



### **MY MILLIONAIRE FRIENDS GROUP COACHING CALL #3 Real Estate and Innovation**

Participants in this call include Sheri McConnell (SM); and various Audience Members (AM).

SM: Hello and welcome! This is Sheri McConnell, founder and president of My Millionaire Friends and today we are listening to our third coaching call. Thank you all so much for being here. Hello everyone!

AM: Hello!

SM: And it is Monday once again and here we are for our third coaching call. Today we are covering two more additional millionaire models. Last week, we talked about coaching and information publishing. And this week, we're going to be talking about two more millionaire models, real estate and then innovation as a model. Everyone will want to be interested in innovation because it becomes a way of life. We're going to talk about some techniques and how to set your life up to support innovation.

But with real estate, we're going to really just let you know about the opportunity. Some of you may own the home you live in and be investing in that way. I kind of want to expand your mind into other ways, other things you can do with real estate. And really just to get your mind out there and to start thinking in that way. And then there are just an endless amount of resources and I will mention some of those as far as if you decide to do further research and pursue real estate as one of the millionaire models that you want to use to build your wealth.

Even if you don't feel like you want to do it again this year, or next year, know that the information exists and know it's a possibility. And as you build one of the other millionaire models that we're covering this week and next week, one of these six millionaire models, and you begin to have more cash flow in those models, real estate might be something you're really interested in later as a way to put money and grow money that you're already making and grow it additionally and appreciate it there.

So it's definitely one of the things that all wealthy people are doing, to become even more wealthy and you know, wealth is relative. And so I'm going to say once you get past that first six-figure mark and you begin to get into the multiple six figures, people are most often invested in real estate. Just to kind of define the term "wealth" there a little bit and input some quantitative numbers on it.



It sounds like we have a really quiet line. I know that when we called in, we have a number of people here. So unless we get a lot of noise, I think everybody is pushing star 6 today. I'm going to leave it off lecture mode and that way if you do have a question, you can just push star 6 and ask your question as I'm moving through this information. If someone comes on the line and we get a barking dog or something, I will go ahead and switch to lecture mode because I want to be sure that everybody can hear me.

If for any reason we do have problems with the line and I'm not hearing it but you are, always feel free to send us an email. My email will pop up and I'll see that you can't hear me.

So let's move forward and the first thirty minutes we're going to talk about real estate. The second thirty minutes we are going to talk about innovation. Before I move forward, do we have any questions about, I think we got everything straightened out as far as the mix-up as far as the calls this week. But do we have any additional questions? This would be a great time to ask before we get into the content and get really busy and run out of time.

Nope? Okay. So real estate is again one of the wealth-building tools of the wealthy because where else honestly can you buy anything for a very small percentage of the price and have it appreciate along the way? And depending also on your spending habits and your behaviors, we're approaching 40 here at my house and one of the things I know very true about my husband's behavior after being married to him for a decade now is that he will always buy a new car if there is money left to do it. And so one of the things I learned very quickly with him, based on the number of cars that he kept wanting to buy with any kind of cash flow that we had early on, for me, was that I wanted to put all of our money into real estate and tie it up, quite honestly. Any kind of leftover money that we had. Because I knew his behavior.

And we both agreed. We actually had the conversation how this would be good and make him stick to one car to long periods of time because cars aren't smart investments, quite honestly. And just to kind of give you the way that we do it here at home, he works for a corporate company. I'm the one building the entrepreneurial end of it and if you remember on our first call on wealth planning, I mean not our coaching call but with Loral Langemeier and she said there were two tax systems that existed in the U.S. and one was the poor tax system, the W2, and the other one was the tax code is present for people who own their own entities, those who incorporate.

And we'll have a wonderful speaker. I fell in love with his approach to entities and how simple he makes it all. His name is Garrett Sutton and I will actually have him on to go into detail on March 5<sup>th</sup> on the business structures and



entities. But what was so interesting when Loral was talking about that was, you know, I learned pieces of that when I read *The Cash Flow Quadrant* and it's about the four quadrants of being in business and then having your 401(k)s and there's a lot to it, it's an excellent book also. And it's by the, it's part of the *Rich Dad, Poor Dad* series of books. And you'll see it there at the bookstore at My Millionaire Friends.

But we had decided a long time ago as we were building up these companies that we own, the Sheri McConnell Companies, that it was wonderful to have him employed in a corporation because that did also give us that stability to take a lot of this cash flow like I've told you if you have heard my story when I started the National Association of Women Writers. One of the reasons I was able to grow the company quite quickly in the beginning was because I wasn't paying myself and I was taking a lot of that money that was coming in, almost all of it and putting it back into the company, into marketing, into printing and to really just getting a brand out there.

And that was because we had the stability of his cash machine, as Loral puts it, and all of our health insurance is being paid. So it's really wonderful if you can take advantage of both tax systems on both sides. So I love all of the different experts and bringing them in to teach you and what I can tell you is after you leave this course and after you leave all of this information behind and it becomes part of your bookshelves, please continue to keep buying these books and pushing yourself and reading just as much as you can pour yourself into, it all comes back out when you're in the process of serving your customers.

When you get into the trenches of building a business and serving your customers, all of that information will come back out at different times and it's an amazing thing to just keep learning. So it was exciting to hear her say that because I had learned it in a different way. And every time I hear a different Aha! for me, it really helps me go back to my husband and say "This is really smart that we did this because of this, this and this." As far as the real estate piece.

