200, then almost \$2000 in sales each and every month! By now she was spending every free minute making, packaging or marketing her products. Her organizational skills developed

through her time at the medical clinic proved to be invaluable now. By now she had let go of her part time job and spend the two days a week making stock for sale. Then, once the boys were in bed, she packed her sales and updated her website and did her accounts. Sometimes, if she was lucky, her sister would be free from her own children and come by to help as well.

Busier than ever but feeling much better about her prospects, her eldest boy began school and the younger one started pre-school. This provided an opportunity to do more during the day and Melissa began attending a number of day time work shops around online marketing (the one area she knew she needed the biggest help with). After her third workshop she became quite fearful of these ideas actually working.

She had now seen a gaping hole in her business plan.

“Yes I do see your problem” said Mary her workshop lecturer after explaining her concerns. “If you did carry out some of these strategies and actually doubled your sales you would run right out of time to actually make your products! A nice problem but a serious one indeed. The easy suggestion of course is just to expand and hire a few people or move to a site you can operate from.”

“I thought about that” replied Melissa “That’ s not the direction I want to go. I don’ t want the additional risk of a long term lease for work premises or additional employees. I know this sounds like I want my cake and to eat it too, but is there any way to grow without physically expanding my premises or hiring staff?”

“I tell you what let me think on it for a few days and I’ ll give you a call on Friday. Ok?” said Mary.

“Ok” sighed Melissa.

True to her word Friday morning Mary calls Melissa. “Hi Melissa, I’ ve got a few suggestions for you, can you spare a couple of minutes?”

“Sure, fire away” she smiles.

“Well I’ ve come up with two options you may want to consider. The first is through a colleague of mine with contacts in manufacturing. One option is to outsource the making of the products to someone else. You would need to provide detailed plans for them to work from and you could no longer claim to be ‘home made’ but it would give you the capacity to grow and focus on the business instead of on producing the products. There are two ways you can go with this. One is to outsource here in Australia to a company that would do smaller volumes for you. Your prices would have to be raised but they would work in lots of about 100 at a time. The second way is to outsource to an overseas company in China or Taiwan. You would need to order approx 5000 – 10,000 items at a time but the price would be low enough for you to remain competitive in your current market.”

Melissa’ s smile was gone “And the second option?”

“Option two is probably more up your alley. Why don’ t you sell a “How To” guide so people can make their own products? Since much of what you do is quite simple once you understand the process why don’ t you sell products showing others how to develop your crafty skills? Mary paused to let it all sink in. “You could produce a DVD Do-It-Yourself Kit that you sell for each product with instructions and drawings.” You could use your new internet marketing knowledge to join up with complementary advertisers that will pay you for sending them leads from your site. What do you think?”

Smiling again, Melissa answered, “You know what Mary, I choose option two!”

Over the next 6 months Melissa developed a “How to Kit” with a DVD instruction disc for each product she made and sold them between \$65 and \$95. She replaced all product sales with hand made ‘premium only products’ which she sold in smaller volumes but at much higher prices. This gave her more time to develop the business and find advertisers to

support her site. Every time one of her affiliates' got a sale from her site referrals, she received a commission. She soon found she could sell many more DIY kits than actual products and to a much larger market base because she focused her time on marketing than just making. With her additional time she started an online club with regular newsletter emails and promotions about new products on offer. One of the more ingenious ideas she came up with brain storming with Mary one day was to do an online coaching course. People could log onto the site and for a fee join a live webinar or download a copy of the session later. When marketed right, Melissa found she could earn more money in one hour for a live webinar than in a whole month of sales when she was making and packing everything herself. She hired an outside packing firm to ship her 'DIY Kit' orders out on a daily basis so she didn't even have to carry stock in house anymore. Almost 2 years after starting out with her idea she is selling 100's of different Kits a month in the USA, UK, Australia and NZ producing for her a consistent passive income from sales and affiliate commissions as well as active income from her 2 monthly online seminars. Her income is approaching the \$200,000 mark.

* * * * *

One of the great things about Melissa is that she never gave up. Online businesses can be a minefield without the right advice, and learning to change tactics mid stream to overcome problems (such as growth) can be difficult in and of themselves. So how much of Melissa's income ended up a PSI?

Her affiliate commissions are most certainly PSI.

Her DIY kit sales are about as PSI as you can get while still running the business herself. She has someone else store, pack and ship them each day - PSI.

What about her 'premium product sales' - although she is getting much better remunerated for them as a premium product - very much - ASI.

She still has to be present for her online seminars/webinars. However, these can be conducted anywhere in the world, and later packaged together to sell as another instructional DVD in her product range - ASI.

She managed to stay small, but grow her business to suit her lifestyle which is what she wanted to do.

Evaluations

All people in the PSI development stories were willing to try something new. To do something outside of their knowledge circle or comfort zones to succeed. Each one had their new path illuminated only a few steps at a time. By pushing forward they eventually found a way to succeed. They attracted to them the resources they needed as they moved in their chosen direction. Also, note that some took a lot longer than others to begin to gain substantial income. Producing a long term passive income that will replace your full time wage permanently may take 2, 5 or 10 years. Some will do it in 12 months; much of this depends on the scale of the project you' re undertaking. However it can be started and established within a very short period of time.

Once you understand that it' s not about what you do, so much, but how much focus you give it, your results will improve. We spend literally years and years often times decades in some careers learning how to develop active income. We complete formal high school, go to University or College, do on the job training, advance through the ranks and so on and so forth until we finally (hopefully) reach our income goal! We put so much FOCUS into active income, is it any wonder that this is the income that most of the population earns? To earn passive income . . . put some time into it!!

Did you notice that many of the PSI development stories were not immediately PSI? Many of them found ways of increasing their income first before developing them into passive income.

Your Own PSI Development Story

Write your own PSI development story here. Make it up and use your imagination. How would you like your story to read?

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Psi: 'Financial Freedom vs. Financial Security'

"Far better is it to dare mighty things, to win glorious triumphs, even though checkered by failure...than to rank with those poor spirits who neither enjoy much nor suffer much, because they live in a gray twilight that knows not victory nor defeat." *Theodore Roosevelt*

Cheater!

Isn't it interesting how in school, if we copy someone else's material, it's called plagiarism. But, if we copy something in business, it's called innovation?

Isn't it interesting how in school we are taught very little about money but as adults we are expected to effectively manage it?

Isn't it interesting how we have to take a mandatory driver's test to get a valid license but we allow anyone to 'drive' a business?

Have you ever noticed how the simplest things for private enterprise seem to take many times longer in government hands?

I have often wondered how far as a human society we could progress if we just learned from others mistakes and paid more attention to our own history. What if we didn't have to make the same mistakes over and over again for generations? How far advanced would we be now?

Then I remember that we do need to learn some things on our own! I remember that in order for us to grow we need to fall sometimes. I remember that our strength comes from overcoming our weaknesses. That challenges force us to look for solutions. That misery helps us to understand happiness and that failure is part of success.

So the key point to this chapter is to accept failure but learn to overcome it by being constantly open to learning.

If You Fail, Fail Big!

I used to say that I would never have my business collapse over \$10,000. If I

failed it would be big! When I failed it was big – leaving a trail of millions behind me. What was interesting was when I picked myself up again I was thinking now in the tens of millions and hundreds of millions of dollars.

I had realized that the numbers on the page meant very little what mattered was the size of my idea. I constantly challenged myself . . . to make sure it was big enough to scare me. If I could see a way to get there I enlarged my goal so as to keep growing. What I found was that milestone after milestone began to slip by me and the stones were getting bigger. So how do you overcome the fear of failure for your new idea?

The difference between a person with a PSI of \$1,000,000 a month and a person with a PSI of \$1,000 a month is just the size of their idea. All over the world there are people working in exactly the same industry and in the same market place earning pocket change and banking billions. Some have learned how to overcome the fear of failure and others have not.

One way to enlarge your idea or knowledge circle is to achieve quick success. In other words, develop the habit of doing things quickly and efficiently and don't procrastinate. You do this by not taking 12 months to accomplish a task that can be done in a month.

If you are putting together a business plan and want it checked by a professional - work on it for 15 minutes a day for 30 days and then make an appointment to see someone that can help you no matter what stage you're at. This is far better than waiting until everything is 'perfect' , agonizing over your lack of time to complete the task, waiting for the 'right moment' to talk to someone and so on.

A business is a living breathing organism that changes and evolves constantly. Those that can't, or choose not to, die. Learn to evolve and flow with the changes in your business. Be adaptable. Just because something has worked doesn't mean it always will and just because something hasn't worked doesn't mean it always won't.

The best way to learn from your mistakes is to keep track of them. Keep

a business journal of ideas or strategies with notes on the outcome of each strategy. Next to one you may write, "Sales worked well but cost too much to implement – find a way to market it more cheaply" . Next to another you may write, "Great Results!! – see if partnership with XYZ company will improve sales again?" And again another you may write, "Never try this again!!!" .

Friends are better than Enemies

Outgrowing suppliers, staff or contractors is sometimes a part of the growth process of a business. One of the biggest mistakes you can make in business is not recognizing when it's time to move on from someone or something. If you're new in business it can be especially difficult to admit to someone that you 'no longer need them' . Also it can be difficult after a lot of time and effort on both parts working on a particular task, to admit that you made a mistake in coming to them and need to go elsewhere.

If for example, you're in the middle of developing a website as a distribution channel for your idea and the person or company you've chosen to work with looks like they are not everything they were cracked up to be, it can be costly and embarrassing to move on.

Always try to leave on good terms with everyone you deal with (not always possible). There are two reasons why you may want to do this:

First, you're dealing with people and people need to be treated with kindness and respect no matter what business dealings you have. This idea that you need to be some sort of ruthless dictator to become a successful person is not accurate. Making hard decisions in business and being ruthless are not the same thing.

Second you never know, as your business grows, when your actions will come back to haunt you in another way. Perhaps your previous contacts will be in a position to make things difficult for you in another deal or venture or give you a very bad recommendation to another mutual contact that is

valuable to you. Even further to that you may be in a position to need that person or company' s help again.

Sometimes people can just be difficult for the sake of it or will hold an unfounded grudge no matter what you do. You can' t do much about these things. Just move forward and around them in these cases. In all other cases be kind and respectful. Sometimes the reason why you are having difficulty with a person or firm is a difference in objectives. Their motives for doing something may be very different to yours. Try to find out what it is and continue to work together for the common good. A working relationship that was once great doesn' t need to turn bad if people communicate well. Lack of effective communication causes all sorts of problems in business.

Old enemies can become friends again in many situations. Pride is the biggest stumbling block in most cases. Get over it. Don' t be afraid to call an old 'enemy' admit your mistakes and ask to bury the hatchet if you can see that your business will be better off with them than without. If you have a bigger enough long term overall goal it will help in these situations.

