

RICH  DAD.

THE AMAZON MILLIONAIRE

A NEW BREED OF ENTREPRENEUR



ROBERT T. KIYOSAKI & DAVE KETTNER

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Best-selling Books

by Robert T. Kiyosaki

Rich Dad Poor Dad

What the Rich Teach Their Kids About Money –
That the Poor and Middle Class Do Not

Rich Dad's CASHFLOW Quadrant
Guide to Financial Freedom

Rich Dad's Guide to Investing

What the Rich Invest in That the Poor and Middle Class Do Not

Rich Dad's Rich Kid Smart Kid

Give Your Child a Financial Head Start

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Why Slow Investors Lose and Fast Money Wins!

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Learn How Money Works and Become a Rich Kid

Rich Dad's Before You Quit Your Job

Ten Real-Life Lessons Every Entrepreneur Should Know
About Building a Multimillion-Dollar Business

Rich Dad's Increase Your Financial IQ
Get Smarter with Your Money

Robert Kiyosaki's Conspiracy of the Rich
The 8 New Rules of Money

Unfair Advantage

The Power of Financial Education

Why "A" Students Work for "C" Students

Rich Dad's Guide to Financial Education for Parents

Second Chance

for Your Money, Your Life and Our World

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Old School:

“I’ve got to keep my secret sauce.”

New School:

“The more you give, the more you receive.”

This is why I wrote this book with Dave Kettner. He is a giving teacher first, and when it comes to being an Amazon Entrepreneur, Dave’s got a LOT to give.

– Robert Kiyosaki

Shane Caniglia

Everything We Think We Know About Entrepreneurs is WRONG!

So often we glamorize the entrepreneur. People do studies analyzing what makes an entrepreneur special, what is inside the entrepreneur that makes him or her so driven. That’s all media hype.

Then we read reports that state the entrepreneur defies all odds. We are told that 9 out of 10 entrepreneurs fail in their first 5 years and another 90% never make it past that. More hype.

Everything we think we know about entrepreneurs is WRONG! Let me break it down for you. When those “researchers” study entrepreneurs, they seem to only want to focus on the biggest, the most ground-breaking and influential entrepreneurs. They study Bill Gates, Richard Branson, Donald Trump, and Steve Jobs. Then they tell us we don’t stand up to them. They tell us to go back to our jobs and quite dreaming of being an entrepreneur. It’s just media worship and media hype.

So what about those stats about failing entrepreneurs? Those stats are incredibly misleading. Those figures come from the IRS. Many people often try to turn their hobby into a tax deduction. The way they do this is to create a business around their hobby and then deduct all the money they spend on their hobby as a business deduction. Guess

what? You can't do that for very long. If you try to do it for more than five years, you are going to get audited.

What does this mean? It means most of the "businesses" that get started are not actually businesses. If you take those false numbers out of the equation, you'll discover that being an entrepreneur isn't nearly as risky as you've been led to believe. Those numbers are media drama!

So go out there! Quit your job! Be that entrepreneur! It's easy!

Unfortunately, that is also drama, but from the other side of the coin. Entrepreneurship is not easy. It's hard work, especially at the beginning.

But we live in an age when the tools for entrepreneurship are available to anyone with a computer. We live in an age when products are easier and cheaper to make than ever before. We live in an age when products don't even have to be made with materials, but can be digitally made and delivered. That is great, but it's not what makes this time the best time to be an entrepreneur.

There are two things that make today the greatest entrepreneurial age:

1. We have access to teachers like never before.
2. You can start a business from home while still working at your job.

I think the first point is obvious enough, so let's focus on the second point.

Chances are you have a job. Chances are your job sucks. But you've learned a few things from this job, mainly, **YOU DON'T LIKE BEING AN EMPLOYEE!** You don't like working for a corporation with no soul. You don't like being invisible and unappreciated. You don't like not making a difference in the world. And you don't like that you're going down the same path as your parents. You already know the end result... laid off, fired, no retirement, no benefits, no security and certainly no comfort.

You wanted to make the world a better place, but you are finding that you are just making the world more of the same... and the same isn't good.

So what is a person to do?

I already told you that it's bullshit to just go out and quit your job. You have responsibilities and bills and loved ones depending on you. BEFORE you quit your job, get educated. Start your home business on the side and grow your business until it is covering all your bills and responsibilities.

Sound tiring? Dave Kettner spends about an hour a day working on his business. Do you think you can find an hour to build the machine that will create your freedom? If you can't, then this book probably isn't going to help you. But if you can give up your lunches, or TV time, or even a little sleep for a little while, then you CAN be a success.

If you want your success to be a gift and not earned, then this book won't help you. If you are not afraid to learn from one of America's greatest entrepreneurs and one of America's new, digital entrepreneurs, then this book is the blue pill you've been looking for... or your closet to Narnia, or your rabbit hole, or your dream to the land of OZ.

Before you jump into the lessons from Robert and Dave there is one more thing you need. You must accept the responsibility of being self-made. This is your journey, your hard work. This is NOT a gift.

Your first step in taking responsibility is to quit blaming others and quit blaming the world. You must accept that opportunity is everywhere. Opportunity is all the time. It does not disappear in the difficult times, in fact it's even greater. As the world offers more problems to solve, the person with the ability, knowledge, or creativity to solve problems will see more opportunities than ever.

As you know, with the creation and emergence of the digital world, a single person armed with the power of a laptop can become a force to be reckoned with overnight. Opportunity is everywhere and the ability to capitalize on these opportunities exists through the laptop, tablets, and smart phones.

All you need now is an idea. Well, an idea and the courage to act on it.

The idea of not having to rely on anyone—except yourself—to prosper, the idea of being in complete control of your future is exciting... but scary. You'll have no one else to blame if you fail. It will all begin and end with you.

So be your own person. Take your wins and losses on your shoulders and learn about becoming an Amazon Millionaire below.

What is an Amazon Entrepreneur?

My name is Dave Kettner. I am honored that Robert has asked me to write this book with him. Before you start this book about business, and the ways in which it has changed and stayed the same, I thought I should explain to you what an Amazon entrepreneur is.

“Amazon entrepreneur” is my term for the system I was taught, and now teach, to create wealth using the Amazon platform. It’s a system that, when followed from start to finish, has been proven to create successful Amazon stores time after time.

What is great about these Amazon stores is the freedom they bring. Besides bringing me consistent cash flow in very generous amounts, they also bring it to me with only an hour of work a day. And the work I do could be done by anyone. I can hire someone to do it for me... or you could learn to do it for yourself!

The way to become an Amazon Millionaire is not difficult, but it does take time and commitment. The process looks a lot like this:

1. Determine what product will sell best and be profitable.
2. Find a manufacturer of your product who is reputable and can manufacture under your guidelines.
3. Create your own brand from logo, to customer service philosophy.
4. Create your Amazon store.
5. Ship your inventory to Amazon.
6. Market your store.
7. Give great customer service.
8. Review your sales and inventory.
9. Repeat steps 5, 6, 7 and 8.

There are a lot of little steps in between these big picture steps, but this gives you the basic idea of what an Amazon entrepreneur does. And if he/she does it right, they will become Amazon Millionaires.

Interested? Read on.

Robert Kiyosaki

Old School Entrepreneur Meets New School

When I first met Dave Kettner, I was so impressed with his composed and calm demeanor. Here was this very successful entrepreneur who was generating millions of dollars, who had started less than two years before, and he was calm. Peaceful.

My adventure into entrepreneurialism was not nearly as passive. In fact, one of the most frightening days of my life was the day I quit my job and officially became an entrepreneur. On that day, I knew there were no more steady paychecks, no more health insurance or retirement plans. No more days off for being sick or paid vacations.

On that day, my income went to zero. The terror of not having a steady paycheck was one of the most frightening experiences I had ever experienced. Worst of all, I did not know how long it would be before I would have another steady paycheck. It might be years.

The moment I quit my job I knew the real reason why many employees do not become entrepreneurs. It is fear of not having any money, no guaranteed income, no steady paycheck. Very few people can operate for long periods of time without money. Entrepreneurs are different, and one of those differences is their ability to operate sanely and intelligently without money.

On that same day, my expenses went up. As an entrepreneur, I had to rent an office, a parking stall, and a warehouse; buy a desk and a lamp; rent a phone; and pay for travel, hotels, taxis, meals, copies, pens, paper, staples, stationery, legal tablets, postage, brochures, products, and even coffee for the office. I also had to hire a secretary, an accountant, an attorney, a bookkeeper, a business insurance agent, and even a janitorial service. These were all expenses my employer had once paid for me. I began to realize how expensive it had been to hire me as an employee. I realized that employees cost far more than the number of dollars reflected in their paychecks.

The day I officially left the company, I was in San Juan, Puerto Rico. It was June 1978. I was in Puerto Rico because I was attending the Xerox Corporation's President's Club celebration, an event recognizing the top achievers in the company. People had come from all over the world to be recognized.

It was a great event, a gala I will always remember. I could not believe how much money Xerox was spending just to recognize the top salespeople in the company. But even though it was a celebration, I was having a miserable time. Throughout the three-day event, all I could think about was leaving the job, the steady paycheck, and the security of the company. I realized that once the party in San Juan was over, I was going to go on my own. I was not going back to work at the Honolulu branch office or the Xerox Corporation.

When leaving San Juan, our plane experienced some kind of emergency. In preparing to land at Miami, the pilot had us all brace, cradle our heads, and prepare for a possible crash. I was already feeling bad enough about this being my first day as an entrepreneur, but on top of that I had to prepare to die? My first day as an entrepreneur was not off to a very good start.

Obviously, the plane did not crash, and I flew on to Chicago where I was going to do a sales presentation for my line of nylon surfer wallets. I arrived at the Chicago Mercantile Mart late because of the flight delays, and the client I was supposed to meet, a buyer from a large chain of department stores, was already gone. Once again, I thought to myself, “This is not a good way to start my new career as an entrepreneur. If I don’t make this sale, there will be no income for the business, no paycheck for me, and no food on the table.” Since I like to eat, having no food disturbed me the most.

Dave did not appear to have this adrenaline, fear-based fuel. When I first met Dave, he was simply teaching some techniques he was using to drive more sales through his Amazon store. When I began my business, I had to quit work just to have the time to fly around the globe selling my wallets. Here Dave was, selling his Amazon products through a store that reached the world in seconds! All from his own home office.

I was feeling old and out of touch when Dave approached me and asked me to sign his copy of *Midas Touch*, a book written by Donald Trump and myself about entrepreneurialism. I was surprised. I of course signed his book, but as I handed it back to him, I asked him, “Did you read this book?”

“Oh yes!” he replied with great enthusiasm. “It’s one of the best business books I’ve read! I’ve applied a lot of the lessons to my Amazon business.”

I was a bit taken aback. I had to ask him more... “So, the lessons from my days, still apply today?”

“Absolutely!” Dave replied. “It’s still all business; just some of the systems have changed. The reasoning hasn’t changed one bit. It’s just now you can do so much more with less.”

Dave Kettner

Old School Entrepreneur Meets New School

When Robert and I met, it was like meeting a real life hero. Of course I had read *Rich Dad Poor Dad*, but what really changed my life was when I read Robert's second book, *CASHFLOW Quadrant*.

We'll talk about the quadrant in later chapters, but for this part of the story you need to know that I was an employee, an "E". As an "E" I was never in control of my life. My boss was in control of my life.

My boss determined when I worked, when I woke, the quality of living I could experience, even my health care quality. But worst of all, my boss, to a large extent, controlled my thoughts and the thoughts I was being forced to put in others' heads.

But it's not that way now.

In May 2009, I left my Instructional Specialist position with the Peoria Unified School District to focus on my Internet-based home business. I had worked for the district in this position where I mentored and coached teachers in all areas of teaching and the school curriculum for six years. Prior to that, I had taught as a classroom teacher for six years for a variety of schools including two years teaching English communication in Japan.

When I quit my "safe" school district position, I remember many people wondering why I was doing it, including my parents and grandmother who were very clear that I was making a huge mistake. They claimed that I was giving up on everything I had worked for including my expensive college education. I had just completed my master's degree in Educational Technology two years earlier. Plus they asserted that I would no longer have paid health insurance and would depend on supporting my son and I on an income that was not guaranteed.

That's how Robert really opened my eyes. My JOB wasn't guaranteed. My job was at the whim and mercy of others. If I truly wanted security, I would be better off relying on myself.

In addition to the power of relying on myself, what my family and others never factored into this equation was the fact that I neither was no longer happy working a job where I was required to teach something that I no longer believed in nor supported. Don't get me wrong, I love teaching others, especially teachers. I loved having a direct impact on not just one classroom of students, but entire schools!