And so I know that for us, particularly because if we have any money left over, he will buy another car – that's just his thing. He, you know, it just ties our money up and in an asset that appreciates and for a bunch of different details there. So, I wanted to just kind of share that personal experience because this is a real person here doing this and I know that a number of you, you may be afraid, there's lot of information out there on how to invest in real estate with lower, there's the no-money down things that you read. There's a lot that you can go to Amazon.com and start reading and looking inside the table of contents of those different books there and start doing your research.



But I want to really dig into some various opportunities that exist in real estate. Just to give you an overview. And then I want to tell you some of those additional resources that are out there for you to go learn more about this. And then I want to just detail a few things that Garrett had talked about as far as when you get into real estate, the proper entity, and then we're going to dig into that more when we get to the topics in weeks when we have him on as an expert speaker also.

Okay. So let's dig right in. Opportunities in real estate. The single-family cash-flow generating home is just one example of a viable real estate property. So I want to look at a bunch of different ways that you can invest in real estate and again, we'll spend about 30 minutes on this, about 15 more minutes. So residential real estate is the first thing that comes to mind. It's the example that I just gave you. The other piece of it is that, because of my current tax entity right now and I'm in the process of changing that with Garrett Sutton's team also, is that we get to deduct all this interest that we're paying on this asset. So there's a lot that is bringing our taxes down also. And I just wanted to talk about that piece also. And he'll get into that at a deeper level.

Real estate is really great. Once you start the cash flow and once you have the cash flow coming in to help you lower the tax liabilities because if you're paying less to the government, you can have that money to either put back into your company and build your wealth by making more money by growing your businesses. So it all interrelates in this wealth plan of yours.

Now, residential real estate is properties with, you know, four units or less. It's those with five or more that are considered commercial real estate. So first of all, to kind of let you know the difference between residential and commercial. Residential real estate can be acquired through many different sources. If you've bought a house, the most common way that you usually find residential real estate is through the MLS, the multiple listing service. And this is compiled by real estate professionals as they are out looking at available properties in certain areas. And it's the one most often used by all realtors and it's the most up-to-date and inclusive. It's also on the Web. Things have changed a lot since the time I bought my first house and I think I'm on my sixth house now.

And another source, because the Internet and because of competition, is for sale by owner. And so they also have a lot of listings and they are also included in MLS. Various other places for you to look around. Of course, your newspapers, driving around. I know that one of the houses that we bought was a foreclosure and we actually drove and found that before it was listed and we got that house because no one had even put an offer on it, so as



soon as it was available, we bought it right away and it didn't even have a sign out in the front yard yet. Actually, I take that back. That was one that we found because we were looking at the time and the real estate agent told us about this new foreclosure that was about to come on. That's what it was. And so the sign hadn't even gone out by the time we already had a contract on it. And it was a fixer-upper.

So definitely, these are things – and I can tell you from having rental properties. We had a couple of condos that, when we had young kids and we had these two condos, that was kind of a stressful time for us to be investing in real estate and my husband began to travel twelve weeks at a time and he was twelve weeks completely gone and he would be home for twelve weeks, we ended up selling those condos because we had one renter that was really awesome and we had one renter that was really bad. And you know, in the big scheme of life, they even each other out. But we, at that time, said we just have too many small kids. This isn't something we want to do at this time.

That was, as far as our mindsets. What I can tell you on paper is that we made, I think, \$10,000 – over \$10,000 on each on those properties when we sold them, not to count all of the taxes they saved us while we had them, how they were bringing our taxes down on the income we were paying. And this was about a decade ago when we were doing that. We were pretty young to be doing that but we both owned condos and then when we bought a house and got married, we rented those two condos out.

And so, what I can say to that is that the experience was experience that I have now. And we talked about doing that again. Now we live in San Antonio, that was up in the Dallas area. So be open to this. It was a great experience financially. It was completely worthwhile. The whole time that we were doing it, we were learning different things with our taxes. And so what I can say to you is it's all up in your mindset like I've said that to you so many times and we are only in week 3. That most of what you're going to be doing here is mindsets and it's your ability to be able to handle the stress.

But building your wealth will be you driving the machine on this wealth planning and you are the visionary of the companies that you're building, so even in real estate it's the same thing. If you, being out there and being in charge and doing your due diligence to do the research that you need to do and having those people on your team if you use this millionaire model who can be your assets and teach you the things you need to know.

Really, it's just like finances. It's another language. And once you learn the language, it's not that hard anymore. But that's the piece, is learning the



language of either the finance world or learning the language of the real estate world.

Okay, so another opportunity in real estate is actual land. And there are numerous opportunities in this area. They range from small residential lots to thousands of acres. And size and zoning will definitely dictate the price and development opportunities in your area. Getting partners in support. People who are calling you, commercial and residential real estate agents and just starting to learn about the opportunities, learn about the pricing. We live right off a main artery in San Antonio in a very, and we're right across from a very exclusive area called the Dominion and that's where there's some country singers over there, the Spurs basketball players and so this area is really under development.