The Revolving Door

I remember a number of years ago interviewing an executive I really wanted on my team. She had many skills that I lacked and a lot more experience in running the day to day operations of a business than I did and I felt it would be good for the company to bring her on board. I asked her why she was now looking for work as I knew her previous employer and things appeared to be going very well there. She told me she was asked to do a company evaluation on cost cutting and present it to the owners. The firm had been growing and gone through a number of changes over the previous few years and the owners wanted to know they were still running a lean and efficient operation. The report detailed several areas of the business that could be combined with other departments and a short list of positions that were no longer necessary – her own position being one of

them.

I remember asking her why she would recommend her own position being cut. She replied that her job was to do what was best for the company at that point in time. She had done her job to get the business to where it was and now she was no longer needed along with a number of other people. Her employers did not want her to leave but accepted that her evaluation was accurate and acted as she had recommended.

People leave businesses for all sorts of different reasons, family, health, money and better opportunities to name a few. It's not always because they 'hated the old company'.

Good people will always be good people no matter where they work or whom they work with. Establish your operations so as to allow good people to come back to you when it suits them. Who knows, their needs may present a new opportunity for you. Look at what Richard Branson has done with his 300 or so Virgin Enterprises. His people come and go all over the place. Always leave the door open for great people.

W. Clement Stone used to say, "Use this company for what you need it for. Then move on."

Document a list of small success you would like to have. These are small things that should not take tremendous amounts of time. Tick them off once accomplished. These lists can change each week or month as you complete small manageable tasks.

Here are some suggestions.

- ✓ Prepare a suitable office space
- ✓ Find a mentor
- ✓ Research marketing strategies
- ✓ Locate a good graphic artist
- ✓ Research web designers

Notes to Self

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

The Pain of Growth Growing Up vs. Growing Older!

"It is clearly not the journey for everyone. People succeed in as many ways as there are people.

Some can be completely fulfilled with destinations that are much closer to home and more comfortable. But if you long to keep going, then I hope you are able to follow my lead to the places I have gone. To within a whisper of your own personal perfection. To places that are sweeter because you worked so hard to arrive there. To places at the very edge of your dreams."

Michael Johnson

If you spend a year in bed at the age of 20 and then turn 21 you have grown older but not wiser. Yet most people still think this is a reason to celebrate! I' m not very big on birthdays. Celebrating that someone has lived a year longer doesn' t mean having a party. I would prefer to have a party to celebrate an individual' s success, accomplishment or achievement – something that says "here look at what I' ve done!" That can be on a personal, family or professional level. I' m not opposed to a party but I think too often people party just for the sake of it. My wife is very big on birthdays. If it wasn' t for her I' d forget my own (and have done on occasion)!

You grow up by living up to every minute of every day. By learning and growing. Growing can be painful. I' ve already mentioned that both children and businesses have growing pains, so this chapter is about what to do when they come . . .because believe me they will.

At the Point of Change

Usually the pain of growth comes when you' re breaking out of one comfort zone and expanding into another. It' s that invisible wall you' re smashing through that causes the emotional pain. The pain stops when you reach the other side and can now 'see' a whole new world.

Pain is also experienced when you realize what you have lost, a missed

opportunity or a chance for something better that you allowed to slip by. Often the pain of growth causes physical symptoms' not just emotional ones.

When I finally stopped and got over the grief of losing my first major venture I began to realize how much I was missing out on. I realized that there were so many other paths I could take to accomplish my objective and most of them were simpler and easier than I had been going about doing it. I never would have seen them if I had kept my head stuck in my other failed venture.

Break Free!

A big mistake that many people make is to hold onto their old ideas for 'how it should have been' for too long. Ever heard someone complain that they attempted to do something, it failed, and now they are stuck in the business and can't leave? Rubbish! If what you tried to do has not worked and you're been left with the debris of a former great idea, the best thing to do may sometimes be to let it go and start again.

Don't wait five years to sell out or find the perfect opportunity to kick start things again. While you're trying to re-build something that should be dumped you're missing valuable opportunities elsewhere. Perhaps you just need to shut the doors and walk away? If you do your 'grief period' will be significantly shorter!

The Healing Process

Grief is part of the pain of growth. Accept what has happened and that it cannot be changed and move forward with the resources you do have. Avoid living in the past. By all means evaluate your actions but don't play the 'WHY ME' or 'WHAT IF' game. One of the most difficult things I had to overcome was the idea that people would always remember me for what had gone wrong and not all the things I did right. I recall spending many dark days suffering physical pain because I allowed my mind to entirely

shut down. I did not seek the light. All I could see was darkness everywhere I went.

Part of growing up is learning to live with yourself as you are, not the idea of you that you had hoped to build. Once I did this I began to once again move forward and then remake the image I had of myself better, stronger and more abundant.

Your grieving period is the time for healing to take place. This is a necessary period to go through in order for you to regain your strength. Be warned . . . too much grieving time can lead to negativity and inaction which will ultimately lead to disaster. The fastest way to heal is to focus on something positive and productive and get to work!

Here are some strategies you can use to help you get over the grief period:

Count all your blessings. How much do you have to be grateful for?

Re-write your image of yourself as soon as possible and read it daily.

Find something to focus your energies on – even if it is small. Any small business idea will do so long as it will help you get back on the path again.

Keep a ‘The Future is Bright’ journal. Document all the progress you make daily.

Write a letter to all your aggressors with everything you would like to say to them – get it all off your chest (do not harbor anything, put it all on paper). Then put it in an envelope and burn it. Let the universe pay them for their deeds.

Cling to your support network (family and friends) and don’ t let go. Visit regularly and ask them for help if needed.

Lose your pride (the bad pride not the good one).

Re-write all of your goals and make them bigger than before.

Let’ s move to strategies you can use to build your very own PSI.

Fast Track Millionaire Strategies

"In the end, you're measured not by how much you undertake but by what you finally accomplish." *Donald Trump*

Common Beginnings

Let's look at a range of things you can start with to help you on your way to developing your own long term PSI. Below I have reviewed many of the most common paths people take to developing passive income. This is by no means conclusive and only overviews each strategy. Each one of these ideas could have a book devoted just to it alone, which obviously is beyond the scope of this material. However, any PSI idea you have will most likely have a basis in one of these below.

Publishing a Book

People grossly underestimate the power of a book. A book is not for making money . . . it is for raising your profile! Most publishers are broke and most authors are too. Unless you are a J.K Rowling with a hit like Harry Potter or Robert Kiyosaki with his Rich Dad series of books it is unlikely you will ever make a fortune in passive income by selling your published works in book stores. The most successful authors (financially speaking) are the ones who use their books to sell other products. Let's evaluate why.

If you sell your book through a publisher (who carries the burden of the cost for printing and distribution) you may receive a royalty of 10c to \$1 if you're lucky. The majority of your \$29.95 retail sale price goes to the publisher and the retailer. However, if you were to sell your book online using some creative sales techniques through your own website you may make \$10-20 profit per book. Even with a significantly lower sales volume you could do very well. Begin to develop your own database of people through your website or existing business and market additional products or services of a higher value. Let me explain . . .

If you were a professional like a lawyer or an accountant, you could write a book on a generic topic to help set yourself apart or above the rest in your

field. Use the book (which in larger volumes costs only a few dollars to print) as a lead generation tool.

Write up an advertisement for your "Free book on "Tax Wise Investors" by 'Expert Accountant' ".

The ads are placed in the paper, online, magazines or wherever your target market is and given away in return for their details. You then market to them (now that you have their information) for a group seminar or individual tax consult or "Do it yourself – tax evaluation" product and so on. You give away a product (book) with a \$5 cost value to get a lead to sell a \$100 or \$1000 product or service.

The media loves authors. Whenever they need an 'expert' on a particular topic for a story, they often find an author. This is a great way to get free publicity, if you tap into the media outlets and make yourself available to them when needed.

The same can be done for any small business owner with a café, shoe shop, hardware store, clothing store and so on. The key is to develop something that fits your personality (or the personality of the business depending on what you' re trying to promote).

Multi-Level Marketing

One of the fastest growing industries in the world and now has captured the attention and support of some of the biggest names in business. . .

DONALD TRUMP – Billionaire property developer, television star and best selling author recently lent his name to formally endorsing a company in this industry. This is the first time this has happened in the history of the industry.

(Source: Celebrity Apprentice – March 22, 2009 – CNBC)

ROBERT KIYOSAKI, World Renowned Financial Educator, International Best Selling Author of 'Rich Dad, Poor Dad' , Investor, Entrepreneur and creator of the educational board games Cashflow 101, 202 and Cashflow for

Kids endorses people beginning their financial freedom path in this industry.

(Source: You Tube Video 2009 and 'The Perfect Business? – An interview with Robert Kiyosaki' on CD)

WARREN BUFFETT – A multi-billionaire, the world's most successful stock market investor and currently the world's second richest man purchased (through his company Berkshire Hathaway) a multi-level marketing company in 2002.

(Source: www.Forbes.com The world's Billionaires and Berkshire Hathaway news release September 23, 2002)

What is MLM or Network Marketing?

Essentially it is a distribution channel from manufacturer direct to consumer cutting out the 'middle men' ; distributing products and services instead through hundreds or thousands of independent sales consultants or representatives.

The advantage for the company is immediate sales to friends and family via word of mouth recommendations of their products without all the costs associated with large scale retail outlets.

Ideally the advantages for the consumer are products at better prices or higher quality products at more affordable prices purchased direct from the company.

The representatives are paid commissions on the products sold by them as well as products sold by other representatives they introduce. This creates a 'network' of sales agents producing an overall sales volume to which everyone shares in the revenue generated.

One of the major advantages of this business system over many others is the low risk and start up costs involved. You do not have to have a big wallet to get started or major business skills. You can earn while you learn, participate part-time and take as long as you want and yet have the potential to earn a CEO's salary or more as a PSI.

Your income is limited only to the number of representatives you introduce, the number of direct purchasing customers you and your team secures and the size of the product volume being purchased through your own distribution channel.

Most MLM businesses are saleable, willable and transferable meaning that you can build a business that you can literally pass onto your children that will continue to grow for them even without their active effort.

This industry does require a great deal of persistence and hard work and is not for people who have difficulty with rejection. However, statistics show that the number one dominating factor in this industry is not talent, skill or background but longevity! Those that stick it out for the long haul win!

I believe this will become one of the major dominating industries world wide over the next 50 years as more and more people begin to look at developing their own path to financial freedom.

The Internet and Online Marketing

There are so many ways to develop an income stream or sell products or market yourself over the internet that there is no way I can cover even the tiniest part of it here.

Suffice it to say that the internet has leveled the playing field. The big boys and the little guy can now compete for the same customer like at no other time in history.

For established business, look at using the World Wide Web not only to increase your presence but to further your reach beyond your own geographical location. Set up an 'online club' of some sort for your customers and to help build your database. Develop products to sell, either physical or 'information type' products, that compliment what you are already doing. Today, information is KING! If you have the knowledge someone somewhere will pay you for it. This is not rocket science, create a simple e-Book or online news site covering a topic you're familiar with or develop a subscription service if your information is valuable enough. Use

Affiliate links with other businesses to get paid for advertising. If you're successful you may not need a retail premise at all any more?