My philosophy has always been to do what I can in my lifetime using the skill set that I have been blessed with to have a positive direct input on as many people as possible. Through this philosophy, it is my goal to make this world a better place one person at a time. The reason I decided to be a teacher was to have this impact on students while their own minds and philosophies were still being developed.

In addition, I attribute a great deal of who I am today to the teachers and coaches that helped shape my mindset and open my eyes to the tremendous possibilities that this life offers each and every one of us. It was the passion from some of my key teachers and athletic coaches in my upbringing that made a difference in my life, and gave me this desire to also be a teacher and coach.

Unfortunately, working for the school district as an instructional specialist took a toll on me. Year after year, the state of Arizona would make cuts to the education budget and I would see its negative effects directly hurting students and the educators in the classroom. The administration would continually ask more and more of the teachers while their salaries, which were supposed to incrementally increase each year, would be frozen. Even the continual education that teachers were forced to do to maintain their teaching certificates did not take place.

I think the biggest reason, though, that I began looking elsewhere for what I wanted to do, was when I realized how it had become a chore for me to get up every morning and go to work. Not only did I not enjoy it anymore, but I was becoming unhealthy as well. I was getting sick more often and had less energy. I even noticed that more and more teachers were getting sick as well, including some that were having serious health issues at a very young age. I knew that I needed to find a less stressful option.

In my position as an instructional specialist, I found that I was being forced to teach my fellow teachers things that I no longer believed. How could I tell them to teach in certain ways and use particular methods that the district wanted when I did not even believe in them? At that time, I wanted to instead teach them some of the things that I had been learning to do in my spare time on the Internet to better make ends meet, but could not because it was a huge conflict of interest.

Many teachers were forced to find other ways to make ends meet since their salaries were actually resulting in less and less pay when factoring in yearly inflation. I fell into this need as well, but instead of working summer school or acquiring a part time hourly job, I decided to find ways to work from home using the power of the Internet.

I actually started my quest for finding ways to monetize the Internet when I began my first venture in 1998. I registered my company trade name with the state of Arizona and opened my first business bank account. I dabbled in the Internet marketing niche buying courses, researching Internet marketers that were succeeding online, and attending Internet marketing conferences to learn all that I could. I set up my own ecommerce website in January 2003 and began taking orders and supplied them via drop shipping.

I slowly built up my product-selling business along with a few other Internet marketing ventures to a yearly income that was generating more than what I was making working full time for the school district. So, given the fact that I no longer enjoyed what I was doing full time even though I loved teaching, I gave my resignation to my boss after the 2008-2009 school year and have never looked back since.

Now I am blessed to be able to do what I truly love while making an amazing income working with my wife full time from home. We have partnered with incredible people, learned from the top marketing programs, and are now able to teach others how to generate their own success building their home businesses online. I have been able to take my passion to teach and my drive to help others succeed into an entirely new realm and it is awesome!

Robert Kiyosaki

What is a Digital Entrepreneur?

“Are people born entrepreneurs, or are they trained to be entrepreneurs?”

When I asked my rich dad his opinion on this age-old question, he said, “Asking if people are born or trained to be entrepreneurs is a question that makes no sense. It would be like asking if people are born employees or trained to become employees?” He went on to say, “People are trainable. They can be trained to be either employees or entrepreneurs.

The reason there are more employees than entrepreneurs is simply because our schools train young people to become employees. That is why so many parents say to their child, ‘Go to school so you can get a good job.’ I have yet to hear any parent say, ‘Go to school so you can become an entrepreneur.’”

But the world is changing. The internet has made information so instantaneous that you can learn anything anytime. The web has brought teachers from around the world into your home.

No longer do we need to rely on schools to teach us. We now have the power and freedom to learn how to do anything. But the computer gives us so much more than the ability to learn.

The home computer gives us the power to be entrepreneurs. The computer runs your business’ systems. It gives you the ability to communicate and market through email and social media. It gives you the tools for accounting and access to legal advice. The computer lets you search the whole world for manufacturers. The computer is the second greatest tool of the digital entrepreneur... but it is not the brains. The entrepreneur is the brains and must still provide leadership.

The computer changes the way things are done, but even the digital entrepreneur must provide vision, leadership, and the entrepreneur mindset.

The computer does one more thing that is new. The computer lets you transition from employee to entrepreneur. In my day I had two choices. I could quit my job and risk everything to commit the time to get my business up and running. Or I could start a very small business that I could work on at night.

The second option almost never worked as the options available to people were so small. For me, I would have to find something I could manufacture in my home. I couldn't do sales calls because all the offices would be closed at night. So even if I could cheaply manufacture something at night, I struggled to sell my product. Plus, I would not have lasted long without much sleep.

The computer lets you get educated in your home, find a product in your home, but also lets you run a business for as little as a few minutes a day from your computer at home. The digital entrepreneur can now start small at home, grow his or her business, and still get the needed sleep and maintain their job as their business blossoms.

Dave Kettner

What is a Digital Entrepreneur?

I'm going to skirt this question a bit and tell you what an Amazon entrepreneur is. First, let me ask you a riddle:

This company is worth ten times what it was ten years ago.

This company just produced over \$88 billion in revenue last year (after a staggering nearly 20% growth from the year before).

This company just invested \$2 billion in India.

What this company provides has been around for thousands of years.

Know who I'm talking about? Take a guess...

It's Amazon.com, Inc.

If you're interested in building a successful digital business now and long into the future, you need to be watching this company.

When was the last time you went online shopping in a non-USA country?

How was the experience? Not so good right?

Amazon is changing all that. It dominates the USA market, and is providing this same mass-availability value to other countries around the world (including with its \$2B investment in India).

Amazon is constantly pushing innovation and growth, which is why it keeps growing at nearly 20% per year, even though it's already one of the biggest companies in the world.

Here are just a few projects Amazon is working on that could change the way the world works (again):

- Drone package delivery (a hoax? Nope, this is a REAL project)
- Amazon app for the brand new Apple Watch
- Brand new online marketplace for products created by startups
- New store on one of China's largest eCommerce platforms, Tmall

The massive force created by Amazon is converging with something else that's been developing for years...

In the past, if you had a product idea for a physical product and wanted to create that product and sell it, it was next to impossible if you didn't have deep, deep pockets. The time, effort, and money you'd have to spend working with manufacturing middlemen was absolutely overwhelming for most people.

Not anymore.

Now, the multi-billion dollar Chinese conglomerate, Alibaba, has nearly singlehandedly changed that forever.

You can contact great suppliers right in China from Alibaba's website within minutes. You can literally source a product for your new business within 10 minutes now.

Better yet, these suppliers are getting more and more experienced helping people from other countries create and offer new products. It gets easier, faster, and cheaper every single day.

Using these mega businesses Amazon and Alibaba, the new entrepreneur can build a business from home working part-time while keeping his/her job.

The digital entrepreneur is the entrepreneur who needs to or wants to work from home and can harness the power of a computer. An Amazon entrepreneur can not only use the power of the computer but can also leverage the power of the biggest companies on the planet to work for them.

Robert Kiyosaki

What is the CASHFLOW Quadrant?

So you've been working hard for years, climbing the ladder. Maybe you're still near the bottom of the ladder, or maybe you even got near the top. Where you are on the ladder doesn't really matter. What matters is the question that you may have forgotten to stop and ask before putting in all that time and effort climbing: Where is this ladder planted?

It doesn't matter how fast or high you climb on the ladder if it's leaning against the wrong wall.

The purpose of this chapter is for you to stop climbing for a minute and see where your ladder is planted. And, if you're not happy where it is, to find out where you might want to move it.

How Do You Make the Money You Make?

Most people assume that their financial standing is defined by how much they earn, how much they're worth, or some combination of both. And there's no doubt that this has some bearing. *Forbes* magazine defines "rich" as a person who earns in excess of \$1 million per year (about \$83,333 per month, or just under \$20,000 a week), and "poor" as someone who earns less than \$25,000 a year.

But even more important than the quantity of money you make is the *quality* of money you make. In other words, not just how much you make, but how you make it—where it comes from. There are actually *four distinct sources* of cash flow. Each is quite different from the other, and each defines and determines a very different lifestyle, regardless of the amount of cash you earn.

After publishing *Rich Dad Poor Dad*, I wrote a book to explain these four different income worlds. Many people have said that this book, *CASHFLOW Quadrant*, is the most important writing I've done because it goes right to the heart of the crucial issues involved for people who are ready to make true changes in their lives.

The *CASHFLOW Quadrant* represents the different methods by which a cash income is generated. For example, an *employee* earns money by holding a job and working for someone else or a company. The *self-employed* are people who earn money working for themselves, either as solo operators or through their own small business. A *business owner* owns a large business (typically defined as 500 employees or more) that generates money. *Investors* earn money from their various investments—in other words, money generating more money.



E = Employee

S = Self-employed or Small-business owner

B = Business owner

I = Investor

Which quadrant do you live in? In other words, from which quadrant do you receive the majority of the income on which you live?

The E Quadrant

The overwhelming majority of us learn, live, love, and leave this life entirely within the E quadrant. Our educational system and culture train us, from the cradle to the grave, to live in the world of the E quadrant.

The operating philosophy for this world is what my poor dad—my real father—taught me, and what you probably learned, too, when you were growing up: Go to school, study hard and get good grades, and get a good job with benefits at a great company.

The S Quadrant

Driven by the urge for more freedom and self-determination, a lot of people migrate from the E quadrant to the S quadrant. This is the place where people go to “strike out on their own” and pursue the American Dream.

The S quadrant includes a huge range of earning power, all the way from the teenage freelance babysitter or landscaper just starting out in life, to the highly paid private-practice lawyer, consultant, or public speaker.

But whether you’re earning \$8 an hour or \$80,000 a year, the S quadrant is typically a trap. You may have thought you were “firing your boss,” but what really happened is that you just changed bosses. You are still an employee. The only difference is that when you want to blame your boss for your problems, that boss is you.

The S quadrant can be a thankless and difficult place to live. Everyone picks on you here. The government picks on you—you spend one full day a week just in tax compliance. Your employees pick on you, your customers pick on you, and your family picks on you because you never take any time off. How can you? If you do, you lose ground. You have no free time because if you take time off, the business doesn’t earn money.

In a very real way, the S stands for slavery: You don’t really own your business; your business owns you.

The B Quadrant

The B quadrant is where people go to create big businesses. The difference between an S business and a B business is that you work for your S business, but your B business works *for you*.

I have many B businesses, including my manufacturing business, my real estate business, mining companies, and others.

Those who live and work in the B quadrant make themselves recession-proof, because they control the source of their own income.

The I Quadrant

This is not rocket science. My rich dad taught me to live in the I quadrant by playing *Monopoly*, and we all know how that works: four green houses, one red hotel; four green houses, one red hotel.

Changing Jobs Is Not Changing Quadrants

Now let me explain why it's so important to understand these different quadrants. How often have you heard someone complain about their job, then decide to make a change, only to end up a few years later with the same old complaints?

I keep working harder and harder, but I'm just not getting ahead.

Every time I get a raise, it gets eaten up by taxes and higher expenses.

I'd rather be doing [fill in the blank], but I can't afford to go back to school and learn a whole-new profession at this stage of my life.

This job stinks! My boss stinks! Life stinks! (etc.)

These, and dozens of others like them, are all statements that reveal a person who is trapped—trapped not in a certain job but in an entire quadrant. The problem is, most of the time when people do take the initiative to actually make a change in their lives, all they do is change jobs. What they need to do is change quadrants.

The left-hand side—the E and S quadrants—is where most people live. That's where we are brought up and trained to live. “Get good grades, so you can get a good job,” we're told. But your grades don't matter in the B quadrant. Your banker doesn't ask to see your report card; he wants to see your financial statement.

Breaking away from those typical job structures and creating your own stream of income puts you in the best position to weather an economic storm, simply because you are no longer dependent on a boss or on the economy to determine your annual income. Now you determine it.

At least 80 percent of the population lives in the left-hand side of this picture. The E quadrant, especially, is where we are taught we will find safety and security. On the

other hand, the right-hand side—the B and I quadrants—is where freedom resides. If you want to live on that side, then you can make it happen. But if you want the relative safety of the left-hand side, then maybe what I have to share here is not for you. That's a decision only you can make.

Which quadrant do you live in?

Which quadrant do you *want* to live in?

Your Core Financial Values

The four quadrants are not just four different business structures; they are four different *mindsets*. Which quadrant you choose to earn your primary income from has less to do with external circumstances—your education, training, the economy, what appear to be the available opportunities around you—and much more to do with who you are at your core: your strengths, weaknesses, and central interests.