And if you drive down 20 miles, it's not developed yet. And you can know that here in the next decade, going 20 miles down the highway, it's going to start to develop. So we're starting to think about looking to buy land off that main highway that is beginning to be developed because we know that as this area just keeps expanding, it will initially be in high demand. So you want to think long term with real estate. Real estate is one of those long-term things again. Not something that's an immediate cash flow although the more you learn, there are ways to do that. To build immediate cash flow with your rental properties and different things. But, as far as long-term wealth, it's a great strategy when you look at this long term.

I want to take a quick drink. Do you have any questions so far? Okay. The next opportunity is the multi-unit building or the multitenant. And what these are these are general-use structures such as warehouse building or multitenant structures. They are also for office and retail. We have a lot of that going up in our area in San Antonio. And one of the other types of things that I was reading about in one of my magazines was the storage, people buying land and putting the mini storage warehouses on that and how it was such a smart investment because of the low cost to build those out based on the long-term income that you get coming in. And it was very interesting – although that's not something I think I would ever do – but it's very interesting to just read about these different ways that you can buy land and development them based on people's current demand for what they need. And everybody is storing everything. We don't actually do that here – I purge everything. But most people do store their stuff. And it's just interesting the different ways that you can make money when it's involved in real estate. So again, as the need for additional storage space continues to grow, those properties are very attractive development projects. So that's another example.



Dropped the phone. Hold on one second. So the biggest piece and I'll kind of end the real estate part of the call with talking about the way that you make money usually in real estate is when you are selling, not when you are buying, of course. But selling is so much part of – when you go to sell and buy, and that's so much part of why you make money in the selling process. So buying properties is actually the easiest part of the real estate investing or using real estate as a business model. Selling them and then ensuring profit is where you have to get creative. So the smarter you are on the buying side, obviously the better you are going to be on the selling side. So the best route to the profit is (1) buying right and paying a price in which you know, you've done your research, that you make a profit on, and (2) buying with a clear plan for an exit strategy.

So one of the last properties we bought, we actually bought a property that had been on the market for a while that is right next to the community pool. A lot of people don't like that. It's only a property that you would only really want if you had a number of kids. So those are some of the negatives that we know we can foresee that when we put this on the market ten or fifteen years from now, that we'll be battling against. The positive is that we got a really low price on this house because they had to get out of it, they had to move and we know we have a lot of improvements we can make over time to make up for some of the negatives.

And so the reason I'm just sharing these personal experiences with you in this real estate piece is that you really want to buy in the beginning and already be thinking about your exit strategy. Even if it's ten, fifteen years down the road. I'm really good about that. I'm actually a little bit better about that than my husband is and I'll always thinking about anything that we do in this house, if it's not something that I double my money on, I don't really want to do it. When he wants to do things because he likes to do things. And so I know that anything I do to the kitchen, for instance, I'm going to get my money back. I know anything I do for landscaping or the deck outside, I'm going to get my money back. So that's a long-term strategy.

Now in the residential, it's totally different than commercial, so you want to do your research and have fun with this. As you begin to have more cash flow, push yourself, move forward, get with experts, get with people who you can learn from, real estate agents, your closing experts and the whole thing is a learning process. You know, the first one I think I did have hives and probably an ulcer, I'm sure. But now, as we've done each one, sometimes I get really, really frustrated at the real estate agents because I feel like I know more than them sometimes when I'm doing these things. So it's really great to learn and be able to do what the wealthy do and take advantage of what exists in our world that builds wealth.



So the last piece I'll say about this selling of the real estate is what Loral Langemeier calls "future pacing." And so what she says is with every investment, your future pacing is the ability to look down the road, decide on your future goal and create the strategies to produce that wealth. So let's say you're going to do a rehab of the property. The amount of your rehab you will do will depend on whether the buyer is another investor or is someone who is going to move into it or it's going to be a renter.

So for instance, when we were doing things for those condos, we were putting money into them in a completely different way than we are for the larger house that we are selling in a nicer area. So again, that's future pacing and getting your money back. And that's kind of the game you play in real estate and it can be a lot of fun once you get into it and it's also a great way to cash out and have a large amount of cash flow. It's a great way to invest over time. And again, it's a long-term strategy, the way that I do it. There are definitely lots of other resources out there. If this is something you have a lot of passion about, I totally recommend getting into real estate and at least starting to learn about if it's something you're not doing yet.

Okay. So as far as a few resources before we jump onto the second piece of the call, innovation, there's a couple of books. If you're a person interested in rental properties, you want to start out kind of small like we did with those condos. There's *The Real Estate Millionaire: How to Invest in Rental Markets and Make a Fortune* and there was another book on commercial real estate that I wanted to share with you and I'm looking for her email. And it may take me a few seconds. While I'm looking for that, did anyone want to share any experiences? Do you have any rental properties? Are you in a long-term investment in your home yet?

Actually, I don't hear anyone with a question. So I'm actually going to look for that resource for you and send it. But it was a lady who had gone into commercial real estate which I think is really a great place if you're a person who wants to learn more about real estate, looking at the commercial side of it is often a side that a lot of people don't focus on because there's a lot of programs out there that focus on residential and rental properties and flipping properties. And I really think that if you're a person who's going to use this as a millionaire model, I really think that focusing on the commercial side of it is much smarter. And if you are, send me an email and I'll make sure I get that resource to you. She was really an amazing person and I read about her in a magazine. And I think she's just turned 35, so she's quite young also and had built her real estate company up into the millions already in a few years so – very, very impressive.

