



## **Transcript**

### **Episode 052**

**“The one with Tim Paulson”**

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**Dean:** I'm Dean Jackson, he's Joe Polish, and this is the I Love Marketing podcast.

Hey, everybody! It's Dean Jackson and no Joe Polish tonight. But don't be disappointed because we've got a great, great guest with us tonight. We have my friend Tim Paulson with us.

Hello Tim.

**Tim:** Hello there, Dean. I hate to disappoint the listeners that Joe's not here, because he's so brilliant and so smart and better-looking than any of us. But, we'll try to muddle through anyway.

**Dean:** Don't forget sexy.

**Tim:** That's right.

**Dean:** Sexy and yeah, all that stuff. We miss him. Get back, Joe.

A lot of our listeners may be familiar with Tim Paulson. And if you came to our I Love Marketing live event in Phoenix or you watched the streaming event from somewhere in the world, or you've been watching on our I Love Marketing event DVD's, you got to meet Tim Paulson.

And Tim was the guy who came up onstage and basically shamed us into giving people everything they wanted in the I Love Marketing manual. Didn't you?

**Tim:** That's right. I want that.

**Dean:** I want that. It was really fun. It was a fun thing that we did. Tim is a brilliant marketer and Tim has been around marketing for years and years, and you may know that Tim is the – we call it coauthor – co-presenter, co-creator of the Piranha marketing program with Nightingale-Conant, their best-ever-selling marketing program. So, that's an exciting thing too.

Now, Tim, I think one of the things that I want to talk about with you is your marketing experiences in helping grow The Hair Club For Men? That's kind of an interesting item on your resume. So, maybe you could tell us a little bit about that story, about how that all came about. And let's really talk about some of the marketing lessons that you learned.

**Tim:** Absolutely. Absolutely. It was 1986. I was just a pup back then. And time and life comes at you quick, by the way, if everybody doesn't realize that.

But anyway, 1986, I started working with Hair Club For Men, and Hair Club had 8 offices, I resigned in 1995 to start doing what I'm doing now, to start my own business and all. And we had 69 offices. So we had really good growth; 9 years, we added 61 offices. There was a lot of excitement; there was a lot of success. There were failures, as well. Certainly, we learned from the failures.

Sy Sperling, he sold Hair Club several years ago, for a lot of money. But anyway, he was a household name for a long time, because he was advertising so prolifically. He had the famous advertising, marketing tag line, "I'm not only the Hair Club president, but I'm also a client."

It's a funny story. 1986, I flew out to New York to start working with Hair Club, New York, Madison Avenue office. I was training there and then I opened up the Chicago office. That's where I started. So I walk into Sy Sperling's office, it was Monday morning, and so I quit my job out in California, my wife and my kid, we had one child at the time, first of 5, getting ready to move to Chicago.

I walk in and I'm in Sy office, and a guy named Bruce came in. He was the franchisee for the Fort Lauderdale office of Hair Club For Men. And he said, "Hey Sy, did you see Saturday Night Live Saturday night? They made fun of you. They made fun of the way that your hair looked, they made fun of the tagline, they made fun of this, and that and the other thing."

And I'll tell you something, Dean, for just a moment I thought, "Oh, no." I just joined this company! I left everything behind in California. I grew up in California.

My wife and I, family, we lived in San Jose. I left everything behind, and that's the first bit of news that I hear when I start working for Hair Club For Men, that they're making fun of us. They're making fun of Sy Sperling; they're making fun of the company. So, what have I done?! Oh, my goodness, what a horrible mistake. That absolutely went through my mind.

But, Sy's response is very instructive, from a marketing perspective and a business perspective. Sy said, "Are you kidding me?! That's the best news I've ever heard. Do you know how many people watch Saturday Night Live? They did a spoof on me? Oh, that's just brilliant! That's wonderful! That's marvelous! Oh, my gosh!"

And all of a sudden, I started looking at it differently, like, "Oh, oh, okay, maybe that was a good thing."

He absolutely loved getting publicity. He was very, very prolific in getting publicity, anywhere he could go on, anywhere he could get publicity. He didn't care if they were making fun of him, he was getting before his audience. He was able to show that, "Hey, this really does look good." He was able to tell his story. You name all the programs, he was on Letterman, he was on Leno, etc, etc.

So, oh, my gosh, my life flashed before my eyes, and great things happened as a result of that.

Again, remember, when I joined, there were 8 offices, and 69 a few years later. And, in a great part, it was driven by his really making a concerted effort to get free publicity everywhere he possibly could.

Now, to answer your question a little bit more fully before we go on, I want everyone to understand that I learned how to do really, really good marketing by not knowing how to do marketing to start. I learned how not to do it.

I started a weight loss center when I was in my early 20's. I worked for Nutrisystem's Weight Loss Centers, out in San Jose, California. Then I said, "Well, gosh, I'm just going to start my own." So I bought a little franchise, it was called Fortunate Life Weight Loss Center, out of Virginia.

But I bought a franchise. It didn't cost me much, but it cost me enough, and I started this business. Within 6 months, I was out of business. I just had no clue how to market. I didn't even know what marketing was, really, at that time. I just thought, "Okay, I'll put an ad in the paper, and they will come." I put an ad in the paper, and I remember driving to the office, when I first opened, and I thought, "Okay, the ad's going in today, so I've got to get there early because that phone's going to be ringing off the hook."