For new ventures you can build a multi-million dollar business from your own home or office. Partner with the big boys such as eBay or Google for product sales or add revenues. Use online shopping facilities and good software programs for managing your sales.

Build your own online television show (need good content and a camera) and charge for viewing it. Sell your own products. Sell other people's products. Link people together (online forums, dating services, professional services, personal information sites and so on). Create new web site services online such as 'FIND ME - flights, hotels, cars, wedding planners, cat beds, pens, collectors' items and more.

Remember, if you don't have the information, you can still make money by knowing how to get it and then showing others how to do the same.

Develop your own 'Michael Says' site on your own personal interests and get people to subscribe to it.

The internet is a great medium for selling books, DVDs, CDs, music, movies and more. If you have your own material, this can be great to avoid big companies taking all your profits.

You can do almost anything on the internet these days so here are some points to consider.

One of the biggest difficulties is learning how to get noticed. There are many good products and many good services but unless you know how to set up a 'method of distribution' of products, services or information, you won't ever make any money. Learn how to market online. Read all the books, go to all the seminars or hire someone who knows how and do it. There is no reason why in this age everyone can't be generating additional income from the internet.

Another major problem is content. Make sure whatever you're offering is good. You can find so much on the net but so much of it is also rubbish.

Those with the best content and quality will win (just like traditional businesses).

One of the key words on the internet is FREE. Try to give something away that will attract a potential client or customer to your site to purchase whatever you are doing.

There is no shortage of products or information, there is of people that know how to use this medium. If you develop your marketing skills here you will always have an income.

Keep your systems simple. An online business is a great PSI because it is often very simple to teach to someone else to manage it for you.

Franchising

Often a complex system to set up but once established can produce big results for years to come. Franchising is generally scaled down to a specific geographical location. An owner will own a franchise store with a 5 or 10km exclusive radius or a specific suburban area for something like a lawn mowing round.

The benefit for the owner of the franchise system is the ability to sell his 'product' in locations that he could not reach with his own means such as a coffee shop. You have the capacity (if the system is good enough) to sell a country based, state based and even locally based franchise system all generating fees for you each and every month. These are run by competent people that you choose who are all responsible for their area. You may receive a percentage of the total sales in return for your franchise name and system or a fixed monthly fee irrespective of sales.

Due to the advantages of economies' of scale, you can build larger distribution channels for your products or services cheaper because the 'network' shares many of the costs associated, for example with advertising, and provides large scale purchasing power.

A good turnkey franchise can be worth a mint to the owner of the system.

The main disadvantage with a franchise is that the 'establishment time' can be quite long compared to other PSIs. Not to mention the costs associated are usually well beyond the scope of a new person starting out. This PSI is probably better suited to someone with an established business that is looking for ways to expand. You must do your research and be careful with this PSI otherwise all you'll end up with is a much bigger, more difficult ASI than you already have.

Licensing

Unlike franchising, which is generally based around providing a completed system to the new franchise owner, licensing usually entails providing the right to market or produce a product to someone (either an individual or a company) that already has the capacity to do the work. Coca Cola licenses its syrups to bottling companies around the world. Television networks license their shows to be screened on other stations internationally. Training colleges might license their material to be taught in other locations.

Not as complicated or time consuming as franchising, you may receive a once off fee for use of the product for a period of time or a percentage of each sale. If you have good content this is a great way for an individual or small company to grow but still maintain a small operation personally.

This is also a great way to develop internationally, not just in other countries but into other languages as well. All you need to do is to find someone in your line of work, or would like to be in your line of work, in that country that sees value in what you have.

Innovation

If you're the technical type and have an invention in mind, follow these simple steps:

1. Develop a prototype (or as close to one as you can get – costs may prohibit).
2. Protect your intellectual property.
3. Produce a website about your idea and show how it is supposed to work (computer simulation if can't produce for real yet).
4. Explain your proposed marketing plans and detail your target markets.
5. Try to get consumer support and develop a database of interested purchasers (Set up an ASK THE INVENTOR SITE - If this type of product was available what would you pay for it? How would you use it? What changes would you make to it? Etc).
6. Start hunting for a company that will produce it.
7. Make sure you know what royalties are paid in this sort of industry for this sort of product or would you rather sell out up front? Key phrase – be prepared!
8. Don't give up even if it takes you years. Most investors do take years to be recognized.

The biggest problem with most inventors is usually not the product. It's usually trying to explain themselves to someone else that has the capacity to produce it and have them see the value in it. Most 'inventor type' people are not usually good with people skills.

If this is you, keep inventing and find someone who will help you with the people side of things. If the idea is small, market it yourself. If it's big make sure you do your homework on those that would produce it for you. In the end, the more ideas you have the better chance one of them will turn into a royalty PSI.

'My Knowledge' Kits

Tap your own talents. Is there something you do well – better than most others? Do you have a lot of experience in your particular field?

Create a 'My Knowledge' home training or information kit. We are in the age of information. If you have it, someone will want it. It must be good information. It doesn't have to be life changing but it must be valuable and it helps the better it is presented. Diagrams, short courses, pictures, explanations, 'where to find' or 'How to' guides, helpful suggestions, personal experiences presented in print, on CD or DVD all become marketable products.

Depending on what it is of course, you can sell it to corporations, small businesses, community groups, government organizations, schools or the general public.

These sorts of information guides are limited only by your imagination. It can be serious; tackling important issues like health, marriage, finances or addictions. It can be light hearted or fun, like 'Footy fanatics guide to...' or 'How to cook the best steak'. Anything will do, provided it has good content and is well presented.

Once again a professional may sell a 'My Knowledge Kit' to help raise awareness about a certain topic like divorce for a lawyer, or tax minimisation for an accountant. They may serve the purpose of supporting the business as a lead generation tool, additional income stream for the business or as a completely independent income stream. Perhaps you're a professional that is looking to change completely from ASI to PSI or a retired professional that no longer has a fat pay packet or are looking to wind down from full time to part time work. Trading on your own knowledge and experience can be quite lucrative.

If done right it can lead to a massive online or mail order business, speaking presentations, magazine articles, media attention, books and more.

Professional kits can be designed to retail direct to clients and/or other

professionals or wholesaled to other firms to sell to their clients.

It can be something as simple as cooking a great BBQ. Sell your 'How to cook a great steak' DVD with pocket guide wherever BBQ's are sold.

Become the industry expert by creating an independent rating system by which you judge all commercially available BBQs using a '5 Steak Rating' system.

Create a brand that companies will pay you for to get your opinion and stock your DVD and 'Rating Guide Book' in their stores. When customers think

BBQ they think about what you think first! Write a monthly article for

'BBQs of OZ' magazine to raise awareness of the importance of the right BBQ to cook the best steak.

If you don't like what you see out there . . . create your own little niche and market it for all it's worth. The ideas don't have to be grand just well thought out.

Kits like this can be sold anywhere from \$29.95 to \$10,000 depending once again on the value of the information provided. The best thing about 'My Knowledge Kits' is that once you have got through the 'establishment time' you can market it for years and years and years and they cost very little to produce in volume but each one can profit you thousands of dollars a month as a PSI.

Family Talents

Use different members of the family to develop your PSI or PSIs. What are the talents, skills, likes or unique traits of your family? Do you like to travel, go camping, are very sporty, musical, funny, creative or have an enthusiastic, upbeat personality?



When I was younger I used to love camping; in fact I still do. Perhaps your family likes camping too? Could you produce a short DVD the next time you go camping as to the 'Best bonfires' ,

‘Best camping spots’ , ‘Best fishing holes’ , ‘Great camp music’ , ‘Camp Dangers’ , ‘Camping for 1-100 year olds’ , ‘Rope Swings’ , ‘Great camp food’ , ‘Best Sleeping Bag’ , ‘Tents for big families’ and on and on and on.

You could brand it under your own name, “The Thompson’ s guide to camping” and “The Thompson’ s – Best Camp Sites in OZ’ series. Each member of the family could feature in something to do with camping. Create your own line of ‘Thompson Family Quality Camp Products’ . This is simply finding a supplier that will allow you to put your brand on their goods and sell through your own distribution channels. Supermarkets do this all the time with food – ‘Home Brand’ type products are generic products produced by the big food and drink manufacturers alongside their own ‘High Class Brands’ with a different label and/or cheaper packaging.

Start your own Thompson Family camping show or website online. Get sponsors on board to help with the start up costs and take the family away to different spots to develop the series.

Perhaps you have a teenager that is computer savvy. Start their own website called “Gerry’ s Place” and writes about all the movies, music, video games, sports and clothes you like. Help them go to different and interesting places with their friends and film it. Get them to try to get interviews with their heroes or favorite sports stars. Use online services like Google ads to link advertisers to your site or get company sponsorship. Remember this is not a hobby, this is a business. Do it right and do it well and reap the rewards month after month after month. As your child grows, so does their site. The same can be done with a younger child of say 9 or 10. ‘Jenny Says’ website describing ‘my favorite things are and why’ . What you liked most about your last holiday – was it kid friendly? Give it a kid friendly rating – thumbs up or down. Link to tourist associations’ websites to give you greater credibility.

Maybe in your area you have a lot of unemployment or young children or

teenagers or old people or beaches or bikes or schools or tourist sites or certain demographics unique to your area. Can you tap into this somehow? Buy some second hand bikes and help your children lease them to other kids in the neighborhood. Teach them how to rent out their excess video games, DVDs, comics, CDs or toys for profit. Help them make up a 'borrower's card' for their friends and charge a few dollars for hire. Help them to earn money by setting up a simple delivery service for older members of the community by buying basic grocery items once a week for them and charging a \$5 delivery fee. Get them to include their friends as 'delivery kids' and pay them \$3 a delivery and let your children keep the PSI 'profit'. They make the phone calls and drum up the 'clients' while their friends' do the deliveries.

Teach them to be industrious, courteous, polite and profitable. Teach them to work with others.

Is mum good at. . . cooking, cleaning, is she very organized, knows piano, teaches little league or great at helping with the school fetes with raising money? Has she got style, is she pretty, athletic, compassionate, charitable. . . does she bake the best cookies in the world!?

Does dad make the funniest noises and pull the best faces ever?

Write about it, talk about it, film it, document it, draw it, photograph it – package it and sell it.

Get each member of the family to write a book, self-publish it and try to get on Oprah as a 'Family of Authors'. It doesn't matter what it is. Try it, test it, sell it and see what comes of it.

This helps build family relationships as well as developing financial security for the family and helping to teach children the value of money and hopefully developing long term income streams. As they say, the most valuable education is at home.

If you have a great idea for a 'My Knowledge Kit or Family Talents Product' and want some help contact me and I'll try and point you in the right

direction.