AM: Can you put that resource into the transcript?



SM: Yes, we'll have it right here and when I'm re-reading it, I will remember to look it up. The resource is *The Best Dame Commercial Real Estate Investing Book Ever* by Monica Villasenor

AM: One thing I will say about residential real estate purchases, I found that if I went to locations that were building up and really get to know or question some of the community members to hear the scuttlebutt of what's being developed, when it's going to be developed, what the troubles are – it was much easier to find the house I'm living in now that we plan to turn over and just build equity on it. So I spent the time with a real estate agent and then beyond that, listened to what the local grocery clerks were saying at the local, going down to the city hall and listening, reading the local newspaper to see what the politics were of real estate. And that was helpful to me. And that made me much less afraid of putting money down on something in a place that I was not familiar with and/or thinking of purchasing. Because in the state of Arizona, if you buy a house you actually have to live in it for two years in certain developments. Or at least one before you turn it over. And they've made that a rule here in the state. So, you know, I have to invest money and time.

SM: I think many people were investing there because it's such a hot area. They couldn't get people to stay there, they're just flipping houses!

AM: Yeah, yeah.

SM: We have a lot here. A lot of people from California are buying houses here in San Antonio. And it's very common for investors to buy the houses up. Because real estate in comparison is so cheap here compared to California. So we had a lady buy one of our properties from California. We had another lady who just watched it online and bought it from Hawaii and her real estate just did it all and she had never even seen the property. So there are opportunities out there because people are investing now.

Of course, real estate markets are changing and you've all heard that. The last time we did a real estate transaction was a couple of years ago and it was a completely different market in San Antonio than it is becoming right now. So again, it's an interesting area. I want everyone to keep it in mind even if at this very point you're thinking "Oh my gosh, that's something that I won't do," because I did use to be that way. It's just another language and it's a lot of fun once you get into it and it's not that scary.

But it's what you just talked about. It's doing your due diligence. We did the same thing when we purchased this last house and one thing that she said, one of neighbors, we stopped her – she was out watering her flowers that



day. One of our neighbors now but at that time, she wasn't, of course. And we asked her, what's the homeowner's association like. And I remember the word she used, it just cracked me up. She said, "Oh, they're heinous!" She was just the sweetest old lady watering her flowers and you didn't expect her to say that.

But what's great is it just gives you, like you said, it gives you an idea of what you're getting into which makes, I believe, that Loral said that in the one call, the expert call. Once you learn these things, knowledge becomes your experience. And it makes it easier for you to move forward and take these next steps. So I really wanted real estate to be one of those areas because I grew up where my mom still to this day doesn't own real estate. We grew up always renters. And only because I kept pushing myself in my adulthood and just learning one property at a time did I get to the point where I think so much bigger now. I mean, definitely those first few properties were stressful and if you're young and for me you have small kids and it's kind of stressful following each other.

But at the same time, all of that wonderful experience just serves you as you move forward. So I'm really glad you shared that part because you really covered the piece on due diligence quite well!

AM: Thank you! And I support anyone whose parents never owned any property. Mine didn't either. To just sit down, and listen. Read the *Rich Dad, Poor Dad* and get behind you the comfort of where the money builds equity or builds savings and it is long-term really, unless you make it a business. It's long-term investments that guarantee things that turn over and build equity to use against other things. The leverage factor was really good for me.

SM: And for me, it's one of those ways to tie up a lot of our money so my husband can't spend it!

AM: Yes, I understand that one!

SM: Isn't that a funny way to put it? But it's –

AM: It's true, it's true. Mine is an electrical contractor so he builds tools. You know, he buys electronic and smart phones and blah, blah, blah.

SM: Right. As long as there is any extra money, he will go – and now he just goes on and looks at me, he can't do anything because I've got it all tied up everywhere.



So anyway, let's move on to innovation. This is one of my favorite business models. I'm treating it as a business model although innovation should be woven through everything you're doing. You cannot be entrepreneurial and not be an innovator. So what I want to kind of support you in that is that I want you to take all this information and absorb it for everything that you're going to be doing as you think entrepreneurial as you begin to become an entrepreneur or as you grow your companies that you already own. Where ever you are at in those places. But at the same time, I want to give you some examples of some businesses and I want you to go check out their Web sites. And these are people who built their millionaire models completely on innovation by tapping into things that did not exist.

And I only have a few examples today. We only have thirty minutes. But I want you to – I think after this call, you're constantly going to see new ways to innovate. And there's just a lot of money in innovation in that if you hit the market first with something that doesn't exist yet, you have that edge, you have that niche. And it's hard to do, it's hard to do. You really gotta have those light bulbs, those innovation feelers out there all the time and it's something that becomes a way of life for me, the way that I feel it and the way that I study it.

The other things that I always do is I subscribe to lots of magazines, where I am reading about entrepreneurs. In some ways, its overwhelming. These people are selling and buying companies, multi-million dollar companies. In other ways, they're just like me. They started out with the first idea. So anyone out there who may feel so far out of your reach as far as what they've done, it all started at the same place that you're at. So I really find a lot of support in magazines like *Fast Company, Inc.*, *Entrepreneur*. *Business 2.0* is another one. And I just read through it. A lot of it doesn't apply to my business model but there's always something to take away with it. So I surround myself and that's one reason I believe I'm so innovative because I'm always putting that into my life.