So, at 9:00, there's nobody calling. You've heard this before; people joke about this, but I lived it, I kept picking up the phone thinking, "There must be something wrong with the phone. Do I get a dial signal when I pick it up?" And no one called. I'm not exaggerating. No one called. I didn't get any phone calls from that very bad ad that I ran.

**Dean:** Now, looking back on it, though, do you remember what the ad was? Do you remember the elements of it?

**Tim:** There was no headline. It had a picture of a gal, but there was no before picture, which is kind of funny. So, you've got this gal in this leotard. I got it from the franchiser. No headline. That's what I do remember. There's no headline, and no before pictures, so there was no contrast.

See, that's what Hair Club did really, really well, the before and after pictures. People would make fun of that, but, "Hey, look at those before and after pictures, yadda, yadda, yadda." But it really did paint a picture of what could be done.

So in that original weight loss ad, boy when I looked at it though, Dean, I looked down and I thought, "This is really, really good." It didn't have very...

**Dean:** It didn't have the logo. You probably had your logo on there.

**Tim:** Absolutely. Let me tell you something: the logo looked great. This was a full-page thing. It was actually an insert, a flyer in the newspaper.

So, 8½ by 11, and I'm thinking, "Okay, this is great." So the big logo, little – if any – copy. It probably just had something like, "Fortunate Life Weight Loss Center. For a consultation, call this number," something like that. There was no offer. There was no headline. There was nothing compelling about it. But boy, it was a great-looking logo.

So, I learned, early on, the fact that, first of all, I didn't know anything about marketing. I might have thought, "Gosh, just build it and they will come."

But that experience, it was painful. Even today, when I talk to my wife about it, we've been married for 28 years, if I talk to Kay about that experience, she'll want to change the subject. It was very, very painful.

So, I know what it's like, for individuals to be in business and to be struggling in business, because I have been there.

I had to close the doors. I had to negotiate getting out of the lease, because the lease was longer than 6 months. I went through all of that type of stuff.

So, when I joined Hair Club, and I started to work with Hair Club, I became a vice president in Hair Club, boy, I observed, very carefully, what they were doing and how effective it was. And the lessons that I learned, again.

Hair Club, we made mistakes, too. We would do a lot of things that didn't work, but we certainly tried things that did work and the rest is kind of history with that. The company still goes on, very, very strong. Very strong. I think now they have over 100 offices, so they're doing quite well.

**Dean:** Did I ever tell you my Hair Club-inspired movie idea?

**Tim:** You have not, Dean, and I'm going to sit down for this one. Go ahead.

**Dean:** Well, I'll tell you what happened, because it's very, it's very funny. And I still think it would be a good movie.

I was watching TV, and there was Sy, with one of his infomercials, and this was around, I'd say, the late '90s. And he had this idea, and this was a brilliant thing that he

actually did, that he took from the cell phone industry. His idea was that they were going to give you the hair, when you sign up for an annual maintenance program.

I didn't know how the whole Hair Club program worked, but this is really instructive as an offer. Because he said, "Just like the cell phone industry, the cell phones themselves are expensive, and the cell phone companies give you the cell phone when you sign up for a 2-year contract with their carrier," with the cell phone service.

And he thought, "Why can't I do that with the hair? I'll give people the hair, what was otherwise expensive and an obstacle for people getting started, when they sign up for a monthly maintenance program." I guess they weave it into your hair, and as your hair grows, you need to go back and get it tightened, so it's not loose and flopping. Right?

**Tim:** That's right. It sounds so attractive, the way you put it.

**Dean:** Those are the technical terms.

**Tim:** That's right. That's right.

**Dean:** So when I'm hearing that, my mind immediately thought, "That's brilliant!" And I also thought, "I wonder what the default rate is, because I imagine that once somebody gets the hair, they want to keep the hair, so their hair payment goes up pretty high on their list. Like you've got your electricity and your phone bill, and then your hair.

And then I thought, "Well, what if they did default on the hair? What if they did not make their hair payment?" And I had this flash of these guys, these hair repo men, working out of some back street, some Main Street barbershop out in the back, these guys that are like "Get Shorty" type of guys.

I had this whole vision for these tough-looking guys that are hair repo men. And I had this whole vision of them, of it being like a documentary, talking about this whole underworld of the hair repo men, with footage from the national training center in Colorado Springs, and the moves of how to do it, and how to stake out, and their own

language when they call it going out to repossess somebody's hair, they call it, "Pulling the plugs."

**Tim:** That's cute.

**Dean:** And they go and this whole thing of doing a documentary, interviews with guys in the back. Their awards are like scalps. They're the hairpieces that are on a little plaque for the guy who got the most reposed that month, or whatever.

**Tim:** Yep.

**Dean:** I thought, what a great movie that would make, "Pulling Plugs."

**Tim:** I don't know how great a movie it would be, but it's mildly amusing.

**Dean:** That's why I down graded it to a short film idea. I love it.

**Tim:** You hit on a couple of really good things there...

**Dean:** I always do.

**Tim:** Yeah, you always do. With Sy Sperling, I'll tell you something, that idea of saying, "Okay, I'm going to learn from the cellular phone industry, I'm going to give the hair away for free if they sign up for a year contract," so a year contract would have been, let's see, probably around \$1,000, something like that, which was really a bargain because we sold the hair, back in the day, for \$1,500 to \$3,000, generally speaking.

So anyway, when Sy did that, and that was after I left Hair Club, he came up with that idea. Absolutely brilliant. And it just helped to multiply everything – the sales, the profits, and everything else.