It is a matter of your *core financial values*. It is these core differences that attract us to or repel us from the different quadrants.

This is important to grasp because it means that shifting from the E or S quadrant over to the B quadrant isn't as simple as filling out a change-of-address form at the post office. You not only change what you do, but in a very real way, you also change *who you are*. Or at least, *how you think*.

Some people may love being employees, while others hate it. Some people love owning companies, but do not want to run them. Certain people love investing, while others see only the risk of losing money. Most of us are a little of each of these characters. It is also important to note that you can be rich or poor in all of the four quadrants. There are people who earn millions and people who go bankrupt in each of the quadrants. Living in any one quadrant does not in itself necessarily guarantee financial success.

You can tell which quadrant people are living in by listening to their words. When I was 9 years old, I began sitting in with my rich dad when he interviewed people for possible hiring. From these interviews, I learned to listen for people's core values—values that my rich dad said came from their souls.

Here are some key phrases that emerge from each quadrant along with a snapshot of the core values of each.

E Quadrant Values

“I am looking for a safe, secure job with good pay and excellent benefits.”

For someone living in the E quadrant, the core value is *security*.

You might be the top-earning vice president of a company yet still share the same core values as the company’s janitor, who earns a tenth of your salary. A person in the E quadrant, regardless if he is the janitor or the president, often thinks or says words such as, “I am looking for a safe, secure job with benefits.” Or, “How much do we get for overtime?” Or, “How many paid holidays do we have?”

When I’m having a conversation with someone in the E quadrant and I talk about how much I love starting my own businesses, he may say, “Yeah, but isn’t that risky?” We each see life from our own core values. What is exciting for me is frightening to someone else. This is why, when I’m in the company of people who live in the E and S quadrants, I usually talk about the weather, sports, or what is on television.

S Quadrant Values

“If you want something done right, do it yourself.”

For people in the S quadrant, the core value is *independence*. They want the freedom to do what they want. When a person says, “I’m going to quit my job and go out on my own,” the path taken is from the E quadrant to the S quadrant.

The people found in the S quadrant are small-business owners, mom and pop businesses, specialists, and consultants. For example, I have a friend who installs big-screen televisions, phone systems, and security systems in rich people’s homes. He has a staff of three and is happy to be the boss of just three people. He is a hardcore, hardworking S. Commissioned salespeople, such as real estate agents and insurance brokers, are in the S quadrant. The S quadrant is also filled with professional people, such as doctors, lawyers, and accountants who do not belong to a large medical, legal, or accounting firm.

People living in the S quadrant often take great pride in the work of their own hands or brains. If they had a theme song, it would be either, “Nobody Does It Better” or “My Way.” Yet, behind the façade of independence, you will often find a lack of trust at the

core of this person's approach to business—which also means his approach to life, because how we view our business tends to be how we view *everything*.

An S is often paid by commission or by the amount of time spent on a job. For example, an S may be heard saying words such as, “My commission is 6 percent of the total purchase price.” Or, “I charge \$100 an hour.” Or, “My fee is cost plus 10 percent.”

Whenever I meet someone from the E or S quadrant who is having difficulty making the transition to the B quadrant, I usually see a person with great technical or management skills but little leadership ability. My rich dad used to say, “If you're the leader of the team and you're also the smartest person on the team, your team is in trouble.” People in the S quadrant often don't work too well with teams; they may even have a big of an ego problem.

To make the jump from S to B quadrant, what is needed is a quantum jump not in technical skills, but in leadership skills. As I've said many times before, in the real world, the A students often go to work for the C students—and the B students work for the government.

If you've ever heard yourself saying, “If you want something done right, do it yourself,” or if you tend to think that way, it might be a good time to take a good long look at that philosophy.

B Quadrant Values

“I'm looking for the best people to join my team.”

For people in the B quadrant, the core value is wealth-building.

People who start from nothing and build great B quadrant businesses are often people with powerful life missions, who value a great team and efficient teamwork and want to serve and work with as many people as possible.

While a person in the S quadrant wants to be the best in his or her field, a B quadrant person wants to build a team out of other people who are the best in *their* fields. Henry Ford surrounded himself with people smarter than he was. While an S quadrant businessperson is often the smartest or most talented person in the room, this is often not true for a B quadrant businessperson.

When you own a B quadrant business, you will often deal with people who are much smarter, more experienced, and more capable than you are. My rich dad had no formal education, but I watched him deal with bankers, lawyers, accountants, investment advisors, and experts, many of whom had advanced degrees. In raising money for his businesses, he often dealt with people who were far richer than he was. If he had lived by the motto, “If you want something done right, do it yourself,” he would have ended up a complete failure.

When it comes to being paid, a true B quadrant person can leave his or her business and still get paid. In most cases, if someone in the S quadrant stops working, the income stops also. Therefore, a question you may want to ask yourself now is, “If I stop working today, how much income continues to come in?” If your income stops in six months or less, then, chances are, you are in the E or S quadrants. A person in the B or I quadrants can stop working for years and the money will continue to come in.

I Quadrant Values

“What’s my return on investment?”

What people in the I quadrant value most is *financial freedom*. The investor loves the idea of his money working instead of him working.

Investors invest in many things. They may invest in gold coins, real estate, businesses, or paper assets such as stocks, bonds, and mutual funds.

If your income comes from company or government retirement plans, rather than your own personal investing knowledge, then that is income from the E quadrant. In other words, your boss or the business is still paying its bill for your years of service.

Words an investor might be heard saying are, “I’m receiving a 20 percent return on my assets,” or “Show me the company’s financials,” or, “How much deferred maintenance is on the property?”

Different Quadrants, Different Investors

In today's world, we all need to be investors. However, our school systems do not teach us much about investing. Oh, I know that some schools teach stock picking, but to me, that is not investing; that's gambling.

Years ago, my rich dad pointed out to me that most employees invest in mutual funds or savings. He also said, "Just because you're successful in one quadrant, such as the E, S, or B, does not mean you will be successful in the I quadrant. Doctors are often the worst investors."

My rich dad also pointed out to me that different quadrants invest in different ways.

For example, a person in the S quadrant might be heard saying, "I don't invest in real estate because I don't want to fix toilets." A person in the B quadrant addressing the same investment challenge might say, "I want to hire a good property-management company to fix my toilets at night." In other words, an S quadrant investor will think he has to do the property maintenance on his own, and a B quadrant investor will hire another company to do the property maintenance for him. Different people, different mindsets; different quadrants, different values.

By now, you've probably figured out where I'm going with this. It comes down to a pretty simple thing: If you want to get rich, *you're going to have to move*. You don't need a new job; you need a *new address*.

If you want control over your life and destiny, if you want real freedom—the freedom to call your shots, set your schedule, spend time with your family and with yourself, doing the things you love to do—if you want to live the life you were designed to live—no holds barred, a life of passion and excitement and fulfillment—in short, if you want to be *rich and live rich*, then it's time to pack up your stuff and move.

It's time to leave the left side of the chart and move over to the B and I quadrants.

One more note on the difference between the “S” Quadrant and the “B” Quadrant

B business owners can go on vacation forever because they own a system, not a job. If the B is on vacation, the money still comes in.

To be successful as a B requires:

1. Ownership or control of systems, and
2. The ability to lead people.

For S's to evolve into B's, they need to convert who they are and what they know into a system, and many aren't able to do that. Or they're often too attached to the system to let go and let other people in.

Most new entrepreneurs get excited about a new product or an opportunity they think will make them rich. Unfortunately, many of them focus on the product or opportunity rather than invest the time designing the business around the product or opportunity.

Before quitting your job, it might be a good idea to find a mentor who has been an entrepreneur. All too often, people ask business advice from people who have business experience as an employee, but not as an entrepreneur.

I recommend keeping your daytime job while you start a part-time business—not for the money, but for the experience. That means, even if your part-time business does not make any money, you are gaining something far more important than money—real-life experience. Not only will you learn about business, you will learn a lot about yourself.

Dave Kettner

What is the CASHFLOW Quadrant?

When I first learned about the CASHFLOW Quadrant I was upset. I knew I was in the “E” quadrant. My eyes were opened and I realized that as an employee I was a modern day slave.

Shane Caniglia once wrote:

Slavery was a terrible system. The slave owner would give the slaves food and shelter with a hint of medical care. The slave would then be forced to work long hours at difficult jobs.

Nowadays , CEOs give their employees just enough money to afford food and shelter and a hint of medical care. The employees would then be forced to work long hours at difficult jobs.

Slavery was abolished, but if you want to abolish being an employee you have to do that yourself. You have to realize that you are caught in a trap. You can escape. You won't be alone. There's an entire movement of people taking matters into their own hands and bravely forging ahead as self-employed entrepreneurs.

These people first understood *that the old way of doing business and work isn't the answer* and rather than try and fix it, it's better to just move on . The world has changed and you must change with it. These people have taken the leap and started their own businesses, and now know the freedom and thrill that come with building something from the ground up. These entrepreneurs don't fear change—they embrace it and profit from it.

This is your time to make a change. This is your opportunity to become a part of the New Business Class and take your future into your own hands. Besides, you don't really have a choice—things are changing with or without you. The rules of the game have changed, and unless you adjust the way you think about money—and how you make it—you'll be at a serious disadvantage in this new economy.

I could not remain an employee with no control of my life. Being in the “S” quadrant wasn't going to be much better. I needed to be in the “B” quadrant or the “I” quadrant.

Robert said that those who are true B's can leave their business for a year or more and return to find their business more profitable and running better than when they left it. In a true S type of business, if the S left for a year or more, chances are there would be no business left to return to.

But I struggled with how I could get to the B side of the quadrant. The B side requires 500 employees. That just wasn't in my reality. I did not have the mindset capable of dreaming

so big. I needed something that seemed realistic to me. So I kept studying and trying to not just listen to the words of the CASHFLOW Quadrant but the *meaning*.

There is a huge different between the S quadrant and the B quadrant, and it had nothing to do with the number of employees!

An S owns a job; a B owns a system! I just needed to find or create the right system!

It wasn't as easy as you might guess. I did not realize that a person could sell on Amazon. I thought Amazon was just for the big boys. But once I understood the meaning behind the CASHFLOW Quadrant, my eyes were open and I began searching for opportunities. I was no longer looking for the best deals, I was looking for the best systems!

Multiple Quadrants

I'd like to make one more observation from my studying the CASHFLOW Quadrant. A person can be in two quadrants at the same time.

When I first started learning about how to sell on Amazon and how to create my own brand and product without much money, I was still in the E quadrant. My actions took me to work every day. I still wanted more from my job and I still relied on my paycheck.

In truth, many of my thoughts were still those of the employee mindset. But I had changed too. Now I was also in the B Quadrant. My actions at night were building my knowledge of the Amazon systems and of digital marketing. My thoughts were about perfecting what I was learning and testing to see what worked and did not.

But my dreams had changed. I dreamed only in the B Quadrant. Those are some pretty big dreams over there.

Robert Kiyosaki *The 8 Integrities of Business*

Rich dad called the following diagram, the B-I Triangle, the key to great wealth.

The Key to Great Wealth

The B-I Triangle was very important to rich dad because it gave structure to his ideas. As he often said, “There are many people with great ideas but few people with great fortunes. The B-I Triangle has the power to turn ordinary ideas into great fortunes. The B-I Triangle is the guide to taking an idea and creating an asset.” This chart represents the knowledge required to be successful on the B and I side of the CASHFLOW Quadrant. I have modified it a little over the years.

Rich dad was about 40 years old, and I was amazed at how he could run several different companies, all in different industries. For example, he had a restaurant business, a fast-food business, a convenience-store chain, a trucking company, a real estate construction business, and a property-management business. I knew he was following his plan to have his businesses buy his true investments, which for him was real estate, but it was amazing how many businesses he could run all at the same time. When I asked him how he could start, own, and manage so many businesses, his response was to draw the B-I Triangle.

Today, I own interests in several different companies in completely different businesses because I use the B-I Triangle as a guide. I do not own as many companies as rich dad did, but by following the same formula outlined in the B-I Triangle, I could own more if I wanted to.