So that leaves me and transitions me right into how to think like an innovator. So first of all, innovation is creating that product or service that doesn't previously exist and it solves problems. So this, again, is a business model within itself depending on the demand of what you create but its definitely a must that must be integrated in everything you do. So innovation is a power. It has the power of leverage wrapped into it because once you create something once and you sell it over and over again, it's a passive income. When you think about services out there that you had to have, for instance, technology-type services that really required a lot of planning up front and testing and innovation and programmers. But once it was done, the minute people use it over and over and over again for that same amount of work, that's true innovation to me.



So then you're just improving it and expanding on it and creating like products and services. So again, one quote I love to share and it's in the front of the *Think and Grow Rich* book that you're going to be getting this month. And one of the first things that Napoleon Hill says is "whatever the mind can conceive and believe, it can achieve." And so to me, that's true innovation again. If you can conceive it in your mind, you can believe you can build it, even if you don't have all the answers, you don't know the path that's before you, it can be achieved. And so that's thinking like an innovator.

So let's talk about some ways to create a lifestyle that helps you be an innovator on a daily basis, to start to really think that way as the visionary of your company. So first of all, that support piece. You really want to set your life up in a supportive way. You have to have those boundaries. You have to have organization in your life. You have to constantly be reading, importing information in. So the reason I think those three pieces are so important to thinking like an innovator is because it lets you tap, what I call taps back into your brilliance and innovate on a quicker, more of a lifestyle way. So I'm doing this every day because my lifestyle supports it. I don't let anybody, through my boundaries, that doesn't support my entrepreneurial lifestyle. I don't do things that don't support my entrepreneurial lifestyle and so I say no a lot to activities and people that don't fit in with that innovative lifestyle.

And so the support piece is huge. Because the support piece, if you don't create your own support and create your boundaries, to me these things won't happen. So it's really searching out the people, finding the people who think like innovators, are innovators and starting to surround yourself with them. Being on these calls and plugging into this program and after you move forward, staying in touch with these people through the Facebook group. Whatever you have to do. I've had to get really concrete about what I wanted before I actually achieved these things.

I had to conceive these things and then believe that there was reason to do them and that's what helped me move forward and achieve. So the support is big. Organization is big because a clogged mind, I've talked about this a bunch, a clogged mind is a clogged life. A messy mind is a messy life. And you cannot innovate, you cannot create, you cannot strategize, you cannot think that far ahead if you aren't creating an organized life. If you're not purging what doesn't work and only the stuff but the people and the negative energy. So there's a lot to that.

And then, again, as I was saying – another way to support the innovation in your life is to constantly be reading. You'll be getting so many ideas of new business models, of new pricing strategies, new things that you are learning about your customers. One of the reasons I think I know so much about



customer behavior is (1) serving in the trenches but (2) also because I'm constantly reading all of these articles about what worked and what didn't work. And it's not like getting people to click a button. It's not tricking you but it's also learning about the behaviors of people and what they want out there.

One of my magazines had a list of a bunch of things that were bull's eye and a bunch of things that weren't. And it will analyze why that product or that service didn't take off this year. And I just think that's so interesting on a very psychological level. And again, I'm following that all into my brain and it becomes one of the reasons that I'm so innovative. After studying so many people, I know that this true. Everybody who has ever achieved anything learns every day. And I know you've all heard that many times but when I'm coaching, and the reason I bring this up, when I'm coaching with people, I'm often "I don't have time. It's just like working out. I don't have time." You have to make the time and I can't tell you how many things I say no to and struggle with the guilt piece when it comes to my kids or when ladies on the street don't understand my lifestyle, but I can tell you I know what this is what's good for me. So you really have to put those boundaries up and organize your life and again, read, read, read.

Okay. Now having said that, when you're doing all that reading what's going to happen. You're going to get way too many ideas. And you're going to get a lot of a feeling of overwhelm. One of the things that I encourage all my entrepreneur people to do when I'm coaching them is to keep a note, I use Outlook and it has that note section, so one of my notes in there, you click on it and it opens up and you can put notes in there, is called "bright shiny objects." And I got the bright shiny object phrase from one of my mentors, Melanie Benson Strick. And what she calls bright shiny objects is when entrepreneurs get these new ideas when we're in the middle of a project or we're already working on something, and we'll get another idea. And those bright shiny objects send us off and we get overwhelmed because we run off and start doing something else and we don't get finished what we're already working on.

So what I know to be true, I learned this about three or four years ago from her, what I know to be true is that you cannot be an innovative person if you don't honor the ideas that are coming. The ideas are coming to you from the universe or from wherever you feel that they're coming and if you ignore them, you're not honoring them and when you ignore something, they won't keep coming. So to support your innovation, to support your lifestyle is a writing process where I actually honor all of my bright shiny objects. I write them down in this section and many of my bright shiny objects have turned into full companies. Have turned into full products. I can't always get to them



that month or sometimes even that year. There's an instance or two where I got to them a year or so later.

But I can tell you is they keep coming. Because I know that I'm honoring them with this writing process. So with the writing process for me when I'm getting all these ideas, I do lists with bullet points most often and I just put all the ideas related to that project or that course or any, usually it's a product or service or a new company idea and I put it all right there. And I just map out that information and then I close it up and its there and when I get back to it, I get back to it. And I just review that document often and see what's in there when I get more time or my major planning phase is in January each year for the whole entire year.