The reason that he stopped doing that, after doing it for 2 or 3 years, the outcry from the competition, the other hair replacement businesses, became so severe and so intense, they just thought he was ruining the industry, and how could he do such a thing. And generally, he wouldn't care. He didn't care for 2 or 3 years. But it got so intense, that criticism and the constant barrage, that he said, "Okay, we won't be doing that anymore," which is kind of interesting.

But anyway, Sy did look at other industries and he learned from those other industries as to what he can do. One thing that Sy did, and this applies in a lot of different markets and industries, for example, chiropractic, because I've done some work helping chiropractors market.

So, when Sy got into the business, he started Hair Club For Men in 1976. And when he got into the business, the industry was really a hairpiece type of a business. It was you go into a barbershop and you get a hairpiece for \$200. And he said, "I'm going to start my hair replacement company." He worked for another one before. He was going to start his own hair replacement company. And he was trying to figure out, "Okay, what am I going to do differently?" Most of them were like, Joe's Toupee Shop, or Jan's Wigs, or Dean's Toupees, those types of things.

I don't know if he said it at the time, but what he did was he reinvented the industry. He created his own industry, in a very real way, because he didn't go into the hairpiece or toupee or wig business, he went into the strand-by-strand hair system business. He gave it a name. He gave it a unique name.

Dan Sullivan certainly talks about this, and teaches this. You need a naming process. So, instead of Sy Sperling selling wigs and hairpieces and toupees, Sy Sperling sold basically a hairpiece or a toupee that he called "The Strand-By-Strand Hair System."

Now, over a period of time, with research and development, he did develop a very, very good hair replacement procedure that was not just a toupee and a hairpiece, not something you'd take off at night. He integrated it into the person's hair. But the point is when he started out, that's exactly what he was doing.

There was a guy named Tucciaroni, an old Italian guy. And when Sy was about to start his company, he said, "Hey, Tucciaroni, I'm interested in opening a hair replacement company. What do you think I should call it?" And Tucci said, Tucci is what he called him, he said, "First of all, Sy," I'm imitating Sy imitating...

**Dean:** I love this! This is great!

**Tim:** This is Tucciaroni being imitated by Sy, being imitated by me. But anyway, he said, “Sy, a hairpiece, \$200, a new process, \$2,000.”

So, what he’s teaching him is that you call it a hairpiece, it’s \$200; a new process, a new system, is \$2000. Then Tucci claims that he gave Sy this, Sy denies it, but anyway, Tucci said, because I met Tucci once, he said, “Sy, you need to call it like Hair Club For Men, a place where men can come, it’s a club, to take care of their hair.”

Now, Sy played with the idea of calling his company See More Hair, because Sy is short for Seymour. So it’s kind of a play on that, See More Hair.

**Dean:** Yep.

**Tim:** So, instead of See More Hair...

**Dean:** That’s clever, right there.

**Tim:** Yeah, it is kind of clever, I suppose. See more hair, see more sized wigs, it was Hair Club For Men. And that absolutely changed everything.

When I started working for Hair Club in 1986, as I mentioned, I opened up the Chicago office of Hair Club, brand new office on Erie and Rush Street, downtown Chicago. And we had individuals flocking to us from all over the Midwest, as far away as Denver, Colorado. They were driving up to Chicago. I mean all over the place.

They were passing dozens of other hair replacement companies to get to Chicago, so that they could get the Strand-By-Strand Hair System from Hair Club For Men.

It was absolutely phenomenal to see that really positioning, you might say, that uniqueness, just absolutely worked brilliantly.

Now, let me just piggyback that with one more thing. And then I’ve got more, but I’m sure you’ve got some things to add.

Hair Club For Men, Dean, you actually speak brilliantly, and Joe does as well, about niches, you niche it. So, Hair Club For Men, some people used to say, years ago, they would say, “Gosh, Tim, what a dumb move!” Now, this was when Hair Club was

making \$100-million a year and we're growing like crazy, and very, very profitable. "Oh, what a dumb move, Tim! Hair Club is limiting its audience by saying, 'Hair Club For Men.' Why don't they do Hair Club For Men And Women? Hair club for this, hair club for that?"

And really, what I saw was, that men wanted a place where they could come and take care of their hair without being embarrassed, without having women around, because it's a very, very personal thing. It was a very personal thing.

So, really, though people criticized that, "You should be much more broad in your marketing and your approach," because we said it's Hair Club For Men, it really put us on the map and allowed us to grow like crazy.

I liked that. And looking back, that was one of the things that, I think, was very, very successful.

**Dean:** When you look at it, retroactively here, we can apply the 8 profit activators to The Hair Club For Men. You were just talking about, there, narrowing. Profit activator number one: selecting a single target market.

So, narrowing yourself to men, that which was the majority of the market, I'm sure, and exclusively focusing on them.

Then, when you were talking about what the way that Sy had set everything up, when we were sharing at the I Love Marketing event, once you know who your target audience is, jumping up to designing a dream-come-true experience from the customer's perspective.

There were seeds of it in your description of the way Sy went into that business, that he saw the business, he saw that he wanted to create something different. And I think that him being a client of the Hair Club, somebody who had the need for what his business was going to create, he was able to really design the experience that, as their advocate, he would really want, as a man who needed hair replacement.

**Tim:** That really was the perception. It was like he's the guy next door, he's been there, he's been in our same position, so we can relate to this guy.

And he wasn't slick. He wasn't great on TV, initially. He got much better as the years went by. So it's like, "Hey, here's this dude, who's like they guy next door, and he had a hair loss challenge too. So, I trust this guy."