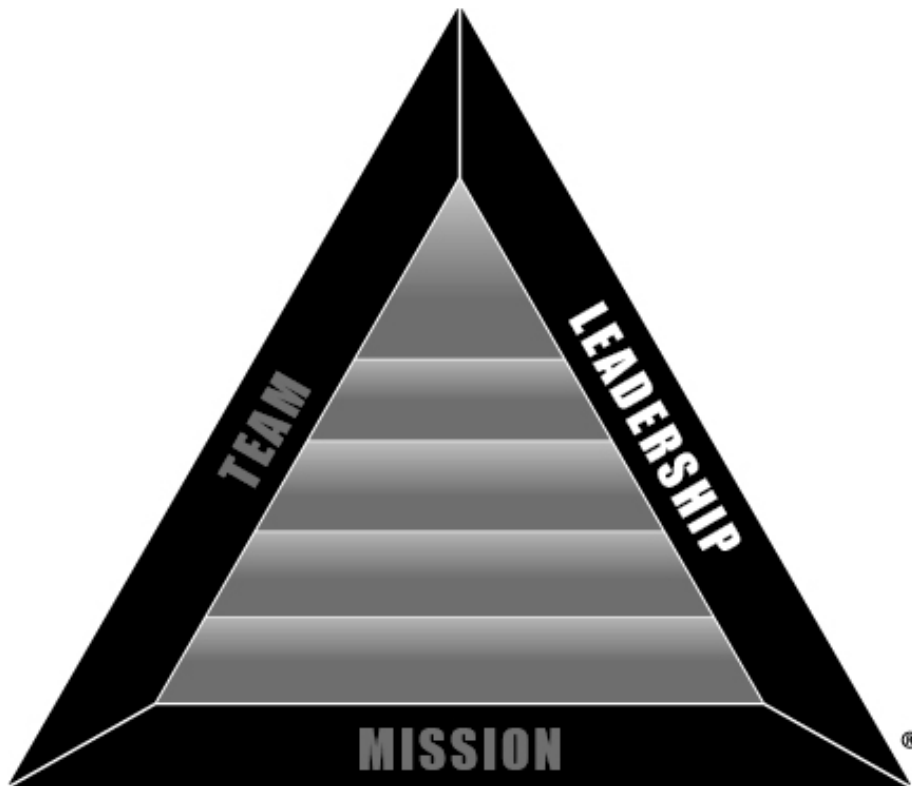
Mission

Rich dad said, “A business needs both a spiritual and a business mission to be successful, especially at the beginning.” When he explained this diagram to me, he always began with the mission since he thought it to be the most important aspect of the triangle, which is why it was at the base.

“If the mission is clear and strong, the business will weather the trials every business goes through during its first ten years. When a business gets big and forgets its mission, or the mission it was created for is no longer needed, the business begins to die.”

Rich Dad also said, “The most important of the B-I Triangle’s 8 integrities is the mission. The mission determines the product and the brand. It is the mission of the business that your customers love and mission generates brand loyalty.”

Rich dad chose the words “spiritual” and “business.” He said, “Many people start a business only to make money. Just to make money is not a strong enough mission. Money alone does not provide enough fire, drive, or desire. The mission of a business should fill a need that the customers want. And if it fills that need, and fills it well, the business will begin to make money.”



When it came to the spiritual component of the mission, rich dad said, “Henry Ford was a man driven by a spiritual goal first, and a business goal second. He wanted to make the automobile available to the masses, not just the rich. That is why his mission statement was: ‘Democratize the automobile.’ When the spiritual mission and business mission are both strong and in line, the combined power builds huge businesses.”

Rich dad’s spiritual mission and business mission were closely in line. His spiritual mission was to provide jobs and opportunities for many of the poor people to whom he served food in his restaurants. Rich dad thought the mission of a business was very important, although it was hard to see and to measure. He said, “Without a strong mission, a business is not likely to survive its first five to ten years.” He also said, “At the start of a business, the mission and the entrepreneur’s spirit are essential for the business to survive.”

The spirit and mission must be preserved long after the entrepreneur is gone, or the business will die. The mission of a business is a reflection of the spirit of the entrepreneur.

The Rich Dad Company, the company that Kim and I created, has the following mission: “To elevate the financial well-being of humanity.” By being clear and true

to the dual spiritual and business mission of this company, we have enjoyed great success. By being clear on our mission, we attract individuals and other groups with similar missions. Some people call it luck. I call it being true to our mission.

The most important of the B-I Triangle's 8 integrities is the mission. The mission determines the product and the brand.

It is the mission of the business that your customers love and mission generates brand loyalty.

Dave Kettner

The 8 Integrities of Business

When I quit my job as a teacher of teachers, I did so for spiritual reasons. I was no longer happy working a job where I was required to teach something that I no longer believed in nor supported.

Much like Robert, my purpose is to directly and positively benefit as many people as I can. I am still a teacher in my core, but I needed to find a better philosophy to teach. The government's curriculum wasn't working for me or my mission.

When I took my course to learn how to succeed with Amazon, I always knew that I would be teaching this same curriculum someday. My search for the right course wasn't just for me, it was always in my heart to share with others.

When I started my first Amazon store, it wasn't just to create a business, it was also to learn the process from the wins and lessons.

I think that is the important point when talking about a mission. Who cares what your business' mission is? The real question is, "What is *your* mission?"

It can be to create security for your family. It can be to create jobs for your friends. It can be to create freedom and time. It can be almost anything.

If I can offer two tips to creating your mission:

1. Make it about you and your needs. Make it personal.
2. The more people your mission serves, the stronger it will be and the greater attraction it will create. Attraction to customers, to future employees, to manufacturers and even banks and lenders. Do not underestimate the power of the spirit of a mission.

Amazon's and Alibaba's Missions

Amazon's mission is "To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices."

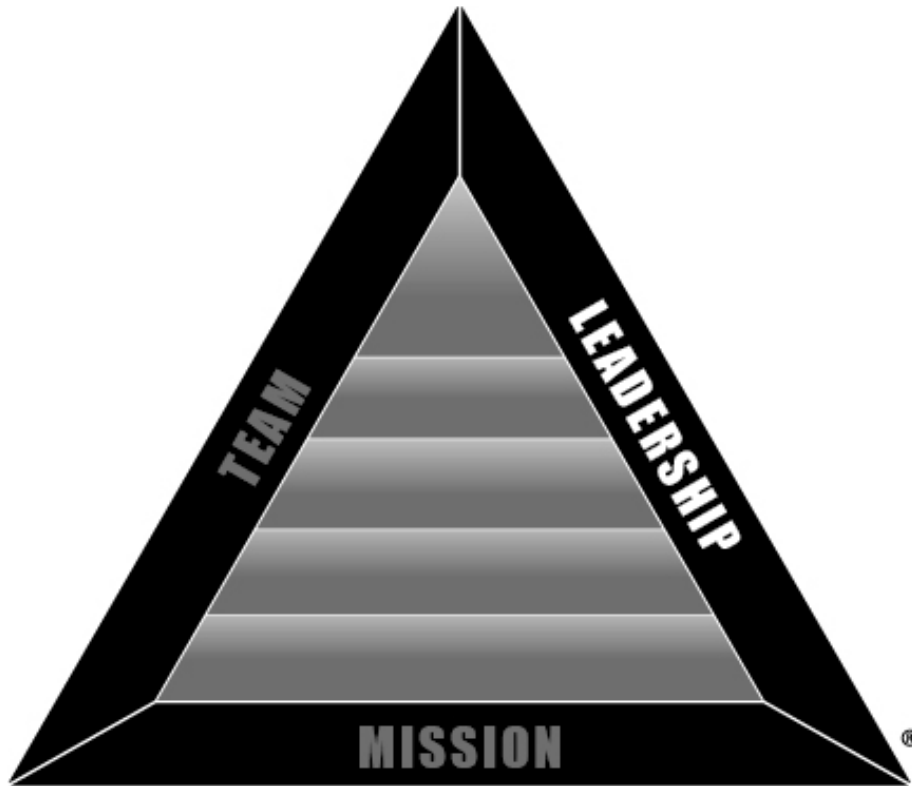
Alibaba's mission is "To make it easy to do business anywhere."

Even huge companies like Amazon and Alibaba have mission statements that speak of serving others. They aren't selfish. They are all about serving the customer by making products available, services available and offering the customer the best price with the greatest ease.

You might think to yourself that the mission is really just their strategy to make money. I would argue with you that both Amazon and Alibaba have refused many easy and profitable shortcuts and business practices that would have brought them more money in order to stay true to their mission.

Robert Kiyosaki *Team*

Rich dad always said, "Business is a team sport." He went on, saying, "Investing is a team sport." He would also say, "The problem with being in the E and S quadrant is that you as an individual play the game against a team."



One of rich dad's strongest criticisms of the educational system was: "In school, they train students to take tests on their own. If a child attempts to cooperate at test time, it is called 'cheating.' In the real world of business, business owners cooperate at test time, and in the world of business, every day is test time."

A Very Important Lesson

For people considering building a powerful and successful business, I think this lesson on teamwork is crucial. It is one of the primary keys to my financial success. Business and investing are team sports, and remember that every day in business is test time. To be successful in school, you had to take tests alone. In business, success comes from taking tests as a team, not as an individual.

Many investors today are trying to invest as individuals. I see and read about thousands of people who are doing online day trading. This is a perfect example of an individual trying to trade against well-organized teams. That is why so few of them succeed and why many lose their money. I was taught that when it comes to investing, you should

invest as a team member. Rich dad would say, “If people want to become sophisticated investors and more, they must invest as a team.” On rich dad’s team were his accountants, his attorneys, his brokers, his financial advisors, his insurance agents, and his bankers. I use the plurals here because he always had more than one advisor. When he made a decision, it was with his team’s input. Today, I do the same.

Team and systems go hand-in-hand. When you get the right team, from management to hourly employees, they can follow and even create the right systems. Once the team and system are united you are no longer needed for the day-to-day operations. You are free!

Dave Kettner

Team

Team is a big topic for me. That usually surprises people since I run a home business so let me explain.

There are three main areas where team is crucial to my business:

1. I have a team of educators and fellow Amazon store owners.
2. I work with the teams at Amazon and many other services.
3. I have a team to back me up with everything I do.

My first team is made up of educators and fellow Amazon store owners. When you go to one of my seminars, you will find 12 other educators, mentors, influencers and friends who run Amazon stores.

Some members on this team know all the technical systems used for setting up a complete back office customer service system. Some are great at using virtual assistants to grow their Amazon business. I have a friend who is an Amazon insider. He is constantly sharing Amazon secrets and lets me know what is coming in the future.

The team members can range from technical experts to people who help me stay in the right mental space. I have a couple team members who help me with time management and using tools to be more efficient.

You must be thinking that these team members must cost me a fortune. Nope. The price for these members is simply sharing what I know and always being willing to help.

We have a private Facebook page where we interact and where we allow all my students free access. The students get every question answered, but more importantly, learn to share their own information and make the team stronger.

The key to building such a great team is *intent*. When I interact with others in my team, I go there with the mindset of giving. I intend to give more than I receive. If you enter a team with that mindset, your team will be strong and your business will soar.

The second team type I mentioned is made up of the employees I interact with at Amazon and many other services. These employees are on MY team. They work for me and with me.

These teams help with customer service, logistics, marketing on Amazon, inventory, finding suppliers, branding, outsourcing, and so much more.

The last team I mentioned is the team I have that backs me up. If I get sick, the business keeps going. If I need a vacation (I usually just bring my laptop), the business keeps going.

This team gives me my freedom. It makes it so the business does not need me. That knowledge is freedom. If I want to retire and still have cash flow coming in from all my Amazon stores, I can.

Robert Kiyosaki

Leadership

And that leads to the next part of the B-I Triangle—leadership—because every team needs a leader.



The world is filled with people who have great intentions and great ideas. Many have a strong desire to change the world, to make the world a better place to live. They may have great ideas but no one listens to them. No one follows. They may be smart, but they have no power.

“True leaders are not born leaders. True leaders want to be leaders and are willing to be trained to be leaders, and training means being big enough to take corrective feedback.”

A true leader also knows when to listen to others. I have said before that I am not a good businessman or investor. I am average. I rely on the advice of my advisors and team members to help me be a better leader.

Rich dad often said, “Business would be easy if not for people.” I agree. One of the reasons so many people who become entrepreneurs remain small, preferring to be a lone

wolf rather than a leader, is because dealing with people, young or old, is never easy. For a business to grow, an entrepreneur must be a better leader, able to deal with more and more people. That takes leadership.

Visionary, Cheerleader, and Pit Bull

A leader's roles are a combination of visionary, cheerleader, and pit bull.

As a visionary, the leader must keep his or her focus on the corporate mission. As a cheerleader, he or she must inspire the team as it works together towards that mission as well as herald the successes along the way. As the pit bull, he or she must be able to make the tough calls regarding issues that distract the team from achieving the mission. The unique ability to take decisive action while maintaining focus on the ultimate mission is what defines a true leader.