Stock Market

Investment in the stock market would not be considered a PSI as it does not meet our 3 principle criteria. That' s not to say that this area is not part of your overall financial plan, it is and should be, but in the far majority of cases it does not meet our PI definition. The only way it would be considered anything close to a PSI is in larger volumes. Since the average guy cannot usually afford to buy enough stock to generate enough dividends to replace their ASI with a PSI this is not considered a true PSI. Day trading is not a PSI. We' ll talk more about this area in the next chapter.

Property

Property is a favorite PSI for most people. Unfortunately most think they have a PSI with property but in reality they do not. Most properties are not self-funding . . . and I' m not talking about your own home. That is most certainly not a PSI (unless you have two or three international students living with you paying your mortgage)! I' m talking about the common misconception that most people think they are making money by losing money on an investment property each month . . . that negative gearing is a clever idea. Negative gearing is losing money on one investment (a property) and offsetting the loss elsewhere (usually against taxes being paid via an ASI).

There are many slick investment strategies for property, the worst one has to be wealth through losses. The trouble I have with negative gearing is that you limit what you can do. If you can afford to fund a loss of \$100 a week on an investment property that you hope will make you money in capital growth over the next 10 years then you trap yourself into that deal (and the income and taxes from your ASI for 10 years). If you want to buy another property you need another \$100 a week to chip into the next property. How many \$100s a week do you have to chip in until you run out of money to fund your losing investments? If you make \$60 a month profit (that is

positive cash flow after all expenses and before tax considerations) then you have an extra \$60 a month which improves your situation not worsens it! I always assume capital growth in my portfolio as nil at time of purchase. If it goes up over time great but if not, my income from the property pays for it regardless. I wonder what all those 'property always goes up' experts are saying now with the world financial crisis on our doorstep.

Keep this in mind. The whole point of your investment is to pay you! You bought it, own it, control it and established it and it owes you every week, every month, every year! Can you imagine going into work all week and on pay day having to pay your employer for the privilege of doing so? Absolutely crazy!!

Now in terms of property as a PSI. I only agree if it is positive cash flow – in other words it PAYS YOU! So the next question is, 'How viable is it for the money you put up to get started?' If you buy a property for \$450,000 and the rent is \$350 a week, is this a good return for the money outlaid even if the property is owned outright? Perhaps not. What if you have financing on the home and only had to put up 10% or \$45,000 personally into the deal? You're still responsible for the full purchase price not just your deposit. If that same \$45,000 or \$450,000 was put into a business venture what sort of cash flow could you generate for the same outlay?

Please don't misunderstand me. I do support property. I remember reading somewhere that 99% of the world's richest people either hold their money in real estate or have made their money through real estate. What I'm saying is that in the context of developing a long term PSI you need to know how to do it with property so it meets our PI Definition.

Of course, property has many advantages over any other sort of investment. It will most likely always be in demand because people need somewhere to live. It usually does perform well over time if you do your research on the right property and the right areas. It is supported well by the banks unlike most other types of investment vehicles. You can also add value very quickly with a property.

So to make a property positive cash flow what do you need to do? Student housing, multiple dwelling complexes, commercial properties and larger scale projects are usually easier to turn into a PSI than an ordinary residential family home.

My first commercial property was bought by negotiating a lease on an empty two story building on a busy corner. I got permission to renovate the premises and secured an option to purchase it after 12 months. I renovated it, tenanted it, sold advertising space on the outside of the building and, at the end of 12 months I had increased the value, and exercised my option, allowing me to buy it with 100% financing, and had created a good cash flow from it in the process.

Another project was a family home where we converted an existing home near a University into student housing accommodation covering the mortgage and giving positive cash flow hundreds of dollars a week over current market rent for the area.

You can even make money out of property without owning it. That's right – you do not need to own a property to make money from it! Obviously it is better if you do own it but you may do some creative deals in the beginning to build up your cash flow and capital base. These techniques vary so I'll keep my comments to just a few of them but often this is called 'flipping' property.

You can do this with vendor financing where you on-sell the property but retain a mortgage or security over the property that you receive a regular interest payment on. The vendor can sell the property and hold a \$50,000 interest in the property for a period of time, usually 12 months to a few years. This gets paid to you on a regular basis, usually monthly thereby creating a PSI. I have done many of these without ever owning the property, effectively becoming a broker (if you want to call it that), between the old owner and the new one I am selling to and creating a margin in the middle I get paid on.

You can also do this with a technique called wrapping. In this case the person

who controls the property (not necessarily the owner of the property – you may once again be playing the roll of a broker) wraps the loan of a purchaser around the loan of an owner at a higher interest rate or higher sale price or both and keeps the difference for themselves. For taking on the additional risk of the purchaser' s loan the broker gets paid a monthly percentage of the interest payments which becomes a PSI until it can be re-financed out into a more conventional finance product.

Usually, the bigger a deal is the easier it is to turn into a positive cash flow PSI. Do you know why Donald Trump is a billionaire? It' s not because he invests in property, it' s because he invests in BIG DEALS. Why do a double story, two dwelling development on a single block and earn tens of thousands of dollars in profit from the sale when you can build a 100 story building in about the same time frame and earn millions of dollars in sales and lease payments!

The best thing about property is you can get very, very creative once you start to think outside the box. In the next chapter I' ll talk specifically why positive cash flow (in property or any other investment) is so important.

All of the strategies we have discussed so far can be applied to both existing and new businesses but here are some specific strategies for those of you already in an established ASI business.

Look closely at your methods of distribution for your business. Are there any aspects that can be developed into a PSI? Obviously the first major one is to develop systems in place to put the entire operation under management thereby turning the whole business into a PSI.

If that' s not possible or the margins are too small to do this at the moment, find areas of your business that will improve the value of it should you choose to sell or at the very least free up more time. You may first have to increase the revenues to give you the money to develop PSI lines.

Almost all retail business, for example, can build a club membership program. Have annual benefits for members such as special guest speakers, exclusive

parties, members only product launches and so on. This is great for lawyers, doctors, professionals, real estate agents or almost any sort of retail outlets such as clothing or beauty stores. Once you have developed a large enough database, market online services to this exclusive group only. Try to get a monthly subscription fee. Make sure they get something extra special. Create a mail order aspect to your business (the internet has overtaken this somewhat but is still viable in many instances).

Create a network of 'passive power partnerships' with like minded business owners in complimenting business where you get a financial benefit each time you provide a lead that turns into a sale for them.

Set up 'distribution agents' selling exclusive lines of your products or services at other businesses (think dry cleaning agencies at grocery stores, laundries, hairdressers and so on).

Produce a training course or write a book that can be sold to other people wanting to get started in your industry.

Introduce a licensing agreement for other people to get involved in your operations but at their own costs.

Can you lease your products? Is there a market for such a thing with your business? A small rental each week over a long period of time may make you more money than an upfront payment by selling your product.

If you're in a service business can you establish a 'premium service' over and above your standard rates? What more could you offer?

The more choices or distribution lines you have to move your product the more chance of that line becoming a PSI for your business.

If you're in a tourist business or get mainly tourist trade it can be hard to build a loyal database. If this is the case you're likely in a holiday spot of sorts. Look at things that will compliment your business but assist your travelers on their journey.

Set up a premium information line (or lines) using a 1900 number service that your customers can use to scout their next location, find transportation

information, tourist hot spots, prices for local events, accommodation, backpacker services, medical services, locate other businesses, hook up with other holiday makers, check local surf conditions and more. You can literally provide any sort of information you want on this sort of service. The best thing is because you are providing it on a as needed premium number service they can use it anywhere they go not just when they are in your store. Provide cards with number lists for different information services people can ring while on holidays. Every time they call they are charged \$2-5 per minute for the call. No long intros, just direct them to what they want as fast as possible and let word of mouth do the rest.

Other services of a PSI nature include things like service vending machines for drinks, food, movies, music and household necessities like soap and toothpaste. Internet or gaming machines may also be suitable. ATM machines in tourist spots are also quite popular and you get paid each time a withdrawal is made. Remember that with all of these they must be set up in such a way that it runs day and night, without you.

If you have an existing business and need help setting up PSI lines or in putting the whole business under management, perhaps an expert may be of assistance. A business coaching firm like Brad Sugars business action international is a good place to start.

Just the Beginning

These are just some of the ways to develop a PSI. Most likely you' ll get involved in something along the lines of what we have just covered. My final thought on this chapter is this . . .

The biggest deals of a lifetime are most likely in your own backyard. The most profitable, simplest, most exciting PSI opportunities you will find are probably within a 5km radius of your home.

List some PSI ideas you feel would work for you and the distribution channel you think you can use to sell it.

PSI IDEA DISTRIBUTION METHOD

Start where you are with what you' ve got and go for it!

FAST TRACK MILLIONAIRE STRATEGIES

NOTES TO SELF

DATE:

DATE:

DATE:

DATE:

DATE:

DATE:

DATE:

DATE:

DATE:

DATE:

A Winning Formula

Priority Number One

"A business that makes nothing but money is a poor business." *Henry Ford*

Cash flow is the most important factor in developing your PSI. If you have good cash flow you can secure bank funding, find investors, reduce or avoid the need for debt leveraging at all, get away with some mistakes and hire the best people. If you have good cash flow you're unlikely to be caught in a difficult or compromising situation and you can afford to be patient and wait for the right deal or the right timing. In short, good cash flow gives you choices, lots of choices.

So this chapter is how best to create those choices and make your PSI part of your overall financial plan. To do this we need to understand the only investment vehicles we have – all three of them:

1. Shares
2. Property
3. Business

We may have our own business, put our money into real estate or invest in someone else's company usually through the stock market but any financial activity you undertake will have a basis in one of these three asset classes. How do we decide which is best for us or rather which one to begin in? Remember what we have talked about thus far. Cash flow is the most important priority. Why? It is because strong cash flow gives us the greatest degree of choice or control . . . so when we are talking about cash flow we are really talking about CONTROL!

Stock Market

How much control do we have over the stock market or specific shares? As an outside investor we have absolutely no control over the price of the stock, what the company invests in, what deals they may strike, new product lines, people hired or fired, International markets and so on. For

most of us we buy for \$1 and hope to sell for \$2. You may be more creative than that by dealing in options or other sophisticated stock market techniques but you are still dealing with existing predetermined factors that you cannot change. Your hope is that with your experience and skill, you may deal within the fluctuations of these pre-determined factors but that is where your influence ends.

Property

In significant contrast to the stock market, any type of investment in property, whether of a commercial or residential nature, gives a far greater degree of control. You have your choice of many different types of financing options and buying and selling techniques. You can choose to renovate, develop, trade, change usage, sell or keep, put in a pool, take out a pool, build bigger, make smaller, use an agent or manage yourself, buy hundreds or only one. You are never going to be accused of ‘insider trading’ because your agent tipped you off on a great deal. You can do almost anything you want in property. Did I say anything? No, almost anything!