It's funny, Sy was doing his very first commercial, television commercial, late '70's, and there was a guy named Burt Miller. He was the producer of the commercial, I guess you would say.

Burt Miller said, "Hey, Sy, why don't you say, 'I'm not only the Hair Club president, but I'm also a client.'" And this is instructive, as well. Sy didn't want to do that, but Burt Miller and others said, "Hey, Sy, give it a try."

Sy was just brilliant at testing things. He was not afraid of testing. So he says, "Okay, we'll give that a try."

It absolutely resonated with the audience. That was the best thing he ever did. Even now, I think he sold the business 12 years or so ago, even now, people still recognize that, "I'm not only the Hair Club president, I'm also a client."

But he would test things. He would try things. He was not afraid. He would listen to others, those whom he trusted. So, he would learn from his mistakes.

Another thing Sy did really, really well, was that he didn't fall in love with his own marketing. Some do that. They'll run an ad; they'll run a commercial. Like infomercials, of course, we did a ton at Hair Club, and television commercials. We did *GQ* magazines, and all sorts of stuff.

But anyway, we'd run an ad, if it was not successful almost immediately, he would pull the ad. Others would say, "Hey, Sy, give it time; a person needs to see it 28 times." You've heard the things.

**Dean:** Right.

**Tim:** “You’ve got to see it 50 times, because that only makes 28 impressions, and then impressions, you’ve got to have at least, yadda, yadda, yadda.”

Sy wouldn’t buy into that, because he tested it. He tried it. He would go too far and run ads for too long. Ads that weren’t successful, he would continue to do, and then he realized that, “You know what? I’m better off, if it’s not immediately drawing leads, if it’s not really, really causing a lot of people to pick up the phone and request information,” he said “I’m immediately pulling it.”

So basically, what he learned, or I guess instructive here, is that he knew his numbers. He knew what he needed to get. He knew what an ad needed to do initially, in order for it to be successful overall. So, he kind of cut his losses, I think, in great part by doing that.

**Dean:** That’s great. When you think about the evolution of it, you were saying, in the day, the offer was people had to pay for the hair, pay \$1,500 or \$2,000 for the hair, and then do the maintenance program as well. The rocket fuel that really kind of helped it take off was that idea of giving people the hair.

The thing that really, I think, is most instructive in that is how once you find the offer, once you find what we talk about as your mafia offer, it’s almost too good to refuse.

**Tim:** That’s what I’m talking about.

**Dean:** That is what you’re talking about.

**Tim:** How could a person refuse that? Okay, you generally sell it for \$1,500 to \$3,000. I’m going to have to pay the service anyway for a year and more. So gosh, you’re giving it away now, it’s an irresistible offer. It really is.

**Dean:** What was the offer on the infomercial? Was there a free DVD that they would send people? Is that what the offer was?

**Tim:** Yes. It started out, way back in the day, '76, he would offer a booklet, a free booklet. And the booklet was basically a brochure. So, he would say, "Call for our free brochure." So, that's how he generated leads.

By the way, he would buy national cable television ads, or time, so they would be shown all over the country. Even though he only had 8 offices, they would be shown everywhere.

He would determine, in great part, where he needed to open up additional offices, based on the number of leads that were coming in from any particular market. We know Chicago was going to be very, very successful, because we had thousands of leads there before we even thought about opening an office there.

So, it started out with a brochure, and then that evolved into a free DVD. I think, today, basically what Hair Club is doing is sending out DVD's, along with a booklet.

It was interesting in that, gosh, it was late '80's, early '90's. There was a woman named Mary Ellen Seagull, who wrote a book titled *Reversing Hair Loss*.

She researched a lot of different methods and companies, and she did some research on Hair Club, so she wrote very favorably about Hair Club For Men in her book.

Well, Sy thought, "Well, hey, I'll tell you what, I'll buy 100,000 of these things," or whatever it was that he bought, probably more than that., but he says, "I'll do a commercial and I'll offer the book for free."

So, he went on and said, "Hey, call this number, toll free number. We'll send you this book for free. There's a very favorable chapter about Hair Club, yadda, yadda, yadda.." That actually got incredible response. However, it cost us a ton of money, and it wasn't ultimately profitable, because every Tom, Dick, and Harry was, "Gosh, free book? Let me go ahead and get the book." Whether it's female or male, tons of people did that as a joke, "Hey, send that to my buddy, Dean Jackson, ha, ha, ha, that's funny. Send it to Joe Polish. Send it to Tim Paulson,"

So, ultimately, that didn't work so well. Boy, it sure seemed like it would.

**Dean:** Are you suggesting that Joe and I have some hair challenges?

**Tim:** I never, ever, ever, ever dreamed of making that insinuation.

**Dean:** Okay. Alright. Just checking.

**Tim:** Present company excluded, that's correct. But anyway, just an example of knowing your numbers, because we could have said, "Gosh, that is bringing in more leads than anything we've ever done. Let's keep doing it! Oh, my gosh, we're getting millions of leads!"

Well, it's costing us millions of dollars, and it's going to bankrupt the company if we continue doing that.

So, knowing your numbers and not falling in love with the marketing that's not working.

**Dean:** Well, it's interesting, because you look at it, if we, again if we retroactively apply the profit activators to it, using profit activator number 2, use direct response offers to compel your prospects to call you.