With the right mission, team, and leader you are well on your way to building a strong B business.

Dave Kettner *Leadership*

People are often confused when I stress the importance of leadership. "You work at home," they say. "Who are you leading... your dog?"

I know they are just being funny, but they have completely missed the point. Earlier I spoke about three different teams that my business requires. Where does a team go without a leader? It goes to last place. It goes to failure. And it takes you with it.

The job of a leader is to keep the teams communicating. Most people think the leader's job is to solve problems. That is really not the case. As a leader I often identify a problem (so can my team) but my real role is determining who is best to solve the problem, assign the problem, and then hold the team responsible for its solution in a timely manner.

The team will be the one to solve the problem, the leader simply gives the team the tools to solve the problem and the greatest tool is communication.

What makes this type of business different is *HOW* you lead. Most of your communication is through electronic media, email, Skype and so on. You cannot just rely on great charisma and charm. You need purpose.

In an Amazon business, great leadership comes from a great mission. When I am leading my teams, I am constantly referring to my mission. Because my mission is one of serving, people respond well to it and I find they actually want to work harder for me, because they want to work hard for the mission. Basically, it's very similar to the way Robert leads through being a visionary.

Robert also mentioned that leaders need to be part pit bull. That is true for digital leaders as well. This is still done through electronic mediums, but the tone of the communication is very different. It's a three-part process.

Part one—You must very clearly and plainly explain what you need and when you need it.

Part two—You must get your team to agree to meet your requirements.

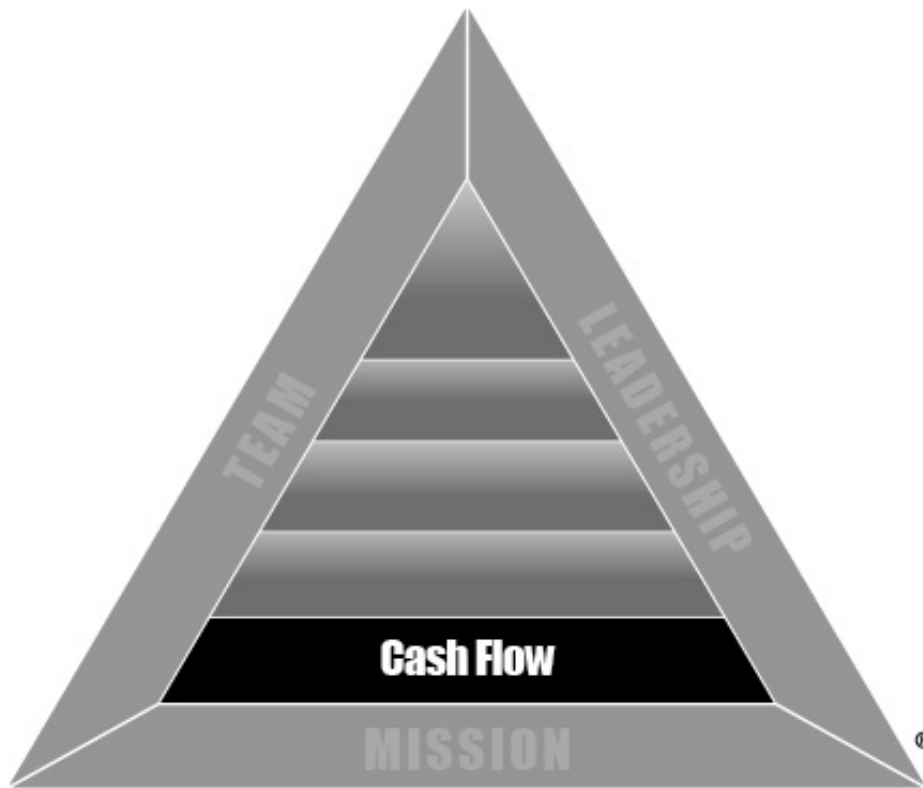
Part three—You must hold the team to the agreement. Do not accept deviations. There are strategies I teach to accomplish holding your team to the agreements. In this style of leadership, your job as an Amazon entrepreneur is to remove all the gray middle ground from all your agreements. Make things black or white.

Robert Kiyosaki

Cashflow

With the right mission, team, and leader you are well on your way to building a strong business. Five building blocks are essential to developing a strong business: cash flow, communications, systems, legal, and product.

Each of these will be discussed separately in the chapters that follow.



Rich dad would say, “Cash-flow management is a fundamental and essential skill if a person truly wants to be successful in the B and I quadrants.” That is why he insisted that I read financial statements of other companies.

In fact, he spent most of his time teaching us to be financially literate. He would say, “Financial literacy allows you to read the numbers, and the numbers tell you the story of the business, based on facts.”

If you ask most bankers, accountants, or loan officers, they will tell you that many people are weak financially simply because they are not financially literate. I have a friend who is a respected accountant in Australia. He once said to me, “It is shocking to see a perfectly good business go down just because the owners are not financially literate. Many small business owners fail because they do not know the difference between profit and cash flow. As a result, many very profitable businesses go broke. They fail to realize that profit and cash flow are not the same things.”

Rich dad would drum into my head the importance of cash-flow management. “Business owners need to see the two types of cash flow if they want to be successful. There is actual cash flow, and there is phantom cash flow. It is the awareness of these two cash flows that makes you rich or poor.”

Cash-Flow Tips

Cash flow is to a business what blood is to the human body. Nothing can impact a business more dramatically than not being able to make payroll one Friday. Proper cash-flow management starts on the first day you begin your business. When Kim and I started The Rich Dad Company, we agreed that no purchase would be made if it were not justified by an increase in sales.

Good cash-flow managers review their cash position daily, looking at cash sources and needs for the next week, month, and quarter. This allows them to plan for any large cash need before it becomes a cash crisis. This type of review is imperative for a company that is growing quickly.

I have listed some cash-flow tips that may help you in structuring your business. Each step applies to your business, whether it is an international business, a single rental unit, or a hot dog stand.

Initial Corporate Start-up Phase

- Delay taking a salary until your business is generating cash flow from sales. In some cases, this may not be possible due to an extended development period. However, your investors will be much more supportive if they see that you are sharing in the development process by “investing your time.”
- I advise keeping your full-time job and starting your business part time. By delaying taking a salary, you can reinvest sales to help grow your business. This is why I fell in love with Dave Kettner and his Amazon business. He has found a way to start a home-based business that you can run while still working at your full-time job.

Sales and Accounts Receivable

- Invoice your customers quickly upon shipment of goods or when services are provided.
- Require payment up front until credit has been established. Require that credit applications be completed before granting credit, and always check references. Standard credit forms are available at office-supply stores.
- Establish a minimum dollar amount for orders before granting credit.
- Establish late-payment penalties as part of your terms and conditions—and enforce them.
- As your business grows, to speed up the receipt of cash, you may want to have your customers pay their bills online with direct deposit.

Expenses and Accounts Payable

- Many businesses forget that a crucial part of cash flow is managing their own bill paying. Make sure you pay your bills promptly. Ask for extended payment terms up front. After you have paid timely for two to three months, ask for additional extensions on your payable terms. A supplier will usually extend credit for 30 to 90 days to a good customer.
- Keep your overhead to a minimum. Before purchasing something new, set a goal for increasing sales to justify the expense. Preserve your investors' funds for costs directly related to business operations, not overhead, if at all possible. As your sales increase, you can purchase the overhead-related items from the cash flow—but only if you have set and achieved new higher sales goals.

General Cash Management

- Have an investment plan for your cash on hand to maximize its earning potential.
- Establish a line of credit with your bank before you need it.

- To make sure you can move quickly to borrow if needed, keep an eye on your current assets/liabilities ratio (at least 2:1 is good). Quick ratios (liquid assets divided by current liabilities) should be over 1:1.
- Establish good internal controls on the handling of cash.

The people who record the cash receipts on the bank deposits should be different from those who post it to the accounts receivable and general ledger.

Checks should be endorsed immediately “For Deposit Only.”

The people authorized to sign checks should not prepare the vouchers or record the disbursements and post to the accounts payable and general ledger.

The person who reconciles the bank statement should have no regularly assigned functions related to cash receipts or cash disbursements. (Our outside accountant does this.)

While this may sound very complicated, each step of cash management is important. Call on your accountant, banker, and personal financial advisor for advice in structuring your cash-management system. Once you establish a system for how to manage your cash, ongoing supervision is still essential.

Review your cash position and funding needs daily, and prepare early for additional funding that may be required for your expanding business. Many people lose sight of cash management when their businesses become successful. This is a major cause of business failures. Proper cash management (and therefore expense management) is crucial to the ongoing success of any business.

For those of you working as a digital entrepreneur and an Amazon entrepreneur, you may find much of the cash-management system will be provided for you. In these cases, the corporate headquarters performs the accounting functions for your organization and sends you a report of your earnings periodically with payment.

Dave Kettner

Cashflow

For the Amazon entrepreneur, cash flow management is much more than just money. We do track our sales, expenses, ad spends, refunds, cost of product, and profit closely, but we also track so much more than that.

The Amazon entrepreneur cares about cash flow management, but focuses very heavily on inventory management. Inventory is also found in the systems area on the B-I Triangle, but as an Amazon entrepreneur, you've got to think of your inventory as money. You have to manage your inventory as if it's money. If you run out... you're done. If you have too much, you're in danger of something happening to it.

Inventory, just like money, must always be moving. It's why we call money 'currency.' It's got to always be moving. Here are a few things you've got to stay on top of for your "inventory flow."

- Always be aware of how much inventory you've sent to Amazon.
- Always know when Amazon has checked it in.
- Always know a range of sales for future months so you can ensure you have enough product.
- Much like the above post, always have enough inventory for the holidays.
 - Start ramping up as early as December.
 - Even if your product is not a holiday type product, you want extra as customers will add on their product needs to their holiday gifts in order to get free shipping.

Just as Robert said with managing money, I review my inventory position and fulfilling needs daily, and prepare early for additional funding that may be required for my expanding business. Proper inventory management is crucial to the ongoing success of any business as it is a major component of cash flow management.

One of the best things about being an Amazon entrepreneur is the use of their cash flow systems. Amazon accepts many methods of payments. Shane Caniglia once said that entrepreneurs always need to find ways to accept multiple forms of payment; it grows the base of customers you can sell to.

Amazon is also compliant as far as security for electronic payments and keeping the customers' privacy secure. Those are both very important. Keeping compliant with the security of electronic funds is expensive, time consuming and arduous. You must run very expensive tests on your system constantly and then report the results to the government, who can then demand stricter protections (very expensive), approve you and schedule your next test, or shut you down. Instead, Amazon takes that expense and burden off of your back.

Robert Kiyosaki
Communications Management



Here is a very important lesson: Everyone, including you, is always selling. You are always selling yourself. You are always selling your point of view. Every time there is a conversation you are either buying or selling a point of view. When you ask for

something from a coworker and that coworker gives you a reason why he/she cannot comply to your request, and you accept that reason as valid, then he/she sold you. You bought. Wouldn't you rather be the seller?

Rich dad would say, "The better at communicating you are, and the more people you communicate to, the better your cash flow will be." This is why communications management is the next level up on the B-I Triangle.

He would also say, "To be good at communication, you first need to be good at human psychology. You never know what motivates people. Just because something makes you excited does not mean it makes others excited. To be good at communication, you need to know what buttons to push. Different people have different buttons." He also said, "Many people are talking, but only a few are listening. The world is filled with fabulous products, but the money goes to the best communicators."

This communication level covers so many areas of business. Communication is what makes a leader. Communication holds a team together. Primarily, what rich dad meant when he added communication to the Triangle was sales and marketing, communication done outward toward the potential customer base.

Rich dad would say, "The number one job of an entrepreneur is sales." Sales are what create cash flow, which is the life blood of every company. Knowing this, I am always amazed at how little time businesspeople put into improving their overall communication skills. When I first balked in 1974 at the idea of learning to sell Xerox machines door to door, all rich dad said was, "Poor people are poor communicators." I repeat this negative statement with the intent of inspiring further study and practice of this vast subject.

Rich dad also said, "Cash flowing into your business is in direct proportion to communication flowing out." Whenever I find a business that is struggling, it is often a reflection of poor communications going out, not enough communications going out, or both.

Fear of Selling

“Get through your fears and the world will open up. Give in to your fears and your world will get smaller every year.”