Property does have a number of restrictions. It is not as liquid as the stock market – it can take time to convert your money into cash. Cash flow is usually generated in the thousands of dollars a year not the millions (unless you’re Donald Trump). You must adhere to local zoning regulations or you will have difficulty developing, renovating or changing the use of the property. You can’t build a radio tower in the back yard because you don’t own the air rights above your home. You can’t dig for oil in your back yard as you only own the top few inches of the soil, everything below belongs to the government called ‘crown land’. You can’t paint the exterior ‘pitch black’ as you would take away from the character of the area. If you don’t pay your rates you can lose your property. The government can reclaim the land should they need to build a new super highway through your living room. In short, you can control a great deal but not everything. The

biggest down fall with property is the limited cash flow potential for most deals compared to the capital outlay in the first place. This usually improves the larger the scale of the project.

Businesses

A business can be a large scale multi-national with 500 plus employees, a mum and dad operated corner store, a self-employed contractor with a van and tools, a home based business with a computer and a phone and everything in between. It can be scaled up or scaled down. You can buy yourself a job or create financial freedom. You can set the price, expand your product range or decide to be large or small. You can employ all sorts of distribution methods to build your business; you' re not limited to just one. You might partner with a bigger firm or as a bigger firm partner with lots of little ones. If the rules of running a business in your local area or country are too restrictive, you can build one elsewhere. No matter what you do the main focus is to make as much profit as possible as soon as possible – at least it is with every new business owner I' ve ever met!

This is the main benefit of the asset class of business. You can decide on the amount of profit before you start. You can actually design the business around your desired return. At least this is how it should be done. Often people begin in business like they do anything else, a lack of planning and research and just start hoping to make money at the end of the day. Unlike the other asset classes where much of what you do is work within pre-existing conditions, a business allows you to have the greatest degree of control. It is also the fastest way to create money that can maintain it' s consistency for years to come as a long term PSI.

So, if we categorize our 3 asset classes based on the degree of control we can exercise over them it would read thus:

1. Business
2. Property
3. Shares

Let's now look at our PSI financial plan based on this information.

3 Step Formula for our PSI Financial Plan

STEP 1 – Having the right mindset for success is the most important aspect to financial freedom and is first and foremost before anything else. The greatest part of this program has been designed around understanding how you think and how to change it. Without this you will struggle with anything else. I've seen it many, many times where people pay to attend a seminar or go to a program and really aren't mentally prepared for the information presented. Their money is essentially wasted. It's far better for people to improve themselves first, before they try to 'strike it rich'.

So the first step in our financial plan is to INVEST IN YOURSELF!

I once worked out that between the ages of 18 and 28; I spent an average of \$15,000 to \$20,000 a year on 'personal-development' to improve myself. Almost \$200,000 over 10 years! This money went to training courses, books, tapes, seminars, workshops and coaching programs in addition to any money I spent on traditional formal education.

How much money do you spend on your personal development?

So before you spend money on anything else, buy some books or tapes and attend some seminars on improving you. I highly recommend Bob Proctor's – You Were Born Rich seminar as a great place to start.

Again, the first step in our PSI financial plan is to INVEST IN YOURSELF!

STEP 2 – Develop a very strong passive source of income. In other words, build a viable long term business or businesses based around the principles in our PI Definition that will provide you with tons of cash! Put all your time and energy into this. Don't stop until you have at least \$1,000,000 per annum in passive income – preferably \$1,000,000 a month!

Perhaps you have a great credit rating, good borrowing capacity or backing from major financial institutions or private funders. This is all wonderful but nothing compares with mountain loads of continuous cash flow.

You can do anything in the world with a large enough cash flow!

Perhaps your 'business' is in one of the other asset classes, or to say it another way, your business is property or the stock market. That's fine too. Just make sure your 'business' (perhaps as a real estate agent, building company or share trading educational course) has the potential to build a massive cash flow pipeline for you to 'invest' in these other asset classes outside of your main business activities.

So step two is to develop a very strong PSI.

STEP 3 – Invest wisely in the other two asset classes starting with the one with the next greatest degree of control – real estate. Now that you have a great degree of freedom due to your cash flow from your very lucrative PSI, you can buy into this next asset class without being highly leveraged or perhaps debt free. Remember we are attempting to build a PSI that is debt free. With a million plus cash flow per annum do you need to buy into the next asset class using any debt at all? Perhaps . . . this really depends on what you're trying to achieve.

If you're still anxious about getting into really big deals outside of your realm of understanding then buy one, two or three properties a year in cash. Next year you can do the same and continue each year. Over time your cash flows will increase under this asset class as will your net worth as your properties hold or (hopefully) increase in value.

If you're scared of big debt (even though you can now service it), do smaller deals and trade up to the bigger ones over time.

If you're ready to tackle bigger projects - great! You now have the cash flow to finance the good debt required to get into large scale developments or existing buildings with much greater cash flow potential than smaller deals. This is how the mega rich do it. One million or more cash flow per annum will give you huge leveraging capacity with property.

You can now buy wholesale property instead of retail property. While smaller investors might buy a holiday apartment in a tropical holiday

destination, you can use your cash flow to buy the building or resort complex. While a smaller investor might develop a block of land or buy a residential house to lease out, you can develop entire suburban areas and keep 10% of the homes back to lease out as part of your property PSI.

The final asset class is the stock market. With a large cash flow you can now do things in this asset class that the average investor cannot. Where as the average investor may buy 1000 shares, you now have the cash flow to buy 100,000 shares of 'XYZ Company' at \$5 and hope to sell it at \$10. However, instead of doing this (or as well as doing this), invest again at the wholesale level.

Invest \$100,000 into a new idea, product or business that you can later sell to a larger company for 10 times your original start up cost or take public through an IPO for 100 to 1000 times your start up cost. Become a Venture Capitalist or join with an existing VC firm. Get paid the most in this asset class by investing at the wholesale and not the retail level.

Think of Richard Branson and Virgin. No matter what that company may have started out as (a Record Label), a Venture Capital company is what it has become today. Both Bill Gates and Warren Buffett, the first and second richest guys in the world, invest in this asset class from the wholesale level. So, step three is to invest wisely in the two remaining assets classes – real estate and the stock market.

Warning: A word of caution about these asset classes. Do not assume you can now do anything and handle any debt level with your great cash flow from your PSI. Many a good business has been destroyed because the owners have pushed too hard too soon with the resources they had. Don't risk your PSI for a gamble in another asset class that you, or someone on your team, are not totally familiar with. Instead, decide how much of your cash flow each year you will put into the other assets classes. Work out a percentage in each dollar you are comfortable with and go for it. You don't have to wait until you reach one million plus cash flow a year before you begin investing in other asset classes. Just decide on a percentage that

will go towards it without compromising the viability of your existing PSI.

Secrets of a PSI

By now you know there are many benefits to a PSI over an ASI but there are two very distinct reasons why a PSI helps to accelerate your financial future so quickly. I call them the two biggest secrets of a PSI.

Secret One – Taxes. People who earn a PSI are taxed differently to those earning an ASI. As those of you who are in business know, you can deduct your expenses first before you pay tax, very few employees can do this (which is why negatively geared property is so popular for average ASI investors). You are taxed only after you have spent money on developing and running your PSI and once you have diverted, changed, invested or shared out the profits from your PSI. This gives you three distinct advantages now.

The first benefit is that you can receive benefits from the company before tax like, car, travel, accommodation, phone and even housing all of which ASI earners pay for after they have paid their taxes.

The second benefit is that you can change your taxation rate because you have the ability to legally manipulate your income to suit you and your family and share the money out over a number of people. Most ASI earners are not in a position to do this.

The third benefit is that you can actually defer your taxes; in certain cases, allowing you to grow your wealth and secure your families future before you pay the government.

There are a number of other things you can do with your PSI that a competent tax specialist can help you with. Check it out, it will be worth you while.

Secret Two – Leverage. A person with a PSI can access more than twice the leverage of a person with only an ASI. As an ASI earner, if you wanted to borrow some money from the bank to buy a home, generally you could use a maximum of 35% of your gross income towards loan repayments

for that home. As a PSI earner you could assess up to 75% of that gross income towards loan repayments. This one simple change allows you to borrow more money with the same cash amount in a PSI than ASI. In other words you would have to earn more than twice the income as an ASI earner to get the same leverage power as a simple part time PSI could provide.

The reason why the banks allow this is because they know that if you get sick, injured or lose your job with an ASI your income stops. They are taking a risk that that doesn't happen - that's one reason why they make you take insurance out on your home. If you earn money through a PSI, that is not dependent on your physical efforts to keep putting money into your pocket, the bank's risk is much smaller. This is why they will allow you to borrow more or use less money to access the same leverage ratio as a full time ASI.

These numbers can change from bank to bank and depends on your personal situation but you can see very clearly that you have far better leverage capacity with a PSI, even a small PSI, than an ASI. This is the reason why you can increase your income 10 fold within 12 months and have far greater leverage capacity.

Where do you think you should be spending your time? The average family let's use a simple example of an average Australian family.

Boy meets girl. They have two ASI incomes from good jobs with bright career prospects. He is earning \$40,000 and she is earning \$33,000. They marry and save all the money from one wage as a deposit for their first home and live on the income from the other wage. They buy their first home 18 months later with their deposit and a little financial help from their parents.

They both have nice cars and great lifestyles and fill their home with all the nice things they deserve while happily paying off more than is due on their mortgage each month. Four years into their marriage a baby comes along. Boy is now earning \$55,000 a year and girl decides to give up her

full time job to care for the baby full time. Minimum payments on their mortgage are now all they can manage. Two years later girl has another baby. They change the car; turn the study into the fourth bedroom and boy starts looking to earn some extra income by working towards another promotion.

Six years later their first child is at school and second child is in pre-school. They need to find a bigger home as they have outgrown the first one. Boy is earning \$68,000 and working towards another promotion hoping to increase his income by another \$10,000 a year. Girl starts looking for part time work again hoping to earn \$15,000 - \$20,000 year.

Does this sound like anyone you know?

Here they are at the cross roads again after 10 years of marriage. The girl wants to go back to work to assist in the house hold income. Another larger, more expensive home is required to house the family with a larger, more expensive mortgage.

What choices do they have?

Let' s look at the boy' s decision to go for another promotion. This means more work presumably and more time away from home. Meeting deadlines, competing against his workmates and trying to please his boss to be the one chosen for the promotion. The problem is all his work mates are in similar situations and want the promotion too. The girl has spent 6 years at home being a mother but feels compelled to work to help out the boy and meet the rising costs of their family. She wants some part time work as she still can' t work full time with their children so young.

Let' s evaluate their situation based on a PSI financial plan.

What if the boy didn' t apply for the promotion and instead put 12 months efforts into a PSI that could produce \$800 - \$1000 a month or \$10,000 a year? This would give him approximately \$7,500 a year towards loan repayments on his new home rather than \$3,500 if he won the position of the promotion in his ASI.