So, you do a free brochure and the free book. There are things that all you're doing is getting somebody to raise their hand. You're not trying to get them to make a commitment right now. You're not trying to get them to purchase anything or, necessarily, talk to anybody. They can call and get this free information.

Then, the next profit activator is educate and motivate your prospects to meet you, when they're ready.

So, what were some of the things that would happen when people requested the brochure? What was the next step? Where were the cookies that you would offer to have people kind of complete the cycle there?

**Tim:** They would get the free brochure, and it was such the heyday back then. The next step was a consultation, a free, in-person consultation, a private, in-person consultation.

We emphasized, I should say Sy emphasized in his commercials and in the written literature, because hair replacement was a sensitive issue, probably still is a sensitive issue. I haven't been in the industry for 17 years, but I know what's going on. I know the industry.

But anyway, sensitive issue.

So, Sy would say, and this is very smart, he would say, "When you come to a Hair Club For Men office, no one knows that you're coming into a Hair Club For Men office. We don't put 'Hair Club For Men' on the doors. We put 'HCM.' So, you can walk into an office feeling comfortable, without individuals knowing that you're going in for something like this."

And that really was helpful. It was very, very helpful for men to know that this is Hair Club For Men. There's not going to be a bunch of women around. Well, they liked that. They were more comfortable with that.

So a free consultation, we'll do a scalp and hair analysis. The consultation is free. So, back in the day, that's all we needed to do. We could not handle all of the people calling for consultations. I remember getting there early and just one after another, after another, all day long, all week long. Saturday night, finishing at 6:00 and I am just exhausted. Oh, my gosh.

Those were wonderful days, because we were growing and making a ton of money. Then, there was a lot of competition that came around, so we had to be more aggressive. So, we started a telemarketing department, where they would call individuals, "You received the brochure; just wanted to make sure that you know that there's a free consultation offered. As a matter of fact, we can schedule it for you."

We did some really creative things. Let me tell you one that was interesting, and there's going to be a profit activator connected to this, and I'll let you identify that. This is a test.

But anyway, I remember I was in Mid-Atlantic states, I was regional director over several offices at the time. So, we started this telemarketing department, and the

problem was a lot of people were not showing up to the appointments. So, we would have a list of appointments scheduled every day, faxed to us from the telemarketing department. “These are the appointments we set for you.” They did this for offices all over the country. We had a very robust telemarketing department.

So, a good percentage, a high percentage was not showing up to the appointments. So, we came up with this idea: we said, “You know what? Let’s pay them \$20 to show up for an appointment. And what we’ll do is we’ll call it a travel voucher. So, you are traveling in for the consultation, “Wow, you’ve got so far to come, and you’ve got to deal with tolls and you’ve got to deal with parking. So, we’re going to pay you \$20 in cash, when you show up. So, when you show up for the appointment, we’re going to hand you \$20.”

It was amazing, the percentage of individuals who showed up with the \$20 travel voucher, compared to that without. It was double, triple, quadrupled, the percentage of people showing up. A very, very simply thing like that.

Interestingly, there were some, particularly in Philadelphia – I remember this vividly, being there doing certain days we were doing this promotion – and people would come in, they would come in, and they don’t have teeth and they don’t have hair and they don’t have anything, and they say, “Hey, I just came in for the \$20. Let’s just you and I both save a lot of time. Just give me the \$20.”

**Dean:** Oh, no.

**Tim:** But that was the exception, by far, not the rule.

**Dean:** Yeah, right. Right.

**Tim:** It was just kind of the interesting. But anyway, it was just that little incentive. And, again, it’s a manifestation of Sy Sperling testing things, being willing to try different things in his marketing to get people to show up for appointments.

What’s interesting is that the closing percentage, those who actually showed up for appointments, that increased as well.

So, the number of people showing up increased, the number of people purchasing increased. There may have been some sort of law of reciprocity going on there, where we're handing them \$20 when they come in, and they feel obligated to give us \$2,000.

**Dean:** Oh, that's something.

**Tim:** Interesting, isn't it?

**Dean:** It is really interesting. But that model, you think about that's been used for lots of things, in presentations like that. I'm thinking of the timeshare industry, specifically. You've already won one of these prizes. Come to the office and see what you've won. It's 3 hours, and you and your spouse have to be there. You have to bring your checkbook.

**Tim:** Yep. Your first-born.

**Dean:** The whole thing, to win the big prize.

**Tim:** That's right. That's exactly right.

**Dean:** But that's part of motivating, educating and motivating your prospects to meet you.

**Tim:** The telemarketing, certainly that's part of marketing, it's telephone marketing. And some don't want to do that. And it was easier, in the heyday at Hair Club, when, gee wiz, we didn't have to do anything, we just ran commercials, sent out brochures, and they were calling us like crazy.

That was wonderful, but the point is, really, you do what you've got to do. We didn't want to do telemarketing, we didn't want to hire dozens of telemarketers and have a manager, and get the space in Manhattan, and all this type of stuff, but that's what we did.

There was a constant refining. That's not an easy business. You go through telemarketers here and there, and you get some good ones and you get some bad ones, etc, etc. But you know what? We just did what we had to do, and it worked very, very well.

**Dean:** Well, that's great. Well, let's talk about what you've been doing since the Hair Club. Because I know now you've been very involved and learned the power of coaching. I'd love to hear kind of your experiences from being involved in setting up some of the great coaching programs. And for people who don't know, you are working with Joe and I on creating the whole Platinum 2.0 coaching program that we've been working on.