After I began to overcome my fear of selling, rich dad had me join the Toastmasters organization to learn to overcome my fear of speaking in front of large groups. When I complained to rich dad, he replied, “All great leaders are great public speakers. Leaders of great businesses need to be great communicators. If you want to be a leader, you must be a speaker.” Today, I can speak comfortably to tens of thousands of people in convention halls because of my training in sales and my early training from the Toastmasters organization.

If you are thinking about starting your own B-quadrant business, I recommend those same two skills. First, develop the skill to overcome your fears, to overcome rejection, and to communicate the value of your product or service. Second, develop the skill of speaking to large groups of people and keeping them interested in what you have to say. As rich dad said to me, “There are speakers that no one listens to, there are salespeople that cannot sell, there are advertisers that no one watches, there are entrepreneurs that cannot raise capital, and there are business leaders that no one follows. If you want to be successful in the B quadrant, don’t be any of those people.”

The Difference Between Sales and Marketing

While still on the subject of communications, rich dad insisted that Mike and I know the difference between sales and marketing. He would say, “Many business owners suffer with low sales or poor communications with staff and investors. If a business has strong and convincing marketing, the sales will come easily. If the business has weak marketing, the company must spend a lot of time and money and work very hard at gathering sales.”

He also said to Mike and me, “Once you learn to sell, you need to learn how to market. An S-quadrant business owner is often good at sales, but to be a successful B-quadrant business owner, you must be good at marketing as well as sales.”

He said, “Sales is what you do in person, one on one. Marketing is sales done via a system.” Most S-quadrant businesspeople are very good at one-on-one sales. For

them to make the transition to the B quadrant, they need to learn how to sell through a system, which is called marketing.

In conclusion, communications is a subject worthy of lifelong study because there is more to communication than just speaking, writing, dressing, or demonstrating. As rich dad said to me, “Just because you’re speaking, doesn’t mean anyone is listening.” When people ask where to start to build a strong communications foundation, I encourage them to begin with the two basic skills of selling one on one and public speaking to a group. I also advise them to carefully watch their results and listen for feedback. As you go through the process of transforming from a poor communicator to an excellent communicator with these two skills, you will find your fundamental, everyday communication skills will also improve. When all three improve, you will see your cash flow increase as a result.

Marketing and Sales

Good first impressions are vital. Your marketing and sales efforts will often be the first impression your business makes on your potential customer. Whenever you are speaking, both your passion for your business and your appearance will have a lasting impact on your audience. Any published or printed material you produce or distribute is also important. It is a public representation of your business.

Marketing is selling through a system. Always make sure you know your audience and that your marketing tool has been designed for that audience. In every marketing or sales effort, include these three key ingredients:

- Identify a need,
- Provide a solution, and
- Answer your customers’ question, “What’s in it for me?” with a special offer. Communicate a sense of urgency for the customer to respond.

One of the most powerful forms of communication that affects a business is one over which you have little control: the communication from your existing customers to your potential customers. The power of this word-of-mouth advertising is immeasurable. This form of advertising can drive a company to success or failure very quickly. For this

reason, customer service is a vital communications function for any company.

The ability to speak is vital to building a successful business. The personal development and mentoring programs offered by select franchises and network-marketing organizations provide wonderful opportunities for personal growth.

Dave Kettner

Communications Management

Communication is quite possibly the most focused on part of the B-I Triangle for the Amazon Entrepreneur.

Amazon and their systems fulfill much of the B-I Triangle. But communicating to the customers is your responsibility. Amazon can help, but this part falls squarely on the Amazon entrepreneur's shoulders.

Amazon gives you a place to put pictures of your product, to name your product, to write a beautiful description of your product and so much more. But most people fail to do this right.

So how do you do this right? As you've heard, selling on Amazon is a HUGE opportunity right now and there are MANY people making HUGE earnings doing it. But how are you going to compete with so many sellers on Amazon trying to do the same thing?

You Need to Stand Out Above the Competition!

Here are some tips and tricks to get you on the path to outdoing your competition:

Keyword Title Optimization

There are TONS of sellers on Amazon that simply do not understand the power of a properly optimized title listing on Amazon. You will find countless sellers starting their product title listing on Amazon with the name of their brand or with other words that have nothing to do with what people are actually searching for. Let's look at a different market this time on Amazon and specifically look at the

beginning of their titles...



As you can see from the first two listings on the left, their titles begin with the name of their brands/company name. NO ONE is searching for these keywords on Amazon! Amazon places great emphasis on the first few words in the title listing that directly result in how products are organically ranked when searching for the keyword of the product your buyers are searching with.

In sharp contrast, look at how the product example on the right leads with their main keyword, “Wooden Spoon Set.” Do you think that people are trying to find this product using these keywords? Of course! Always lead your title with your best keyword phrase.

Premium Product Pictures

Have you ever heard the phrase, “A picture is worth a thousand words?” It is much easier to sell products online where the consumer cannot use their senses to determine if they really like the product you are selling or not by using quality pictures. The funny thing though is there are still Amazon sellers who are not giving a solid portrayal of what their product actually is.

How are buyers supposed to know if they like the color, if the quality is good, how the product looks in use by people or in certain locations? It is up to you as the seller to show off your product the best that you possible can with the amount of pictures that are available for you to use. Check out some of these horrible Amazon pictures below that I just found from real product listings. Would you want to buy these products?





All of these pictures are not using 3D imaging, enhancing the photos, displaying the product correctly, or even removing the background so the product is on a pure white background to make the product stand out.

In contrast, check out some of these pictures I found on Amazon where the picture helps to sell the product...



★★★★☆ 4 customer reviews

List Price: ~~\$18.99~~

Price: **\$3.99 & FREE SHIPPING**

You Save: **\$15.00 (79%)**

Note: Not eligible for Amazon Prime. Available with free Prime s
sellers on Amazon.

In Stock.

Ships from and sold by UCMDA.

Estimated Delivery Date: April 2 - 20 when you choose Standa

Color:

black

- Specifically designed for Apple iPhone 6 (4.7-inch) 2014.
- bumper case design with back protection.
- Perfect cutouts allows you to maximize the functionality of your De



Very different perspective right? This is just a small sample of what is possible when enhancing your product pictures to help sell your product, giving your consumer the experience online they are looking for when buying a product.

Also, be sure to use every single picture that you possibly can with Amazon. Do not limit your product listing to one or two pictures when you can post eight of them! Help your possible customers get a feel for what you are trying to sell them with awesome professional pictures.

Key Product Features

Amazon allows sellers to list their key product features as bullet points directly underneath your product title. This is a key area for you as the seller to tell your prospective buyers all of the key features and benefits that your product offers them.

Amazon allows you (depending on the category) to use 100 – 500 characters per line and up to five bullets, which show up in what I call the “prime real estate” of your product listing. It shows up above the fold and right in the middle of the page when your customers are checking out what you are offering.

Yet some sellers do not even utilize this space to the maximum benefit or even all five bullets! Why? Check out some of this wasted space...

★★★★☆ ▼ 4 customer reviews

List Price: ~~\$18.99~~

Price: **\$3.99 & FREE SHIPPING**

You Save: **\$15.00 (79%)**

Note: Not eligible for Amazon Prime. Available with free Prime shipping from [other sellers on Amazon](#).

In Stock.

Ships from and sold by [UCMDA](#).

Estimated Delivery Date: April 2 - 20 when you choose Standard at checkout.

Color:

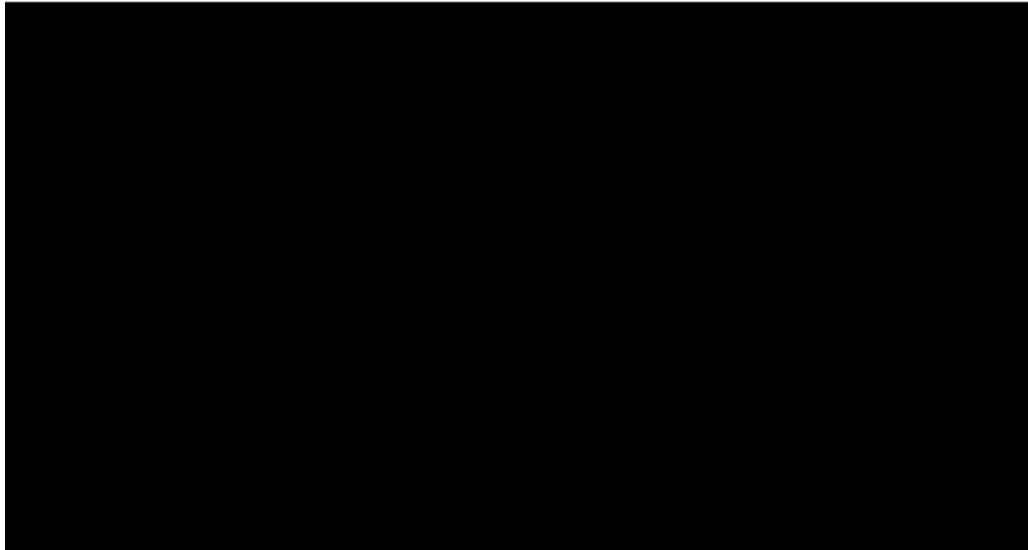
- Specifically designed for Apple iPhone 6 (4.7-inch) 2014.
- bumper case design with back protection.
- Perfect cutouts allows you to maximize the functionality of your Device

In this example above, this Amazon seller is only using three of the five bullets possible to use and very little information in the ones they are posting. In this category (Cell Phone & Accessories), they could use up to 500 characters per line! Contrast that to the example below where the seller is doing a much better job utilizing this space...

Product Description

Size: One Pack | Color: Red/Purple

Nuby's BPA FREE IcyBite teething keys are ideal for when front teeth first longer. The cool textured surfaces soothe and stimulate sore gums safely help with hand eye coordination.



Obviously a much better use of the bullet space in the example above and there is still more room to spare! Be sure to use this space wisely as it will help you sell more of your product.

Product Descriptions that Sell

The use of the product description is not as critical as some of the strategies shared above, but it still can affect the sales of your product. Amazon allows the sellers 2000 characters to use in the product description.

Of course as you probably are starting to realize by now, use this feature to the maximum! Amazon is giving you the opportunity to help sell your product by allowing you to educate the consumer on why they need your product and what it can do for them.

So firstly, be sure to write your descriptions with the best possible sales copy you can. Focus on identifying a problem that the consumer is facing, and then address how your product solves that problem. Be sure to educate them on the key features of this product along with the benefits that it provides. Identify why this product is unique and why they need to have it.

Always be sure to offer them the best possible warranty that you can along with a limited-time offer that will expire if they do not act quickly. This could be a special sale that you run where the price will increase soon.

Whenever possible, share real customer testimonial on how this product has helped others. It is also important to use a little bit of HTML code to help make the description stand out instead of a paragraph that is all smashed up together. Look at the differences in these two examples below...

Product Description

Size: One Pack | Color: Red/Purple

Nuby's BPA FREE IcyBite teething keys are ideal for when front teeth first start to show. When placed in the refrigerator the purICE Gel allows the teether to stay cooler for longer. The cool textured surfaces soothe and stimulate sore gums safely. The teething nubs help massage tender gums. The bright colorful shapes stimulate your baby visually and help with hand eye coordination.

There is hardly anything in the description above paragraph as compared to this...

Product Description

Size: Half Sheet (16.5" x 11") | Color: Premium Bubble Blue

BakeitFun Non-Stick Silicone Baking Mat

The best solution for baking or cooking food without using oils, foil or parchment paper.

Our silicone baking mat has been carefully developed to provide better heat distribution, so you'll enjoy great results every time. The mat works great with sticky foods making sure you always get non-stick results!

TOP FEATURES:

- 100% Professional German Grade, FDA Safe & BPA Free Silicone
- Heat Resistant from -40°F up to 450°F
- Oven, Dishwasher, Microwave and Freezer safe
- Non-Stick: Nothing sticks to it
- Reusable up to 2000 uses
- Convenient Size: 16 1/2" x 11" fits a half-sized baking sheet
- Professional 0.75mm thickness
- Rulers help you measure food placement
- Circles provides perfect cookies sizing

TOP BENEFITS:

- Save Money on parchment paper, cooking oils and sprays
- Save the Planet by avoiding disposable baking supplies
- Save Time by simply wipe with warm soapy water
- Save Space With Easy Storage rolling up or laying flat
- Cook with Your Kids and get them familiarized with healthier food

ENJOY BAKETIFUN EXCLUSIVES:

- Premium Customer Services 24/7 Support
- Lifetime Guarantee Hassle Free 100% Money Back Guarantee
- Highest Quality Prime Materials frequently inspected and tested

PLUS when you buy today you'll also receive:

- FREE Cooking eBook (valued at \$4.25) receive on email after purchase
- FREE SHIPPING when you buy 3 or more

Our stock is selling fast and won't last long.