What if the girl was to develop a part time PSI, either separate or in conjunction with the boy? What if she took 24 months to build up a PSI worth \$1600 a month or \$20,000 a year? That would give her approximately \$15,000 a year towards loan payments on their new home rather than \$7,000 with a part time ASI.

If they did develop a PSI could they use the money as a deposit instead to buy an investment property, thereby creating another PSI? Would the girl need to worry about going back to work if she put her time once into a PSI as opposed to the next 5, 10 or 20 years back at an ASI job? What difference would that one decision make for the family as a whole, for the children and for the boy?

You don ' t know what you don ' t know

You can never know just how powerful a PSI can be in your life until you have one. The choices it can give you and how those choices can empower you to do so much more with your life. That feeling – the feeling of FREEDOM is not something that can be described to someone else. You cannot buy, trade it or borrow it. You have to earn it to experience it and to value it. There is a price to pay for it but as with all things of value, the end result far outweighs the initial effort. Build your PSI with that in mind.

Knowledge Sharing

Once you have begun to show some results with your PSI financial plan share your knowledge. Teach others to do the same. It doesn' t mean you have to become a 'guru' with a television show and books and training courses, just talk to those around you starting with your own children and family and friends.

The great financial plague of our time will only be weeded out over several generations. We need to deal with the mindset of our youth today. We must begin educating and training them early about their own financial futures. If we do this we ensure a better, more productive life for them and their children.

Teach your children and anyone who will listen and then teach them to share that same knowledge with their children.

How would you change your financial plans now that you better understand the power of your very own PSI? What would it take to bring them more in line with the PSI financial plan?

Honor, Integrity & Million \$\$\$ Ethics Power, Pride, Greed & Money!

It's a common misconception that all rich people must have acquired their wealth through devious means. There are of course those that are born into money or those that have accumulated it through unethical practices. However, for the most part, those that lack, feel that those who do not should share their abundance freely with those less fortunate than themselves. This is called the 'Robin Hood' mentality. In principle it seems sound but all too often those that lack want abundance without working for it, without acquiring the knowledge and skills necessary to acquire it. They expect to receive without first imparting of their best efforts to develop riches. Then the masses get upset when those that have passed through their 'financial apprenticeship' and become self-made millionaires seem to only accumulate more of the same and they continue to have nothing but lack.

Now don't misunderstand me, I believe that those with great resources should use them to help benefit humanity but not in a way that creates greater dependency. When used properly, riches can help to develop independence and growth in individuals and communities that in turn benefit humanity as a whole.

Let me ask you a question. Who thinks more about money – those that have it or those that don't? Who said that only wealthy people think about money? I know a lot of people who are broke who think about money all the time. People with money are not ethical? Come on! Who do you think is robbing the banks? You are not going to see a millionaire stick up a convenience store or rob somebody by knife point! These silly poverty beliefs need to be challenged.

Why is it believed that those with great resources are evil, without values or moral standards? By far the individuals or organizations that accomplish the most good in this world are awash with huge amounts of resources. Do you not realize that there are few challenges in life that will provide greater

overall character development that that of accumulating wealth? This is because in order to do so you must develop so much of yourself in so many areas of your life. Of course there are some greater such as raising a healthy, honorable and productive family. These days we need a reasonable level of wealth to do even this.

I remember a quote I saw many years ago posted on a church billboard on a main highway that said:

“Beware of what you become while getting what you want”

Money can and does change people. Substantial money provides a great amount of freedom – the ability to do as you choose when you choose. With this power, people often develop the character trait of pride and indifference to others. Greed can overpower common sense and fair dealings and make one forget that all they have only belongs to them while they are living . . . at the time of their death ownership passes to someone else.

How do we then develop the financial security we crave without forgetting that our resources are there to accomplish much more important things in life than just that of materialistic trappings?

Give to Receive

Make sure you give back. To make sure you are not consumed by the passions of materialism, decide to give back a percentage of total revenue now, before you earn your millions. Do it now! Develop the right habits while your income is not of influence. If you can give when your income is \$30,000 a year then you should have no problem when you have abundance. Give not less than 10% to a worthwhile cause. Give in secret! Give for the sake of giving, not for the promotion, publicity, grandstanding or self-publication. If you do use publicity use it to help forward the cause for which you are supporting.

Where possible avoid giving to organizations that are dependant on charitable donations alone. Work with organizations that work within their areas of specialty to develop independency and self-sufficiency with the

individuals, communities or countries they help.

When Rich and Poor are made equals

Financial preparedness extends far beyond the boundaries of a fat bank account. Consider for a moment how much advantage a rich man would have over that of a poor man during a famine or major flood, major fire, hurricane, natural or man-made disaster or a war ravaged region. Is not the world awash with many of these things right now? Can you prepare for everything just because you have money? Of course not but there is much that can be done to benefit yourself, your family and your neighbors.

What if there was a strike of basic transport lines that stopped short the ability to gain basic food supplies for a time. Is this idea too far out of reality – I don't think so. Did you know that most major supermarkets order and keep stock on a 'as need' basis due to the cost of storing and managing large amounts of surplus stock? Did you know that much of our fuel supplies are affected by factors we have absolutely no control over whatsoever including our government in some cases? If a major famine occurred due to pro-longed drought conditions could the government supply the basic living needs of the people and if so for how long? What would their response time be if they could help? How much food do you have in the house right now? Do you have enough for a day, a week or a month or two? What about fresh water? If a strike occurred tomorrow that halted immediate food supplies for 7 days, is it unreasonable to assume that a rush on the stores would occur? Does having money give you the capacity to buy something that is no longer there? Maybe? Would you ever want to be in the position where you have money but the banks aren't open and you cannot source the supplies you need to feed your family? What good is your wealth to you then? Far better to plan ahead and use your wealth to be a little prepared in times of peril.

Financial preparedness means planning ahead for when basic needs become the only objective in life.

Is it unwise to have a little long term food set aside for a rainy day? How much should you have – enough for your family for several months, 6 months perhaps even a year? Am I being too over dramatic . . . I don' t know . . . what do you think!?

Now that you have your big mansion could you plant a fruit tree or two, perhaps a small veggie garden that would provide some basic needs?

You are earning more than you spend so could you not keep a small cash reserve for emergencies somewhere in the house? How much – 6 months or a years worth perhaps?

Use your great wealth to buy a \$50 first aid kit and keep it in the house. Maybe with all the spare time on your hands you could learn how to administer first aid. Spend \$100 on each member of the family and buy a 'flight kit' . Keep them by the front door or in the car, once again for emergencies.

Keep a little fuel, clothing and clean water on hand. You never know when these things may come in handy. Being wealthy means having the resources and time to protect your family from danger.

In all things remember your neighbors. Is it unreasonable to include them into your financial preparedness plan? You never know if in times of great need a little food would barter something you don' t have.

If we were to give what we have been talking about a name, what could we call it? What about financial freedom disaster plan.

There is a song about a wise man who built his house upon the rock while the foolish man built his house upon the sand. Few people remember that 'when the floods came up and the rains came down' that they also beat upon the house of the wise man. The fact that he was prepared did not provide escape from the terrors of the storm.

Use your wealth to ensure your safety and security and that of your family in good times and in bad.

This is a question I am often asked when I talk to people about wealth.

“How big does my house have to be, how many millions do I have to have in the bank before enough is enough?” These comments often come from those trying to defend their position in life. Some of them would be willing to die to protect their great lack, limitation and ignorance. The truth is . . . it is never enough. Once you begin to ‘get the ball rolling’ it runs under its own momentum allowing you to concentrate on much more important and worthwhile tasks. Remember that there is no such thing as inertia. We absolutely do not stand still. We are either moving forwards or backwards at all times throughout our entire lives. You should always be moving forward so the answer to the question is, it is never enough!

This does not mean that our entire lives become a focus on the next new car or house or holiday destination. It just means that once the ‘ball is rolling’ , allow it to continue to grow and, then we change our focus to other things.

Don’ t forget that money is a tool that when used correctly it should magnify your noble and righteous endeavors for the benefit of all mankind. Do you believe in a God, Supreme Being or Universal Power? If so, learn to pray to it. Prayer is the verbalization of your thoughts, the communication between the physical with the non-physical – spirit if you will. Learn to ask for help and guidance in your tasks. Ask for what your purpose is in being here. I guarantee it is not to accumulate enormous amounts of wealth simply for the purpose of doing so.

Ask yourself this. How many cars do you need? How many houses do you need? How much money do you need to have before you begin to give to others? You do not supply anything. God has given you everything you have, including your ability to breath, should you not be prepared to give it all away if the time came?

Could you do it? You should live as if you could!

Because the truth is that no one can take your wealth. You can get divorced, people can sue you, threaten you, rob you and more but no one can take it from you. Your wealth is in your head! Once you know the principals of how to accomplish financial freedom you cannot unknow it! Your knowledge circle

has been permanently expanded. No one can take that from you! When you understand this you lose the fear of loss.

You are not your car, your house, your clothes or your bank account. You are your thoughts! The true you is under the skin not in your outward appearances . . . this is just a dressing that changes at different times in your life.

Principles of Truth

Our children, for the most part, will not learn these things in school. School, although important, should be the smallest part of our children' s learning experiences. Their greatest education should be at home. It should be us, as parents, who teach them.

Teachers and church leaders do not take the place of parents but should compliment them. You are responsible for your children' s education and no one else.

This day there is much said about financial independence and although I too believe strongly in this freedom I recommend it with a warning. There are some who would believe that financial security is a higher priority than that of raising a family for example. That children can wait until a successful career is first established. That dual incomes is more important than one full time parent in the case of small children.

The joy and growth you receive from raising a productive family will outweigh any other task you undertake in life. At the end of your life when you are nearing the end you will realize that which all people do at this time in their lives, that family is the most important thing. Your car or house cannot wrap their little arms around you and kiss you on the cheek at night and tell you how much they love you. You cannot learn to show love and compassion and mercy and understanding quite the same as you can after you learn the same from a child. These qualities help you to become a better financial citizen and direct your resources for and exert your influence for good.

“No other success can compensate for failure in the home.” *J. E.*

McCulloch

Families aren't perfect and they take a lot of work to get them right but please don't make the mistake of waiting until you are super wealthy before you begin your family. You will have a lot more fun building your financial future with your family. Teach your children as you go. You can raise a family and become wealthy at the same time without having to compromise either one. I know I've done it. My wife and I were married at 19. Our first child was born 13 months to the day after we were married. It can be done and it's been worth every second. Over the last decade that we have been married and raised our family we have learned together, played together, struggled together, traveled together and had fun together. This is the greatest reward in life.

Learning correct financial principals to developing passive income negates the need to have dual incomes for example. By developing the correct mind conditioning while still young you overcome the need to waste years or decades in many cases struggling to overcome conditioned ideas that have no foundation of truth.

Use your power and influence provided by your wealth to make positive changes for good in your community. Improve values and moral standards. Too often those that have the capacity to exert influence for good in their society sit and watch, content to observe from the sidelines. Healthy financial results should lead you to become a better member of society.