And so plugging new bright shiny objects and implementing them and doing more planning on them usually occurs for me in January. So again, this is how my life is set up to support my innovation and to keep it coming. So use different strategies. Now that overwhelm to me is somewhat of a normal thing, that's just entrepreneurs. If we are honoring our creativity, it's going to keep coming. And then the other thing that I do, again I use lists, bulleted lists and I use mind maps to get all of it out and get it on paper. Because the paper is the gold and I want to get it out of my mind and onto that paper so that it has a staying power and its there for me to revisit later when I'm in a completely different place and have completely new experiences to add to it. So I find that those are really great ways to set up your lifestyle to support that innovation.

Did anyone, at this point, before I give some examples, I would love to hear some of what you're doing to track your innovation, to support it, any tools that you're using?

AM: I'll add to the bright, shiny objects. This is Catherine. I have a journal and it's called the Imagination and My Dream journal. And it's not really about dreams, it's about while I'm driving on the road and I'm thinking. I'm getting these bright shiny object moments and having it available to take notes. And it's hardbound. So it's very pretty. So it has a quality of beauty about it and I keep it there. And some of the things that I have wrote down over four years are coming into full-blown manifestation now and they, I've done the work on developing them and then seeing how they all fit. And then letting some of them go. And like you say, honor what's coming in. And it's very important. Very, very important.

SM: Excellent point. And a lot of what we're talking about here comes from my world over at the National Association of Women Writers. Which is writing. And we go deep into the writing process, you know, with all the different things that we've done over there over the years. And part of



writing, and your character is talking to you if you are doing fiction is just always honoring them. We always carry notebooks. Writers are always carrying notebooks around. But I think that's very, very true for entrepreneurs also.

Entrepreneurs, we're implementers. We have to create things and bring tangible things out into the world. And tangibility to writers is words on a page. This is a whole different form of action. But interestingly enough, it still all starts with words. And it starts with our thoughts first and then our words. So that was exactly one of my points. One of the tools that I use is a notebook that I love and I'm always buying new notebooks.

So I have the notebook. I have other places and I also innovate on my blog. My personal blog. I love doing that there for some reason. It's just I'm really stimulated when I get there to post things for you all. Mindjet is a software that is mind mapping that I love and I use that for a number of my teleseminars. I find people love to see those visuals and again, that's Mindjet, I believe, dot com. Another tool that I found out from again Melanie Benson Strick is something called Smart Sheet dot com, I believe it's a dot com also. You can Google it if you don't see it at dot com and it's called Smart Sheet. And it's more of like a project planning tool that you can share with different people. Again, that supports the innovation. And the other place is Outlook. I'm just learning to use Outlook in all these different ways. The least amount of systems you use in your company, I think, the better because of your time management issues.

So if you can get planning into the same system that you're managing your email and your contacts and all the other stuff, I think that's huge. And so I use the tasks and the notes section of Outlook to do a lot of my planning and innovation. My tasks is more for projects and my notes are really where I'm just being completely creative. And so if Outlook ever gets any kind of mind mapping into it, I'll love it even more, right? Then I'm like, woohoo!

So, again, I'm using tools to support that on a daily basis because I remember in the old days before I was really using all these tools, I would get to the computer and I would just kind of be stuck and not know what to do next. So once you start really implementing these tools and you get the company going and you're building it, there is a system to how innovation keeps coming. And there is a support mechanism. And a lot of what I'm getting done every day is also that team piece that we'll be covering. Because without my team and without people to bounce my questions off of or my ideas, I also find that there wouldn't be a flow that needs to be happening to complete the innovation cycle, if you will.



So very excellent points. The other thing that I wanted to say about innovation is that the money really is in creating new and being innovative. But what I want to say is start looking everywhere for innovation. Start reading everything you can read as far as new ideas. But at the same time you don't want to completely reinvent the wheel. So you do want to do your research what the market needs are. If you are out there serving customers, you really can have a good idea after you're doing this six months to a year about what your current customers need. Doing the surveys and asking them even more questions also gives you that further testing. Prelaunching a service or product gives you that further testing period that you need.

So what I would love for people to do is, you know, do a business model that already exists but do the innovation in the packaging. So I don't want you to go out and come back with things that you don't know will work. I want you to pick things already out there that do work already like plugging into these millionaire business models. But then I want your creativity and your innovation to come out in packaging and how you niche it. And that's the smarter way and the higher leverage way to do it. Just don't completely – when you come up with a completely new idea, as far as you know some things that haven't been tested yet, the problem there lies in that you're going to have to do all the testing and that costs you more time and money.

So really kind of, don't reinvent the wheel. But do know that innovation is a big piece to helping you stick out, you know, with all the competition, helping you get noticed faster. And that's why some of these models are so powerful as far as leveraging you as an expert right away like the membership-based business and innovation, like Audio Acrobat, which is a good segueway into some of the examples.

So I'm going to take a quick breath and see if anyone else has any questions? If you want to ask a question and you haven't yet, you can push star 6 and that will take you off mute. Okay, so some of the examples of innovators and then I would love for you guys to jump on the Facebook group if you have more examples or share some of your own examples today. Mitch Meyerson and Michael Port partnered together – if you don't know them, it's [www.mitchmeyerson.com](http://www.mitchmeyerson.com) and [www.michaelport.com](http://www.michaelport.com) I believe he has a dot com also – they had partnered together a while back on a wheel, if you will, that had already been invented. And that was getting traffic to your Web site. Of course, there are so many companies out there that already exist on traffic generation. There are so many tools when they did this, about a year ago, that exist on this topic.