ACT FAST! When you click in the **ADD TO CART** button at the top right of this page you'll get the best baking mat you'll EVER OWN!

There is so much in this description above and it is nicely formatted so that it is hard to even fit it into the page!

Amazon and the Electronic Word of Mouth

Earlier, Robert talked about the power of word-of-mouth recommendations. There is probably no better form of marketing. When a friend, or neighbor, takes the time to describe how great a movie is, people take the time to listen.

And... they trust that opinion!

Amazon has found a way to digitally recreate that power. Amazon pioneered online reviews. They helped start the online revolution that gave power to the customers.

So what? You can control this more than you know. Interested? Please continue.

Use Your Product Reviews to Build Customer Relationships

One of the things that Amazon implemented that has revolutionized the online sales industry was allowing customers to leave honest product reviews. Customers are encouraged to leave an honest and unbiased review to help assess and evaluate the quality of the products being sold. This makes what customers say about your products very valuable to the consumer, especially online where the product cannot be evaluated before being purchased.

Amazon customers now can shift through the usually tons of reviews, both positive and negative, to determine if they want to purchase the product or try a different one instead. Of course, positive feedback can increase your sales, but negative feedback can also be constructive to your business as well. Either way, the secret is to engage in conversation with your customers by responding to all feedback no matter if it is positive or negative.

If a customer leaves you a positive review, be sure to respond back with your own comment thanking them for taking the time to write the positive feedback. Comment on what they liked about it and be sure to mention that you are available if they need any further assistance in the future. You could mention how much you personally appreciate them as you are a small company trying to make a difference and it is reviews like theirs that greatly help attract more business.

These comments go a long way with building the relationships with not only this buyer, but also all who see your comment and are trying to decide whether they are going to purchase this product from you. If a customer leaves you a negative review, you now have the opportunity to respond with a comment trying everything in your power to change this negative buying experience into a positive one.

First, be sure you always begin by thanking them for taking the time to write their review and apologize for whatever it is they are upset about, taking the blame and ownership of the problem even if the problem is clearly not your or your

company's fault. Do what you can to correct the problem for this customer so it does not happen to other future customers.

It might even be beneficial to offer them a replacement or even a complete refund with a free replacement as your way of saying sorry for the inconvenience. Doing these things goes a long way towards turning these negative reviewers into some of your best and most loyal customers. Plus, all who see these comments by you and your company will want to buy from you because no sellers treat their customers like this and most will see that you are a company that puts your customers first!

Communication Is Part of Customer Service

I know that the B-I Triangle's Communication level is primarily focused on marketing, but customer service is a form of marketing. Customer service creates word-of-mouth moments. And... customer service affects your sales, because it affects your Amazon position.

Do What Amazon Wants—Provide Stellar Customer Support

It really blows my mind how few Amazon sellers actually provide stellar customer support. The average seller on Amazon is simply there to try to make a quick buck and is not concerned with whether the customer is treated well or not. It seems that so many people are just trying to offer the bare minimum to make money selling on Amazon and are just playing the numbers game.

The thing is, though, that Amazon wants to provide the best possible buying experience for their customers, so that they further trust in the products being sold on their site and will come back over and over again to buy more products.

Did you know that Amazon actually rewards sellers who obtain high performance metrics in various areas of customer support and product delivery? In contrast, they punish the sellers that have lower standards and actually suspend seller accounts for metrics that are not acceptable for Amazon standards.

There are many things that you can do to provide top-notch customer support that will easily outperform the majority of sellers on Amazon. You can write follow-up emails that are automatically sent to your buyers providing them with added benefits, unannounced bonuses, and other information to add to the customer-buying experience.

It is important to always provide your business customer support contacts through a toll-free phone number, email, and other online support such as live chat and support ticket options.

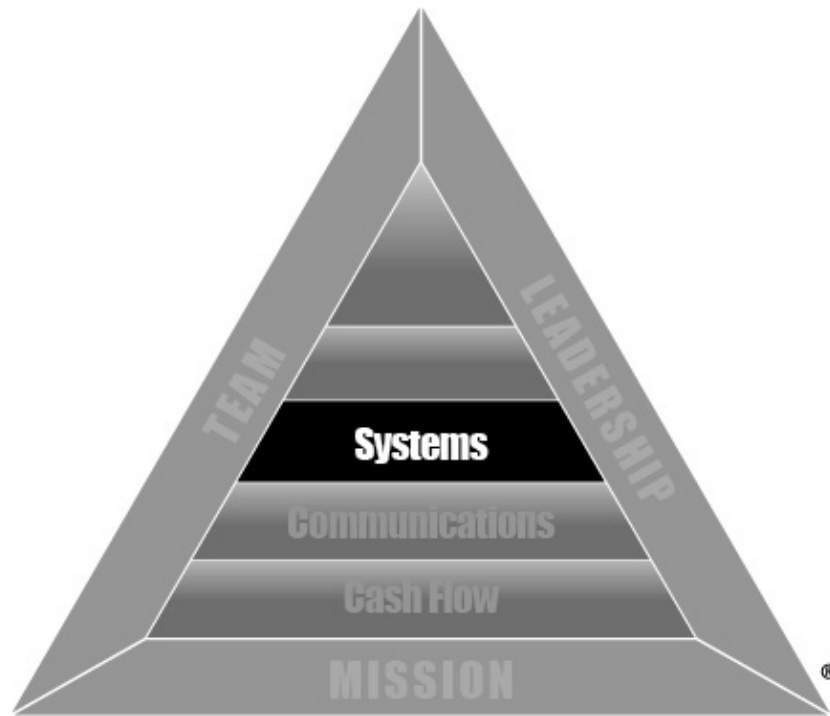
You can use your packaging as a way to offer top-notch customer support by including your contact number and email on everything. A great tip is to include packaging inserts that offer your contact information, how to register for the warranty that you offer on your product, and other bonuses such as a downloadable eBook, access to a membership site, and/or an option to join your own customer VIP mailing list to receive special discounts and sales.

By far though, our favorite strategy for providing the best customer service and building that relationship with your customers, brand awareness, and loyalty is by calling each customer that purchases from you.

You can call your customers to ask them how they are enjoying their product, see if there is anything you can assist them with, ask for their feedback, and offer discounts on future purchases by getting their email for your customer VIP list. Yes, this is time consuming, but hardly anyone is doing it. If you want to dominate on Amazon, these types of things that you can do make you stand out above the competition and dominate!

Of course, this is just a small taste of the many strategies, tips, tools, coaching, etc. that you really need to become the best possible Amazon entrepreneur.

Robert Kiyosaki
Systems Management



The human body is a system of systems. So is a business. The human body is made up of a circulatory system, respiratory system, digestive system, and so on. If one of those systems stops, there is a good chance the body will be crippled or die. The same is true with a business.

A business is a complex system of interoperating systems. In fact, each item listed within the inner triangle of the B-I Triangle is a separate system that is linked to the other systems and into the overall business that the triangle represents. It is difficult to separate the systems because they are interdependent. It is also difficult to say that one is more important than another.

For any business to grow, specific individuals must be accountable for each of the systems, and a general overall director must be in charge of making sure all the systems operate at their highest capacity.

When reading a financial statement, I am like a pilot sitting in the cockpit of the plane reading the gauges from all the operating systems. If one of the systems begins

to malfunction, emergency procedures must be implemented. Many small start-up businesses or S-quadrant businesses fail because the operator of the system has too many systems to monitor and take care of. When one system fails, such as when cash flow dries up, all the other systems begin to fail almost simultaneously. It is like when a person gets a cold and fails to take care of it. Pneumonia soon sets in and if it's not treated, the person's immune system begins to break down.

A good businessperson can manage multiple systems effectively without becoming part of the system. A true business system is much like a car. The car does not depend upon only one specific person to drive it. Anyone who knows how to drive it can do so. The same is true for a B-quadrant business, but not necessarily for an S-quadrant business. In most cases, the person in the S quadrant is the system.

Every business, whether large or small, needs to have systems in place to enable it to conduct its day-to-day activities. Even a sole proprietor has to wear different hats to conduct his or her business. In essence, the sole proprietor is all systems in one.

The better the system, the less dependent you become on others. Look at McDonald's systems: "It's the same everywhere in the world, and it's run by teenagers." This is possible because of the excellent systems in place. McDonald's depends on systems, not people.

Dave Kettner *Systems Management*

Systems are at the heart of the Amazon Entrepreneur. Amazon provides the heart of the systems, but you still need your own systems too. Another word for 'system' is 'process' which I think will help you better understand what I mean.

Amazon does the heavy lifting with collecting and monitoring cash flow and inventory flow. Amazon does the bulk of the communication work by providing you with the largest customer base in the world. Amazon also has systems for parts of the legal triangle.

The important thing is this: You can't just sit back and let Amazon do all the work. There are *processes* which help you get 10x more efficiency and profit out of the Amazon systems. There are *processes* for evaluating the Amazon systems and reading the data they send you. There are *processes* for communicating better through Amazon.

What an Amazon entrepreneur must understand is that it's not enough to have a system. You must learn the system and learn how to use it at its fullest capacity. About 99% of the people on Amazon just open a store and sell their goods. Very few take the time to learn the systems and how to pull incredible profit from them.

This is the other point I need to communicate: Learning never stops. The systems change. They modify. Your job as the manager of systems is to stay on top of changes. Keep learning. Keep finding others who are exceeding. What have they learned about the Amazon systems that you need to know?

But that is not enough. We are entrepreneurs. We work from home! And we manage the biggest selling machine in the world! But that is still not enough!

You need systems for marketing. For your legal. For your cash flow. For everything!

Let me show you some examples. Here is my system for optimizing key words:

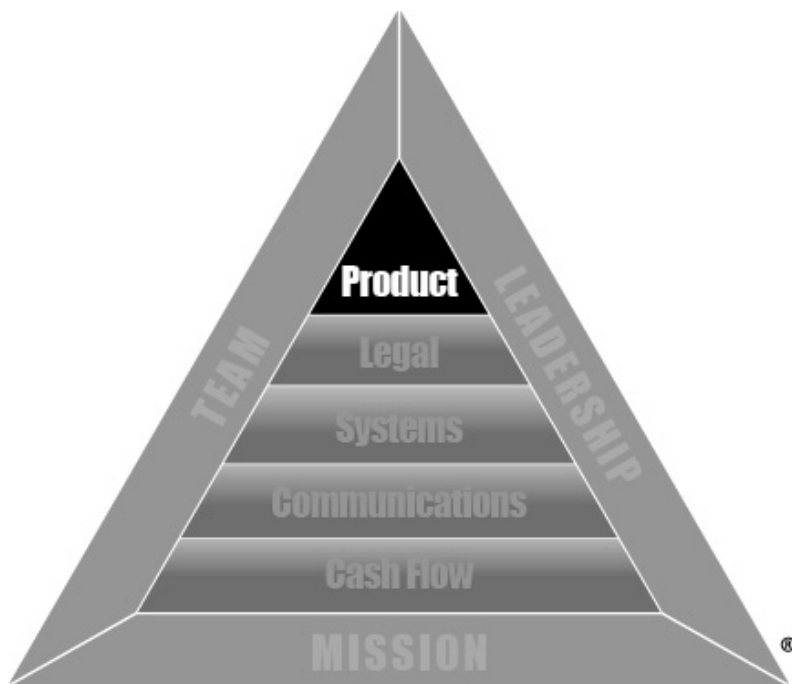
- Step #1:** Gather the top three keyword phrases from my auto-targeted campaign (I don't cover that in this book, - sorry, there is too much to teach, but once you learn, it's easy) and plug into a keyword spreadsheet.
- Step #2:** Use Merchant Words to gather buyer traffic for your keywords and find other high traffic keyword opportunities and plug into your keyword spreadsheet.
- Step #3:** Use the Google Keyword Planner Tool to gather buyer traffic for your keywords and find other high traffic keyword opportunities and plug into your keyword spreadsheet.
- Step #4:** Check out your competition on Amazon for the best keyword phrase options and plug data into the spreadsheet as needed.
- Step #5:** Determine and rank the top keyword phrases and input them into your spreadsheet.
- Step #6:** Write your title focusing your main keywords in front of the title and other keywords throughout the title as best as can be implemented.
- Step #7:** Implement your title changes into your Amazon listing and document changes into your spreadsheet.
- Step #8:** Check your current ranking stats for main keywords and input into your spreadsheet.

Step #9: Revise your product bullets and description, scattering your main keywords throughout to add to the keyword density of your listing.