Are you willing to pay the price to do this? What are you willing to give up to gain that which you desire. Could you sacrifice several hours of television a night? Could you give up one night a month to attend a financial improvement workshop?

Could you dedicate yourself to reading one book a month on this subject for the next 12 months? Just what would you SACRIFICE? To sacrifice means to give up something of a lower nature to gain something of a higher nature. It in no way means to lose something. It means to gain something of

greater value. What is the greater value you wish to gain and what activities are you sacrificing to gain it?

The Farmer Who Loved to Work

Earlier in the book I mentioned that work was made for us, we were not made for work. Let me clarify what I mean by that now with a story of the two farmers.

Farmer Joe who ploughs his field with a team of oxen works hard to accomplish his desired result. At the end of the day, if he has been committed and consistent to the task at hand, he may rest well in the knowledge that man and beast have performed a job well done. Such things give an individual satisfaction and joy. This can be done day in and day out until the joy of such a task is gone and the mundane, repetitive nature of the task takes over.

Farmer Bob, who employed in the same task, puts not only his back but his mind to work, can accomplish results far surpassing that of farmer Joe. At night when farmer Joe is resting his weary body after a long tiring day, farmer Bob is up late at night working with his mind. He begins with a few sketches, drawings and designs. He is trying to clarify the image in his mind. Day after day he works tirelessly in his field and night after night he works on his plans. At length farmer Bob calls in other men of greater skill to help him develop and refine his idea.

After many months of tireless work and countless hours of trial and measure and failure, the idea is complete. A machine with the capacity to plough a field in less than half the time is now available. Farmer Bob has the ability to now enjoy the joys of work as well as have greater leisure time without compromising the quality of the work that needs to be done. Better still he can now leverage his time and resources better by offering for hire the machine to his neighbor and selling the design to men able to manufacture and market his machine to other farmers.

So, the ability to work will only produce more work unless the mind is also

put to work.

Did not both farmers work hard? In fact did not farmer Bob work harder? Who after a long days work continued to labor into the night while the first rested soundly?

We are here to develop our minds, not to work our bodies into the ground. Those with the best results are those that work with mind and body not of the body alone.

You're a Crook!

"How can so much go missing so quickly – he must have stolen it!" "He obviously didn't know what he was doing."

"He lived the high life on our money."

"I'm going to sue him to get my money back – I'm sure he's hiding it." "His wife spent it on shoes and clothes."

The worst thing was that most of these sorts of comments came from those that have known me my whole life. My direct family was among the worst culprits. Over this time I was physically assaulted, verbally abused and discredited and so too was my wife and children.

Since I had never been in that situation before I didn't know what to do. All I could do was to keep moving forward hoping things would get better. I knew that it was possible to go bankrupt and have severe financial difficulties in business and not be a crook, and I knew that I wasn't one, but that didn't help my angry investors.

Since I was never one to run and hide from my problems I faced up to them as best I could but it really got me no where as most of my time was then consumed dealing with frantically emotional people looking to blame rather than to find a way out. I stood up to all the abuse and gossip and did my best to look to the future. I do understand why people run though. It's not an easy thing to do to face up to your mistakes in the face of so much adversity.

Lessons from Hitler

One thing I clung to was a story my Sunday School teacher, Gerry Michaelis, told my class many years ago.

My teacher was born in Germany and raised during the time of the reign of Hitler. One of the activities he participated in was the Hitler youth. Not too different from many of the youth groups today I imagine, except that this one was based on Adolf Hitler's own agenda.

In order to get to the place where they met weekly he would have to catch a bus. One day, he was waiting for the bus with a friend of his at the usual spot. However, on this occasion the bus did not arrive.

After waiting quite some time they decided to walk. Eventually they arrived over an hour and a half late. When questioned by their group leader as to why they were late, they explained that the bus had not arrived. The leader severely reprimanded them and punished them by making them push a pea across the entire length of the oval with their nose.

I remember as he was telling us this story I visualized in my mind's eye myself being a lawyer in a court of law defending my poor teacher against human rights violations. I couldn't believe that such punishments could be handed out in such a way (I never would have survived in the army!).

I imagined his nose raw and very sore after rubbing it across the length of the oval in tall grass trying to push a pea. I instantly felt a wave of anger towards this leader. What a way to teach punctuality! He did every thing he could to be where he was supposed to and still he suffered. Most of my classmates had similar feelings it seemed as I recall him having to quiet the class down.

He then went on to explain this point. In response to our outrage, and concern he simply said, "I should have been there on time" . I remember saying to him, "But it wasn't your fault! How could you have possibly done anything more than what you did? it was unfair!" In a quiet voice, he repeated again, "I should have been there on time."

That bothered me for a long time. I just didn't get it. What was the leader trying to teach them? What was my teacher trying to teach us?

Then, one day some years afterward it hit me. The story had nothing whatsoever to do about punctuality at all. It was about responsibility. Taking responsibility for our actions, those we can control and those we can't. I don't know for sure but I can only guess that there were consequences already laid down for not following the rules – showing up on time for one. They knew what they were supposed to do and the leader wasn't going to allow them to shift the blame to anyone else for any reason.

Later in life, I learned this phrase which I now use as an affirmation statement:

“I am responsible for my life and my thoughts and my feelings and my actions and every result I get.” *Bob Proctor*

Was what happened to my teacher fair? Probably not – but most things in life aren't. What we need to learn to do as individuals is take full responsibility for the consequences of our actions even in situations where they may be unjustly laid upon us. Only by doing this can we learn from our mistakes and move forward. Too many people spend so much time in the past; exerting so much energy in laying blame they forfeit their own future.

“Greatness is best measured by how well an individual responds to the happenings in life that appear to be totally unfair, unreasonable and undeserved.” *Marvin J. Ashton*

Fight or Flight?

In 'The Lord of the Rings – The Fellowship of the Ring', there is a scene where Gandalf is leading the fellowship through the underground mines of Moria. While they are resting Frodo expresses his despair at their situation and says to Gandalf, “I wish the ring had never come to me, I wish none of this had happened”. To which Gandalf, the wise old wizard replies, “So do all who live to see such times but that is not for them to decide. All we have to

decide is what to do with the time that is given to us” .

You will have trials as you begin to dramatically improve your results. They are necessary and painful. But you would be unwise to let them tie you up in thoughts of, “Why Me?, Why Now?, What if?”

Dwelling on things you cannot change and refusing to take responsibility for the part you play in any situation will only ensure your permanent failure.

I took responsibility for all that went wrong that I had control over and everything that went wrong that I had no control over. And yet very few of the investors took responsibility for their own actions. I can count on one hand the number of people that came to me and said something along the lines of, “Michael, I made a choice to invest with you and I take responsibility for my own actions in this situation.”

Very few had the courage to say that. Most were content to blame. One thing that I still can’ t understand was that for some of them this put them into a very dire financial situation. Yet it still did not change their behaviors or thoughts towards their life. They were going to cling to safety and security no matter if it meant their financial death. I didn’ t understand that . . . I still don’ t! When people are pressed into a corner and have no where else to go this is the time that most people change simply because they have no other option.

Understand this right now. When the choice you make is the only option left before you, you have not actually made a choice! You have allowed your circumstances to ‘push’ you into a new path that is unfamiliar and uncomfortable. You haven’ t actually grown. You now have a new environment with the same conditioning. This leads to blame, discontent, friction and negative forces of attraction.

Some made a new path in life only for that of personal survival. It’ s the fight or flight scenario. Some were content to stop thinking, to assume death was imminent and go with it, while others when faced with great difficulty used their inductive reasoning factor to make the tough decisions to move forward

in their life regardless of the situation. There people were happier in the long run than those that decided to hold deeply ingrained grudges.

Is it harder to stand and face your problems or to run? Could you have lived with yourself if you ran? I couldn' t. Does that show greater or less strength of character?

As you don' t have a crystal ball perhaps you need to make a decision on what you will do when tough times come because they will. It' s not what you do when times are good that defines you but what you do when times are tough that defines your true character.

The 4 Minute Mile

You may remember the name of Roger Bannister, the first person recorded to have broken the four minute mile.

Someone who is not quite as well known but who definitely had their priorities straight; was an Australian sportsman by the name of John Landy. Like Bannister he was a middle distance runner. In June 1954 he became the second person in the world to break the 4 minute mile and beat Bannister' s time. In a true demonstration of his determination and sportsmanship Landy participated in the mile event again in 1956 in which race a number of runners fell in the 3rd lap. Landy stopped to aid one of his competitors and then still went on to win the race!

This is the sort of ethics and integrity I' m suggesting we all need to have. John Landy knew exactly what was most important.

All Powerful

“Man is made or unmade by himself; in the armory of thought he forges the weapons by which he destroys himself; he also fashions the tools by which he builds for himself heavenly mansions of joy and strength and peace. By the right choice and through application of thought, man ascends to the Divine Perfection; by the abuse and wrong application of thought, he descends below the level of the beast. Between these two extremes are all

the grade of character and man is their maker and master." *James Allen – As a Man Thinketh*

Be wise and be generous with your resources. Be understanding to those that struggle. The steps to financial freedom are simple but like anything of worth it's not easy. Some will struggle more than others in most part simply due to their deeply rooted conditioning.

A kind word or gesture to another may be forgotten today by you but may be cherished for a lifetime by another. Would you like to improve in your attitude towards others? What parts of your attitude or core beliefs would you change and why?

Q.B.E

I am Qualified!

Many years ago I had a business card made up which read:

Michael Russo

QBE – Uni. H.K. (Hons.) PI Specialist

At the time I was very new in the game and very young and I found that some people took me more seriously with certain letters after my name. Most people didn't want to appear stupid so they did not ask what they stood for. However, on the odd occasion someone did ask, I would respond like this:

“I am ‘Qualified by Experience’ , from the ‘University of Hard Knocks’ , I graduated with ‘Honors’ and I am a ‘passive income’ specialist” .

Most laughed and got the humor of it but some people considered it base treachery to put letters after my name like I was some sort of academic high achiever.

“Only those who are qualified (meaning a PHD or graduate diploma of sorts) have the right to teach others about money.”

“You’ re not a financial planner!”

“You’ re too young, what would you know about this stuff?”

As you can probably guess most of the people who made these comments were not doing very well financially and had little or no training in money but assumed because they had an official certificate of some sort they knew. . . well everything!

Talking about academia, think about this question. Why is it all the C and D grade students and school drops outs are running all the multi-million dollar corporations and the A and B grade students are working for them?

I have already stated that I believe education to be valuable but it seems that the individuals that accumulate the most street smarts (with or without

formal education) seem to be light years ahead of everyone else. I guess nothing truly beats experience. But is it just that or is there more to it?

A Bumpy Road

It seems to me in my experience that all entrepreneurs follow the same basic path.

Make a lot of money in a short time, lose it all or experience major financial difficulties and/or go bankrupt and then rebuild. Sometimes this happens more than once but I don't know of one person who hasn't followed this path. It seems to be part of the training of big business.