**Tim:** Yep, absolutely.

**Dean:** Very excited about that. So, let's talk about things that you've learned in going into coaching, and some of the best lessons that you've learned going through that.

**Tim:** Absolutely. I think first and foremost, Dean, we all need coaches.

**Dean:** Yeah.

**Tim:** I know that you and Joe both have been coached by Dan Sullivan for a number of years.

**Dean:** Still are, absolutely.

**Tim:** So, you look at that and you look at Joe Polish, and you look at Dean Jackson, and you say, "Okay, these guys are brilliant marketers. They just exude this genius." Well, doggone it, both of you recognize that you need coaching.

Joe's been involved with Strategic Coach, I think, for at least 13 years, and I know that you have been for several years. Joe and I originally met, it was late '90's, we were both part of Dan Kennedy's platinum program. We were both members.

Again, a manifestation of the fact that I want to learn certain things. I want a coach. A coach can cut the learning curve so dramatically. It should be a no-brainer that everyone who wants to be more successful, you're part of a coaching program.

I'll tell you a couple things, to just illustrate that. And there are some principles here that I think are very important, about coaching.

My dad is an artist; he's been on TV since 1988, on PBS. When I say that, people say, "Oh, yeah, PBS. I've seen artists on TV. Is he the one with the big hair? Bob Ross." No, that's Bob Ross. My dad is Buck Paulson. He's one of the other guys. He's a wonderful artist.

But my dad was a professional baseball player. In 1962, he was 28 years old at the time, it's a long story, but he just got this desire to paint. He had never done it before. He took one art class in high school, and he got a D in that. He was a baseball player. He wasn't an artist, but he got this desire out of nowhere.

So, he went down to this art store, he bought some stuff. He was talking to the person working there, her name was Dottie West, and he said, "Yeah, I'm going to go down to adult education. I'm going to take lessons, because I really want to be an artist."

My dad's very enthusiastic; he's very passionate about things. He is my best coach, by the way. He's coached me in how to throw a baseball, how to catch, how to throw a football, how to shoot a basket, and how to be a great father, how to be a great husband. I've learned those things from my dad. I'm not as good as him.

But anyway, he's passionate, and Dottie actually recognized that. She said, "You know what? I can tell you really are serious about this." She said, "Don't go down to adult education." She said, "I've been there. They just kind of sit around."

Now, that's not to bash adult education, just this particular art class.

"You're not going to make rapid progress there." She said, "If you want to learn to paint, go see the master. His name is Claude Buck."

Now Claude Buck was 74 years old, at the time. He was once recognized as one of the 100 greatest living artists earlier in his life. He had moved to Santa Barbara 2 or 3 years before that. She didn't know if he was giving lessons or not, but she said, "You should go see Claude Buck. If I were you, I'd go see Claude Buck."

Well, my dad runs over to his house, knocks on the door, goes around to the backyard and meets him. And he says, “Claude, my name’s Don Paulson. I’ve never painted before, but I’ve got this desire. I want to paint. You were referred to me. Are you giving lessons?”

They chatted for a while. And after a very short talk, Claude Buck said to my dad, “Let’s see if we can make a great artist out of you in one year.”

Now, here are a couple of very important points. My dad didn’t know anything different. He said, “Okay, here’s Claude Buck. The only schools that he ever went to were art schools. Elementary school, he was so gifted, he was a protégé, that we was going to these art schools. He taught at the Art Institute of Chicago, etc.

So, my dad didn’t know any different. This is very instructive. He said, “Let’s see if we can make a great artist out of you in a year.” My dad didn’t know any different, so my dad became a great artist in a year.

Claude never asked my dad, “Let me see your resume. Where’d you go to school? What did you study? Let me see samples of your work.” It didn’t matter.

What mattered was that my dad, as the student, had a burning desire. So, you couple that, a coach who has a belief in the student, and a student who has belief and confidence in the coach, and amazing things can happen.

Eight years later, my dad quit his job and became a full-time professional artist in the 1970’s. He’s been doing it for 42 years now, full-time. I was a little boy, when my dad started. I was raised by an artist, and we never starved. We were okay.

But the thing is, it cut my dad’s learning curve by years and years and years. If my dad tried to learn to paint by reading books and looking at this and looking at that, he could have learned. But it just accelerated his learning and the process.

So, a coach in marketing, Joe Polish, Dean Jackson, a coach in marketing.

I’ve written a book, *Love And Grow Rich*. I said, “You know what? I really want to learn how to market a book through publicity and getting interviews.” So, I joined a

coaching program with Steve and Bill Harrison. They're experts in that. I paid them \$10,000, for one year, to be part of a coaching program, because I wanted to know what they know.

I wanted to get the tricks. Not the tricks, but the strategies. Well, maybe it was a trick or 2. I wanted whatever.

**Dean:** Right.

**Tim:** So the thing is, you invest in yourself, when you get a coach. The greatest, most successful people in the world, in business and sports, they have coaches.

I know that you golf, Dean. So, if you have a coach who's helping you, they can help you see things that you can't see.

I interviewed Mike Ditka, the former coach of the Bears.

**Dean:** Really? Yeah.

**Tim:** Yeah, I interviewed him; sat in his hotel room and interviewed him, because he and I spoke on the same program a few years ago. I asked him about coaching. I asked him about his old coaches. And it was just fascinating, because George Halas was one of his coaches with the Chicago Bears, when he played.

And what he said was, what really stood out to me, it's a simple thing, but he just reiterated it. He said, "Coaches can see in you things that you cannot see in yourself."