What is really powerful, and I believe it's [www.trafficschool.com](http://www.trafficschool.com), if you don't see it there, I'm not sure of the URL, go to [www.mitchmeyerson.com](http://www.mitchmeyerson.com) or [www.michaelport.com](http://www.michaelport.com) and you'll see it. The Traffic School Web site will link



to it from there or just Google it. But what was really good about it was the way that they put this course together. It was completely innovative. It was new. The way that they were teaching all these strategies for getting traffic and the way that they packaged it, excuse me, this was completely innovative and it was new at the time. We hadn't seen anything like that and it did quite well. So that's one of the ways that they knew when they developed that that it had to be packaged in such a way because they were really going out there to teach a topic that was really saturated as far as how many other resources that you could read on the same topic. But they also knew it was in high demand. What more do people want on the Internet but to drive more traffic to their own Web site.

So very, very powerful example of innovation out on the Internet. Also, a great example of more than one person brainstorming and coming up with that innovation. Two partners who had her lists, had those golden eggs as I call it, came together and created something that was innovative as far as the packaging piece.

The next example is Milana Leshinsky and she's our expert that we're having on tomorrow. And a couple of things that she did also things that information that was already out there in many other forms, she saw that there was a high demand for it probably from her own clients, I'm assuming and then she went out there and created something quite useful. And I'm not even sure if this thing is still up. You all can let me know if it is, it's [www.mybusinesscapsule.com](http://www.mybusinesscapsule.com)? And it's also a great tool for everybody on the call. I believe that at the time I bought it, it was about 30 bucks.

And what it is, is it's an operation manual of sorts for entrepreneurs to fill in and put in a manual and you fill in the information. She has a template for you and a CD. And it's just a brilliant innovative idea of a product that a lot of people need and she did the work to lay it out and she was quite innovative with that. She's also that one-person entrepreneur. She resonates with me. She's also a mother of children and she's also someone who has some experience in technology so she has that edge as far as being innovative. But then she also develops software for her clients. Her clients are actually coaching professionals who have clients. And so she develops the software that they need to serve their clients.

So she's an excellent example of an entrepreneur who owns a business out of their home, who is constantly using innovation to shoot themselves to the front of the market, in their niche. Another example, which I've given a bunch of times is Pat Lynch and David Barrett and they own Women's Calendar, Women's Radio and Audio Acrobat dot com and probably some other stuff by now but I haven't talked to them in a while so I probably don't



know of because I can't imagine that they aren't doing more by now based on their personalities.

But also that is their edge – innovation. If you ever get the chance to meet them in person and talk to them, one of the things that you'll know just about Pat Lynch right away, we did a course with her over at NAWW and it was a 12-step creative process and it was really good. And so I've gotten to interview her there. I've also interviewed her for [www.createyourgroup.com](http://www.createyourgroup.com) and from doing that, her brain just the synapses connect and everything about her is innovation. Everything about her is entrepreneurial.

So, from interviewing her about the creative process and that 12-step process is that it's a way of life for her and I think she's about 20 years older than I am so she's, you know, my mother-in-law's age and she's been doing this for a long time and when you talk to her, you know that the reason they are such a good team, they're a husband-and-wife team, is because of the innovation that they are so much a part of and they thrive on it. And so it's really interesting. Again, I'm not coming up with everything that I come up with because I'm this office, this home office all by myself. I am here physically by myself, but what I can tell you all the innovation that I sit here and I've done and created in the last six years, seven years, comes from the things that I told you earlier about this call. It comes from getting out and talking to people like Pat and David Lynch, I mean, Pat Lynch and David Barrett.

It comes from the support of all of these people who are living these lifestyles and being innovative and it's a powerful business model and it's something I really want to, to hopefully bring home to you today that this is a lifestyle, it's a new way of thinking. I have a lot of people who are coming from different types of jobs in their past in this program, when I'm coaching with you one-on-one, you are telling me that.

And so this entrepreneurial way of thinking and this entrepreneurial way of life is new for you. And I hope it's exciting and I hope that as much as it's overwhelming, you go at a pace that you're comfortable with and you have fun with it and you have a whole lot of passion. And that piece will help you not get burned out. And so really do those things that you have passion for. All of the six millionaire models that we're covering in the first part of this course are just to let you know about them. But pick one or two that you're just passionate about that seem exciting to you.

I know when I worked at a corporate job, I never got excited to wake up in the morning and go to my computer. I never rushed off and even after a few years in it, I woke up dreading to have to go to work. And ever since I started my own company it is exciting to me to come to my office every day,



you know a few feet away, because to me this is just a fun job. It's exciting to do these things. Even when the cash flow wasn't coming in, it was exciting because it was stuff that I was creating and I got to connect with people and I was in charge of my own destiny.