Step #10: Check your stats after two weeks and test other main keywords/ placement in title for the best option.

Do you see? It's a system. I don't just make up key words based on my gut. I have a proven system. It's the system that makes this work. I'm not some genius. I've just worked, learned, made mistakes, learned more, and kept at it until I have the system. THEN... it becomes automated. Once the system is automated, you are free!

Robert Kiyosaki *Legal Management*



This level of the B-I Triangle, legal management, was one of the most painful lessons I ever had to learn. My rich dad identified a serious flaw in my business. I had failed to

secure the legal rights to the nylon-and-Velcro products I had designed before I started producing them. More specifically, I failed to patent some of my products (I failed to do so because I believed the \$10,000 in patent attorney fees was too expensive and not important enough to spend that much money on). Another company quickly came along and copied my idea, and I could do nothing about it.

Today, I am now an evangelist for the other side. Especially in the Information Age, your intellectual property attorney and your contract attorney are some of your most important advisors because they help create your most important assets. These attorneys, if they are good, will protect your ideas and your agreements from intellectual bandits, people who steal your ideas and therefore your profits.

The world of business is filled with stories of smart entrepreneurs with great ideas who begin selling their products or ideas before protecting them. In the world of intellectual property, once your idea is exposed, it is almost impossible to protect. Some time ago, a company came out with a spreadsheet program for small businesses. I bought this brilliant product for my company. A few years later, the company was out of business. Why? Because it had failed to patent its idea and another company, which I will not mention, came along, took its idea, and put it out of business. Today, the company that took the idea is a prominent leader in the software business.

Protect Your Ideas

My intellectual property attorney is responsible for securing worldwide patents and trademarks for The Rich Dad Company. While we pay him and his firm considerable amounts of money each year, he has made us money and helped us to continue making money by protecting what we do and guiding us through some delicate negotiations.

Many a business has been started and has survived by a simple piece of paper. One legal document can be the seed of a worldwide business.

Avoiding Legal Problems

Some of the most valuable assets you can own are the intangible assets called patents, trademarks, and copyrights. These legal documents grant you specific protection and ownership to your intellectual property. Without this type of protection, you risk losing everything. Once you have protected your rights, not only can you keep others

from using your property, but you can also sell or license those rights and receive royalty income when doing so. Licensing your rights to a third party is a perfect example of your assets working for you.

However, legal issues can also surface in almost every facet of a business. Obtaining competent legal counsel is very important, not only as you are forming your business, but as an ongoing part of your advisory team's activities. Legal fees may seem expensive at first. However, when you compare them to the cost of legal fees from lost rights or subsequent litigation, it is much less expensive to set out your agreements properly in the beginning. In addition to the monetary expense, you must also factor in the cost of lost time. Instead of focusing on your business, you may be forced to focus on legal matters.

Dave Kettner *Systems Management*

The Amazon entrepreneur uses the legal level of the B-I Triangle quite a bit differently. Most of us do not create or invent our own products. Instead, we find products people want, repackage them with our brand, and provide outstanding service.

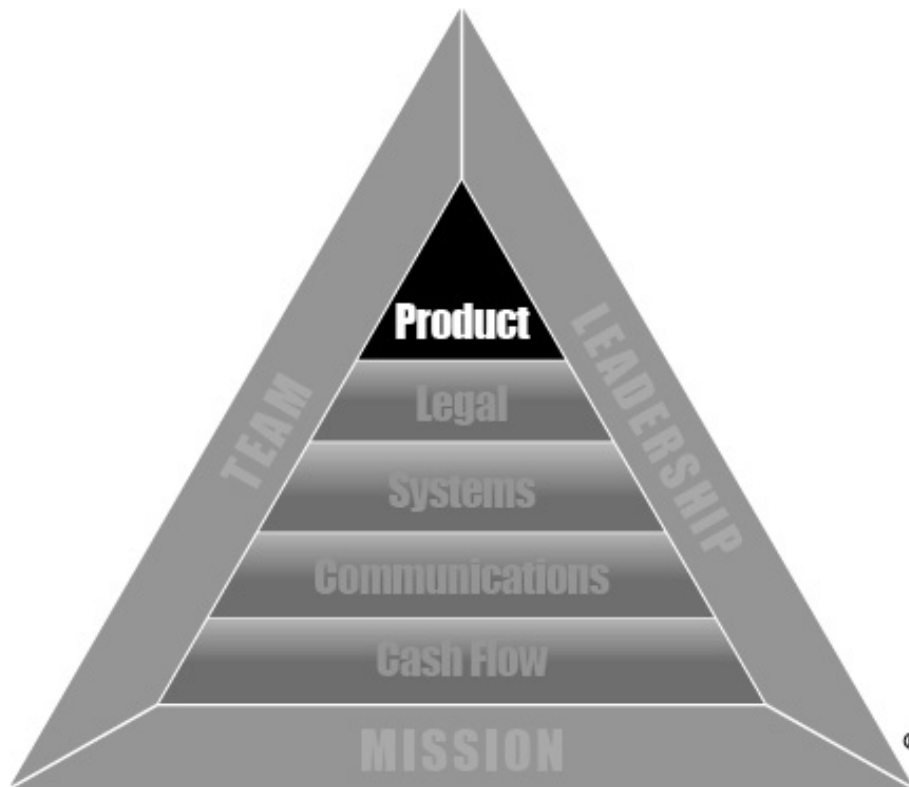
This is great because we do not have to pay patent attorneys. In fact, I rarely use an attorney. I have an attorney set up my business structure and then I have an attorney set me up with a trademark or registration to protect my brand. That is about it.

I understand the value a lawyer brings, but for the most part, I do not have to deal with the cost or headaches of a lawyer or the legal system. It's an added bonus for being an Amazon entrepreneur.

The greatest value I can add to this component of the B-I Triangle is to say that its cost and frustration has been greatly minimized by the way I run my business on Amazon.

Robert Kiyosaki

Product Management



The company's product, which the customer ultimately buys from the business, is the last important aspect of the B-I Triangle. It could be a tangible item such as a hamburger, or an intangible item such as consulting services.

It is interesting to note that when evaluating a business, many average investors focus on the product rather than the rest of the business. Rich dad thought that the product was the least important piece to inspect when evaluating a business.

Many people come to me with ideas for new innovative products. My response is that the world is full of great products. People also say to me that their new idea or product is better than an existing product. Thinking that a better product or better service is most important is usually the domain of the E and S quadrant, where being the best or highest quality is important for success.

In the B and I quadrants, however, the most important part of a new business is the system behind the product or idea, or the rest of the B-I Triangle. I then point out that

most of us can cook a better hamburger than McDonald's, but few of us can build a better business system than McDonald's.

Dave Kettner *Systems Management*

I agree with Robert that the actual product is not important. However, the system you use to determine which product you want to sell on Amazon is *very* important.

An Amazon Entrepreneur wants to sell whatever the public wants most. Amazon tells you what they want. Take a look at any product being sold on Amazon. If you look closely at the listing and scroll down a bit you will see its Amazon ranking. That number is very important.

The higher the ranking (which means the lower the number, #1 is a high ranking than a #2) the more the product is sold. Take a look in each category on Amazon and get an idea about what sales. Those are the products you want to sell.

Now that you have an idea of the tens of thousands of products that sell well, you need to shorten the list. My system dictates that I look for a high-selling product that is followed by a large drop off. What that means is that the next best selling product is selling far less. There is a large gap.

That is what I am looking for. I want to identify the large gap that needs someone to fill it. But I'm still not done, as there are still thousands of products to choose from.

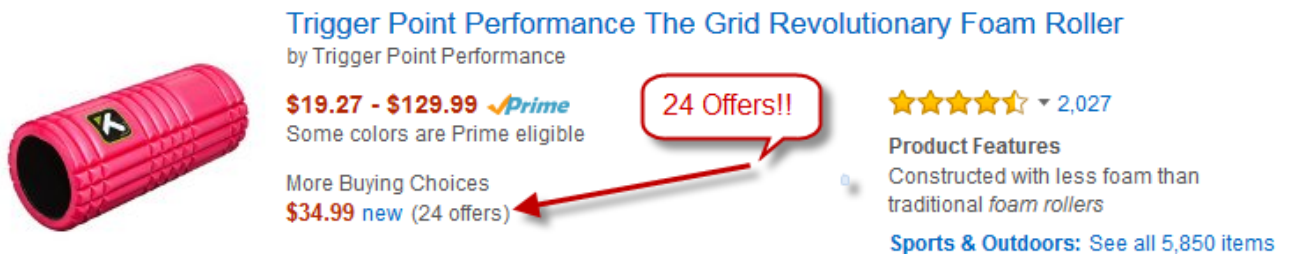
Now I look at the products' prices. I want something between \$10 and \$50. I want it over \$10 so that there is some profit to be made, and I want it under \$50 so there is a lot of sales volume. Right now I really like products at \$35 and above. These products get to take advantage of Amazon's free shipping.

Still not done. Now I have a manageable list of solid product prospects. What next? I go to Alibaba and research manufacturers for each product who will white label their products and place my brand on it.

That is the system in a very condensed form. It's not easy, and it takes time, but you can do it. To be honest, I have created a software program that does most of the work for me so I can spend my time elsewhere.

There is another part I wanted to talk about product... brand. While the product itself is not too important, the brand is the most important. My success is based on my creation of a brand.

Amazon is all about competition and winning the buy box for each product. Have you ever seen this below where there are a bunch of sellers competing for the “Buy Box” for the same product? In this example, usually the cheapest price is the one that Amazon displays and usually gets the sale.



Trigger Point Performance The Grid Revolutionary Foam Roller
by Trigger Point Performance

\$19.27 - \$129.99 ✓Prime
Some colors are Prime eligible

More Buying Choices
\$34.99 new (24 offers)

24 Offers!!

★★★★☆ ▾ 2,027

Product Features
Constructed with less foam than traditional *foam rollers*

Sports & Outdoors: See all 5,850 items

But have you ever seen the example below where there is only one seller for that particular product and all of the sales are going to this one seller at their price point that they choose without any competition?



EPE Black High Density Foam Roller, Round, 1.9 lbs per cubic foot
by PER

\$9.59 - \$29.99 ~~\$39.99~~ ✓Prime
Some sizes are Prime eligible

No Other Offers!

★★★★☆ ▾ 2,975

Product Features
Molded EPE *foam roller* has a 1.9 lbs. per cubic foot density

Sports & Outdoors: See all 5,850 items

Many people do not realize how easy it is to private label/brand your own product.

There are TONS of companies and suppliers around the world that are ready to create a product for you and/or offer an existing product and brand it with your very own brand name.

By doing this, not only will you own this asset, but you will have a product to market that no one else has. This means no competition for this product and brand name because you own it and you are the only one selling it.

And remember, your brand is not just a logo on a product. It's also a promise of customer service and value. Those things come from you, not your product.

IN CONCLUSION

Robert Kiyosaki *Conclusion*

Rich dad said to me, “If you are going to be an entrepreneur or an investor, fully understanding the B-I Triangle is essential to your success.” As a teenager, I did not really believe or appreciate rich dad’s respect for the importance of the B-I Triangle. Today I do.

The Transition from Employee to Entrepreneur

I know I was not born a natural entrepreneur. I had to be trained. My rich dad guided me through a process of starting as an employee to eventually becoming an entrepreneur. For me, it was not an easy process. There was a lot I had to unlearn before I could begin to understand the lessons he was trying to teach me.

It was difficult hearing what my rich dad had to say because what he said was exactly opposite from the lessons my poor dad was trying to teach me. Every time my rich dad talked about entrepreneurship, he was talking about freedom. Every time my poor dad talked to me about going to school to get a job, he was talking about security. The clash of these two philosophies going on in my head was confusing.

Finally, I asked rich dad about the difference in philosophies. I asked, “Aren’t security and freedom the same thing?”

Smiling, he replied, “Security and freedom are not the same. In fact, they are opposites. The more security you seek, the less freedom you have. The people with the most security are in jail. That is why it is called ‘maximum security.’” He went on to say, “If you want freedom, you need to let go of security. Employees desire security. Entrepreneurs seek freedom.”

So the question is: Can anyone become an entrepreneur? My answer is, “Yes. It begins with a change in philosophy. It begins with a desire for more freedom than security.”

In Conclusion

Now the time is easier than ever. Amazon is only growing. Alibaba is making finding suppliers and manufacturers around the world available to everyone. Amazon brings the customers, Alibaba brings the product, and you marry the two together. This is an opportunity that I did not have. Take the time to learn more and get educated about how you can succeed as an Amazon entrepreneur.