I think of coaches, head coaches today, coach for New England Patriots, Bill Belichick, and coaches for New Orleans Saints, Payton, and coaches for all these different teams, they cannot run faster than the players, they cannot throw the ball better, they're fatter, they're uglier, they're older, they're this and that. But you know what? They can take an athlete who cannot see certain things him or herself, and can make them better, because they can see them.

So, that's why I compliment. Joe Polish is a brilliant coach. I helped him start Platinum Plus program 10 years ago, and to see him as a coach is just amazing. You and he together, the 3 of us, and Platinum 2.0, the new coaching program that we're

just starting, it's wonderful because individuals are coming to us and they're saying, "I want the shortcut. I want to become a great artist in a year," in essence, as the businessperson.

It's like a no-brainer. It really should be. It doesn't demean us. When Joe and you say, "I go to Dan Sullivan," when I say, "I've been to Dan Sullivan, I've been to Steve Harrison," that doesn't make me less, because all of us are learning. It's not like, "It's so embarrassing that I've got a coach." No, it's actually something that is great, because it shows that you're constantly learning, you want to do better. That's what I'm talking about.

**Dean:** Yeah, you're absolutely right. Maybe talk about some of the coaching programs that you've been part of, maybe some of the success stories from what you've seen happen as a result of coaching.

**Tim:** Well, I'll go back to the Platinum Plus program, with Joe Polish. We started that 10 years ago. It's Joe's program, and I helped him. He's the genius behind it.

It started off with carpet cleaners. The program now constituted, with you and Joe and myself, we have individuals from a variety of industries. Ten years ago, it was just for carpet cleaners.

One particular guy, and we've got so many stories like this, Steve Cameron, from Stone Mountain, Georgia, joined the program. I remember the numbers, because I remember I crunched the numbers and then I shared these with him afterwards, and it kind of shocked him.

He was in business for 22 years, and he averaged \$123,000 a year. Now, I know that, because he turned in a contest packet. He showed us his numbers, and so forth and so on. He never really figured out his average. When I said \$123,000 over 22 years, he kind of gasped, like, "Oh, my gosh, that's not very much," because that's gross. There are a lot of expenses in running a carpet cleaning business.

So, \$123,000 a year, average. He joined the Platinum Plus program; and after his first year in the program, he went to \$389,000. It just absolutely transformed his life, transformed his business.

Joe did a “Better Your Best Contest,” show me who can better their best better than anyone else, and Steve won it. He won a Hummer. Joe bought him a Hummer.

The thing is what Steve Cameron learned were that which you and Joe have been teaching in the I Love Marketing podcast. He learned things like marketing. He didn’t market before. And all of a sudden he’s learning, “Okay, I need to market, and this is how you market. This is how you prepare the environment; this is how you get clients; this is how you get referrals; this is how you get this, and that, and the other thing.”

Think, now, he averaged \$123,000 a year. He was up to \$178,000. I want to make sure that everybody understands. He didn’t go from \$122,000 to \$389,000, but \$178,000 to \$389,000. The next year, he went to, as I recall, it was something close to \$500,000. And, again, it just changed his life.

So, those types of stories in Joe’s program, the platinum program, over and over and over again, we heard those stories, we saw those stories.

So, with Platinum 2.0, we’re expecting to see the same types of things. So, I’m just excited about it, as I’m sure you are.

**Dean:** I really am. We’ve got our first get-together, our first meeting, end of January here, the 28<sup>th</sup> and 29<sup>th</sup>, in Phoenix.

**Tim:** This isn’t meant to be a plug, this interview, because we’re talking about some really cool stuff here, but those interested in Platinum 2.0, you can drop in later, too. This meeting we’re doing now, it’s the next meeting, but you can join the program later, if we have room and if you qualify. We do do an application process.

That is, I think, important in a coaching program. Dan Sullivan, let’s look at his, for example, when you talk about coaching programs and the importance of coaches.

Dan Sullivan has different levels. He has, I think, a \$100,000 level; so, if you make \$100,000, you're in this group; \$250,000, here's another group; \$500,000; a million.

It's the same coaching materials. It's the same materials you're getting. But each group, you pay more. If you're in the million-dollar-a-year group, you're paying a lot more than the \$100,000 group, even though you're getting the same coaching.

Now, it's a different coach.

**Dean:** You're absolutely right. And his highest group is \$500,000.

**Tim:** Oh, is that it? It used to be a million. I guess he lowered that.

**Dean:** Now, he's got the \$500,000 group. So, he was sharing that one day the \$500,000 group is going on, and he coaches that group – Joe and I are part of that in Toronto – and then in the offices there, there was a \$100,000 group going on, and he always popped in to say hi.

They asked him what's the difference between the \$100,000 group and the \$500,000 group? And Dan said, "Well, it's very interesting, because the people in the \$100,000 group are actually much smarter than the people in the \$500,000." And they were kind of leaning forward and saying, "Well, what do you mean by that?" He said, "Yes, see the people in the \$500,000 group, I tell them what to do and they just do it. See, the people in the \$100,000 group, they know a better way."

**Tim:** That's great.

**Dean:** "They can already immediately see a better way to do it, so they're much smarter."

**Tim:** That's fantastic. And really, the advantage of being in the \$500,000 group is, again, you get the same instruction, but you're with other individuals who are making \$500,000 a year. That's the type of group that I want to be in. Those are the people. And, there's a difference.

Dan's story is humorous, but also illustrative of the fact that we do think differently at \$500,000 than we did at \$100,000.