And so I'll wrap that back around and tell you that it was, what I knew was I was being rewarded because whatever I could conceive, and I believed, then I could achieve and that's how it all started back with the National Association of Women Writers. That's how it's all going to start here today if you're creating a new company and you're moving forward, or you're growing a company that you're in and you're to re-change its business model completely because the current one isn't working. Whatever you can conceive. Whatever you can innovate. And begin to think about. And then start to map out physically in a writing process so you can believe it and you can start to see the numbers and how it might happen. You might have to plug in to other people to believe it and then you just move forward and you will achieve it.

So I hope this has been inspiring to you because I really think this is a major piece of your success is your ability to support yourself in this innovative, and use the innovation as a business model. Okay. So I'm going to take a quick breath and let's open it up for Q&A. So if you want to ask a question, press star 6.

AM: Sheri, this Catherine. It's more of a comment or an expansion on your quote with Napoleon Hill?

SM: Definitely. Go ahead.

AM: One of the things I found, cause my company's ten years old but it was in sort of a research cycle, right? So this was considered a tax hobby. Was in Napoleon Hill, there talks about "whatever you believe, spirit of the universe supports you and vibration." Well, mine's a vibrational company.

SM: Um-hmm.

AM: (phone rings) Oh, pardon me. Turn that one off. And it's all about supporting vibrationally your dreams, your hopes and your gifts. And what I found and how I found you, I believe, it's time now to educate people. So it's almost like my marketing or my moving into my innovation has taken place over the last ten years. It's now finding where and how to describe it so that it can be found, niched, you know?

SM: Packaging piece. What I hear you saying –



AM: Packaging piece. Because vibration was actually cut out of the original book.

SM: Um-hmm.

AM: And it was cut out of *The Secret* and it was cut out of a lot of things. And when I learned all this, becoming a business model. I just went "Oh, my goodness. What have I done to myself?"

SM: And that's amazing feedback. And you brought up *The Secret* or did I bring that up?

AM: No, no, I knew *The Secret* before they cut out the Abraham-Hicks pieces. I had one of the first ten copies.

SM: Oh, did you?

AM: Yeah.

SM: And I guess I must too because I actually have her in my version too.

AM: Yes, the 200 – there were 200,000 copies made with Abraham-Hicks.

SM: And so why did they cut her out?

AM: Because of the word vibration. They would not air it on television.

SM: Oh wow.

AM: Unless they cut that out and so I went "Oh my goodness." You know, for ten years moving out of the film business into my own entrepreneurialship, I went "I've done something that I'm passionate about and I've seen miracles happen with people taking vibrational products." So I built this company. And I did due diligence and I went out in the wild and made the essences. And then to find out that the marketplace is still cutting out vibration, I went "Oh my goodness!"

SM: Well, you know and I tend to be one of those people who doesn't like systems and doesn't like rules. And I think that gives me my edge, quite personally. But I mean, you know, there's enough people. When you run your numbers on the things that you sell, there's this thing called the



Internet, you know? And if you run your numbers, you don't need to sell to everybody in the world.

AM: Right.

SM: You don't need to be in bookstores to still reach some very high numbers financially. That's what the Internet has done for people. It's when you get out there and package yourself in a niched way and still have very viable companies that without the Internet you could not do that. Because you only have those channels of distribution.

AM: And I saw that the Internet was important so I'm ten years on the Web as of this year.

SM: Yay!

AM: Yay! I believe in it fully. And I also see through you and through many of the avenues I studied over the last six, seven months. The joint ventures and the teamwork is really powerful.

SM: It is.

AM: Really powerful.

SM: In many ways, in growing your list – it's huge. But –

AM: Growing a list. Becoming an expert in a field that not many people know about.

SM: Supporting, the support piece! You can't – I don't think you can be innovative in a vacuum.

AM: No!

SM: Right. I mean, it's huge and every day is an experience. Every time I'm lucky enough to have a new expert on that I bring to my customers, you know, that is a new learning process for me. What a fun job! And that's what I really want to pass on to everyone on this call. Is that if you can plug into these models, you can go out there and create whatever it is you are passionate about and serve customers and have that abundant lifestyle and pass it right on to other people. You know, it goes back – because we're women – it goes back to the piece that when women are financially independent, they make really healthy choices for all the community. They do, for their children and it passes this on. It's a really cool thing.



So, I'm glad you shared that. And I didn't know about that piece with *The Secret* so that's interesting. You know, it's a really interesting movie just to go back to it on different levels. I think I've watched it three times now. And you get different things every time you watch it, and then to be reading *Think and Grow Rich* and all of that's the same stuff, really.

AM: Um-hmm.

SM: It's just really interesting! I think it serves everyone well to open their mind and to be reading these things and that's one reason I'm sending everybody *Think and Grow Rich* this month. Want to make sure everyone has it. Okay! Any more questions? Okay. So this is the third week again. In the coaching call next week, we will cover Networks and Direct Selling. And then also, tomorrow, we'll have on our next expert, Milana Leshinsky and she will talk about the coaching models and that call is at 10 o'clock central standard time for those of you who are actually in the first twelve-week program, and I'm looking forward to you all being on the call.

If you have any questions about any of the calls, first of all, log in to your log-in page. It's all there. But also, email us at [support@my-millionaire-friends.com](mailto:support@my-millionaire-friends.com). Take care, everyone.

Also, whoops – one last update. We'll have the transcript of last week's call up on the Web site today. And then this week's call, the transcript will be up next week. So again, take care everyone and have a wonderful day!

AM: Thank you.

AM: Bye.

[End of Audio]