I believe that true success is only attained by those that persist with all fervor and never lose sight of their ultimate objectives. Your true character is defined, not by what you do when things are going well, but by what you do when things aren't.

I think attitude plays a very big role in this.

“There is very little difference in most people but that little difference makes a big difference. The little difference is attitude. The big difference is whether it is positive or negative.” *W. Clement Stone*

Not only your attitude but that of our family plays a big roll in our lives. I would like to give you a brief history of my family.

My Father's Story

My parents are both of Italian origin. Both of them migrated here to Australia when they were very young with their families looking for a better way of life.

My father was 5 years old and the third born of six children, all boys, in his family. When he was born my grandfather refused to look at him for 30 days as he had wanted a girl. He never did get his wish! My father arrived here by boat with his two older brothers and younger brother from Italy. The youngest boys, twins, were born here in Australia. My grandfather had worked on the land back home in Italy. He had been a soldier in the second World War and it was in the army where he learnt the little reading and

writing skills he had. Without formal schooling or traditional education he brought his family to Australia and worked at a manufacturing plant that made car parts along with many other immigrants.

Like most migrants of the day my grandparents had very little when they arrived and establishing themselves in those days was quite hard.

My father became the first child in the family to receive a formal education including completing high school and later he went on to teacher' s college. Both older brothers worked when they first came here and did not participate in school.

Life wasn' t easy for migrant families. Trying to integrate into a new community, learn a new language and earn a living. But the opportunities far outweighed the drawbacks. After a number of years my grandfather bought a very small older home which housed the family until he could finally build his own home (much larger and very nice) on the adjoining land next door. My grandparents still live in that house today with a yard full of fruit trees, chickens and home grown tomatoes; it was a much better way for his family to grow. The original old house is still there too!

I remember vividly as a young child (being the eldest in my family) going to Nonno and Nonna' s house and having great parties with my older cousins. The food was always great and the place always packed. There was the old fig tree to climb and the rope swing that Nonno made for the grandkids – usually we' d end up swinging on the old Hills' Hoist clothesline anyway. It was wonderful to help feed the chickens or run around the outside of the house, which was quite large, playing chase with my siblings and cousins.

My father would often tell us the first words he and his brothers learned in English or any other language were swear words. Being in a community with lots of people of European decent was challenging it seems. They had no idea what they were saying; they just repeated what was said by the other kids. My father tells of being teased at school. The only immigrant of Italian origin in his class, he had difficulty learning the language as only Italian was spoken at home. As a result of his (and my mother' s similar experience) they

decided to teach English at home so that their children would not experience the sort of problems at school that they endured. Today we all speak perfect English and are somewhat disconnected with our Italian backgrounds as a result. I speak very little of the language and although my siblings all speak it much better than me none of us are really experts.

All of my father's brothers live within 10 minutes of my grandparents place. No one has ventured too far from home. Some are still working and some retired.

Interestingly, of all of my father's brothers including himself, the ones that had the least amount of formal education have done far better financially than those that did.

When I was small my father worked for about 4 years for AMP selling insurance. A very demanding job but one that he was very good at and made some good money in. One day when I was about 3 years old I walked over to mum and tugged her on the back of her dress while she was washing the dishes. I looked up and in that very direct manner that children have I said, "Mum, is dad dead?" He promptly quit his job with the AMP and went back into teaching shortly afterwards.

My Mother's Story

My mother's story was somewhat similar. As a child my mother's parents also worked on the land back home in Italy. They too chose to come to Australia for more opportunities and a better way of life. After arriving by boat when she was about 8 years old, they settled in Peterborough South Australia (the same small town that I won my first insurance sales award in years later). At the time this town was a vibrant community (before the railway closed down) and very industrious mainly due to the train line that came through there.

After a few years they settled in the big city, in a home that my grandfather bought and which my grandmother still lives in today. Once again the yard was quite large and filled with trees and vegetables and a Hill's Hoist

clothesline. My Grandfather worked as a factory worker in various car manufacturing plants. Unfortunately, I never really knew him. He died on my third birthday due to lung cancer from smoking.

Like my father, my mother along with her younger brother, was now able to gain a formal education. She worked as a typist and did office administration work for about 7 years after finishing high school and before marrying my father and raising six children. Both my parents attended the same public high school, although they tell me they did not know each other at the time, the only one in the area for miles around. Later, my siblings and I attended the same high school.

My mother has spent almost all of her adult life in the home caring for and raising her 6 children. Although she had to learn to be thrifty over time I was given the best of everything, being the first born, and even today I still see some of my younger siblings on the odd occasion wearing an old jumper or sweat pants that used to belong to me once.

My mother was also big on education but it was usually my father that helped us with home work and went to parent teacher interviews with us – it just made more sense that way, him being a school teacher and all.

By now perhaps you can understand my parent' s emphasis on education for their children. They wanted all their six children to be educated because that meant job security in their minds.

All of my siblings have been excellent students, without exception, each one receiving special school recognitions. Each of my 2 brothers and three sisters went on to do some form of higher education after High School. Joseph studied Engineering, Angela in Heath Science, Gabriella in Architecture, Diana in Human Movement and then Nursing and Stefan is presently studying accounting. Some of my parent' s influence rubbing off of course. I was the only one who did not continue at University after high school.

Back to the Future

Fast forward to the present time. My parents now live in a nice big home (probably too big now that almost everyone has left home) on a substantially large block, fruit trees front and back, a large vegetable garden and half a dozen old cars (most still working) in the back. My father still believes education is the key to success and has encouraged his children to go onto further education and improve themselves.

Three of my 5 siblings are now married with one sister having a child and another sister due to give birth shortly. All of the husbands of my sisters are good, hard working well educated people, all with higher education training beyond high school.

The reason I wanted to share this with you is this. My heritage has played a big role in my thinking, my views, and my beliefs and helped to shape me into the person I am today – just as your heritage has done for you. I am today, in a big part, what my environmental circumstances have led me to be. I can make a choice of course but my conditioning that has been placed in me over several generations, the ideas of my grandparents and my parents influence my thinking and my decisions for my own family. I am now of an age (in fact have been for many years now) where I can choose to follow some of that conditioning or not to. I love my family just as you do yours; however, sometimes the ideas and beliefs of others that may not be relevant to our time are inadvertently pushed onto us. Many times we accept these ideas in our desire to please or honor those that have gone before us.

What role has the last 2 or 3 generations played in your life as to where you are today? Are your decisions made for your time or someone else's? Are you following a path that no longer applies simply to show honor or respect to a loved one or simply because you've never stepped back to evaluate it? What effect will that have on your children and their children? Remember that your decisions echo through time. Your beliefs and ideas will not only be yours but are likely to belong to your future generations as well. What are you planning to teach them?

It's sad that the biggest opposition we often face to new ideas is often from within our own family. Perhaps going back several generations you can see why they are giving the advice they are. What sacrifices have they made to ensure your ability to have the opportunities you now have? Did they endure great wars, famine, exile or severe economic depression? Have they come from a worn torn or underdeveloped country? Perhaps some of them suffered sickness, disease or even death. What did they give up or suffer through for you!?

Keep this in mind, just because they may not have understood our time does not mean they would not have wanted us to take full advantage of our opportunities. Sometimes, to make a change to improve our results, we have to make a stand against those beliefs or ideas of yesteryear. This is often where the friction in family lies.

Imagine going back 5 or 6 or even 10 generations and looking at where your family has come from. What would they say about our time and our opportunities? How would they feel knowing all the sacrifice they endured for all their children and their children's children to have a better life and you didn't take advantage of the opportunities before you? Would they be pleased or disappointed in you? Do you honestly believe that they would be content to watch you stand by and not improve yourself even though they do not understand the path required to get there? Can you imagine a relative coming back to you after 100 or 200 years and asking you the question – what did you do with what we gave you? Perhaps you live in a more modern home and drive a car instead of ride a horse to work but how much better off are you than they were? What would they say to see the internet or computers or mobile phones – the ability to communicate with almost anyone anywhere instantaneously? Could they see an opportunity in this new age of technology and information and modern advances? Do you think they would tell you to go for it or sit back and watch?

Don't allow the conditioning of the past to stop you from embracing the future!

A 'Pixar' Ending

I love family oriented animated movies. Something I can watch with my kids. I think the people at Pixar do a magnificent job and I would love to be involved in making an animated movie one day with them – I have some great ideas. These few lines from the Disney/Pixar movie Ratatouille I think sum up this chapter really well. The last line is a real home run!

“In many ways the work of a critic is easy. We risk very little, yet enjoy a position over those who offer up their work and their selves to our judgment. We thrive on negative criticism which is fun to write and to read . . . but the bitter truth we critics must face is that in the grand scheme of things the average piece of junk is probably more meaningful than our criticism designating it so.”

“But there are times when a critic truly risks something and that is in the discovery and defense of the new. The world is often unkind to new talent, new creations. The new needs friends.”

“Not everyone can become a great artist but a great artist can come from anywhere.” *Anton Ego – Acclaimed Food Critic*

I wholeheartedly agree that “A great artist can come from anywhere!” The new does need friends. Next time you come across a friend or family member working on a new path in life – try supporting instead of tearing down. As for yourself, ignore the critics, even those in your own family, and get to work!

This chapter was about Q.B.E. What exactly is your ‘experience’ ? Do you actually have any street smarts or are you still running on an old track? Part of having good street smarts is noticing and taking advantage of positive opportunities around you. If you don’ t break the mold, who will?

You can take 12 months to change the results in your life or 10 years. It doesn’ t matter how long it takes . . . what counts is that you begin right now!

I want to wish you the very best in your future and hope that you will take this journey to financial freedom with me. Please write me and tell me about your experiences, your success and failures. What was the catalyst that finally got you to shake off the old conditioning and embrace a more enlightened way of life?

Whatever you do, do it well and remember that what's most important in life will never change - your family.

Epilogue

So where do we go from here? Hopefully you have spent some time participating in the written activities throughout the book. This is important to alter your conditioning. Put some deep and meaningful study into your PSI idea and write out a PSI financial plan for the next 10 or 20 years. Where do you want to be with your PSI idea? How many properties do you want to own by this point and how many start up companies have you helped launch? Look for my “developing passive income” training course on my website. It is designed to compliment this book.

Think big and bold. If you do this for long enough you’ ll find a way to achieve it. Anything is possible but only achievable if you never quit. Pave the way for others to achieve success as well. Its more fun if your have your friends with you.

Use your family to achieve your aims. Get them involved in your PSI activities. Educate and train them and then teach them to do likewise. Work together and have fun together. The little things do matter; don’ t miss them because that is what you will be remembered for by those that matter. Be generous and hospitable. It’ s only money after all. Don’ t hoard it - share it! Be the best you can be.

Thanks for reading.

A handwritten signature in blue ink, appearing to read "Michael Russo", is positioned below the text of the epilogue.

[Another eBookWholesaler Publication](#)