**Dean:** Illustrative? Is that the same as illustrative?

**Tim:** Yeah, illustrative is a better way to say it.

**Dean:** Is that how they say that in Utah?

**Tim:** As far as you know.

**Dean:** As far as I know.

**Tim:** That's a great line from a movie.

So anyway, what I'm saying is like the Platinum 2.0 group and other groups, there's an application process, because we want to make sure that individuals who are in the program are bringing to the table some value and they're really going to add a lot to the group. That's why there's an application process. But boy, we sure have a lot of fun.

**Dean:** By the way, if you think that Platinum 2.0 might be something that you would be interested in, we've got some information about it at [ILoveMarketing.com/Platinum](http://ILoveMarketing.com/Platinum). You can go and read all about it there, and there's an opportunity to maybe join us in January, on the 28<sup>th</sup> and 29<sup>th</sup>.

So, Tim, let's talk maybe a little bit about your book, because there's so much we could continue to talk about. But let's maybe talk your book. You want to talk a little bit about that?

**Tim:** Absolutely.

*Love And Grow Rich: How To Love Your Way To Life's Riches*. You can find it on Amazon.com, or [LoveAndGrowRich.com](http://LoveAndGrowRich.com), in case anybody's interested.

Anyway, I wrote the book because, for years and years and years, I discovered, for example... Well, let me finish what I discovered. I discovered that when we love and have a passion for what it is we do, we're more successful at it. It seems so simple. But when I started that weight loss center that failed within 6 months, way back in the day, I could not stand the weight loss industry.

When I worked for Nutrisystems, as I mentioned, it was drudgery every day I worked for them. I was what was called a Behavior Education Counselor, so I met with these individuals individually and in groups, and motivated them to continue on the program. I couldn't stand it.

Then I went and said, "Well, let me start my own." It didn't make sense. Looking back, it didn't make any sense. At the time, it seemed to. But, boy, I learned a huge lesson from that.

So, over the years, I've seen the power of love. Teilhard de Chardin, he said, "In a coming day, after harnessing the powers of gravitation, the winds, the tides, and the sky, man will harness the energies of love. And on that day, for the second time in the history of the world, man will have discovered fire."

I've always loved that quote. It's like we're going to harness the power of electricity and everything else, but, boy, if we could harness the power of love. So, when we can harness that power in the business, so if I'm doing something and I absolutely have a passion for it, like you and I were talking about marketing, this isn't work. This is fun. This is what we have a passion for. When we get together in coaching, it's just fun. It's what we have a passion for.

But I add something to that, Confucius said, "Chose the work you love and you'll never work a day in your life."

I add a little something, even though Confucius is a lot smarter than me, I just add a little bit to that, and I say, "Love the work you've chosen, and you'll never work a day in your life." So, in other words, it's not so easy, sometimes, just to, "Okay, I'm going to now be a power forward for the Los Angeles Lakers because it says chose the work you love and you'll never work a day in your life."

Well, I'm not going to be a power forward for the Los Angeles Lakers. But boy, doing what I'm doing now, if I could find ways to really love and have a passion, increase my love and passion for what I'm doing now, it really changes everything.

So, in the book, I talk about business, but the subtitle of the book is “How To Love Your Way To Life’s Riches.” So, I talk about the importance of really loving and manifesting the love to your spouse, to your kids, taking care of yourself physically and mentally, relationships.

Life’s riches are not just financial. There are a lot of people we’ve heard over the years who have a lot of money, but, boy, their life is miserable.

So, the book really talks about, yeah, making more money, but really enjoying life and enjoying all the riches life has to offer through the power of love, harnessing that power.

**Dean:** That’s great. I Love Marketing.

**Tim:** Exactly. That is illustrative of what I’m talking about.

**Dean:** There’s something about that. We have really seen people who are passionate listeners of the I Love Marketing podcasts really do love marketing. It’s easy to get behind. It’s almost like a movement. That’s why all these hundreds of people all over the world are joining Meetup groups and getting together to talk about their shared passion.

It is exciting, when you’re with a group of people who are excited about what they’re doing.

**Tim:** It’s very exciting.

**Dean:** Yeah, very exciting.

**Tim:** That’s what I’m talking about.

**Dean:** Well, Tim, I think we’ve had a great conversation here. I love talking with you. I love everything that you do. I’m excited about working with you in Platinum 2.0. I think we’re going to create some breakthroughs for people. I really look forward to seeing you in a couple of weeks here.

**Tim:** I do too, Dean. Thank you very much. I’ve sure enjoyed this, and it’s been an honor. I know we’ve all missed Joe tonight, but hopefully...

**Dean:** I didn't miss him so much.

**Tim:** Hopefully, there's been some things that we've discussed here that either reinforced things that you already know – I'm speaking to the listeners – things that you already know, maybe add something to it, kind of stimulate your thinking and ideas as to how to implement the profit triggers.

Anyway, it's been fun. I have so many years ahead of me; but looking back, it's fun to see the lessons that are learned from the successes, as well as those that haven't been successful. We just keep moving on with great passion, with great enthusiasm, with love for what we're doing.

Again, thank you very much, Dean.

**Dean:** Thanks, Tim.

Okay everybody, we will be back next week with another great episode, and Joe Polish will be back to join us. If you want to join us in January for our Platinum 2.0 meeting, you can go to [ILoveMarketing.com/Platinum](http://ILoveMarketing.com/Platinum), and get all the information there.

We will talk to you next time. Bye.