



# HAPPINESS

Kim Kiyosaki

*Empowerment and freedom  
through entrepreneurship*

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# **BEST-SELLING BOOKS**

**BY ROBERT T. KIYOSAKI**

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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*

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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

# INTRODUCTION

I grew up in a middle-class family in a little town called New Providence, New Jersey, just outside New York City. Like so many people, I bought the age-old story that, in order to earn a living, you have to go to work, get your paycheck, pay your bills, then repeat. So I went to work, earned my paycheck, and paid my bills, month in and month out. After years of doing this, I realized I really wasn't getting ahead.

Even though I had earned a degree in marketing from the University of Hawaii, school taught me very little about money and personal finance—and virtually nothing about entrepreneurship and investing. I knew something was missing.

About that same time in 1984, I met my future husband and business partner, Robert Kiyosaki. Many of you know him as the author of *Rich Dad Poor Dad*. Right from the beginning, we started talking about dreams, business, and money. In fact, on our very first date, Robert asked me, "What do you want to do with your life?" Without hesitating, I replied, "Well, number one, I'd like to own my own business." We hit it off immediately.

I started my first business in 1984 and, as our romance grew, Robert and I started building businesses together. That's when my real education began.

Through my businesses and investments, I have discovered happiness. I did not find happiness just in the successes, but in the failures too. I found happiness in the knowledge I gained with every decision, action, and mistake I made. Every time I was knocked down, I reflected, learned from the mistake, and got back up. I learned independence and discovered that, no matter what happens, I can take care of myself. The knowledge I gained during that process instilled a freedom and happiness in my life and my spirit.

I discovered what truly makes me happy is the knowledge I learn while on this journey we call life. That may not be your definition of happiness, but what's important is that you define happiness for yourself and then have the financial means to achieve and enjoy it.

In my own life, I have discovered that "being my own boss" through having my own entrepreneurial business and my own cash-flow investments has given me the resources, freedom, and time to pursue what truly makes me happy in life. After all, if you're constantly worried about keeping your boss happy, putting in enough hours at work, and paying all the bills, how can you truly be free to enjoy life to the fullest and pursue happiness with the people you love?

## Introduction

In this book, I'll be sharing my experiences and insights on how you can find financial freedom through entrepreneurship and investing so you can pursue your happiness to the fullest measure. If you're interested in learning more, please join me on this exciting journey!

# HAPPINESS AND FINANCIAL FREEDOM

Years ago, I attended a seminar where the speaker on stage said to the audience, “I bet I can tell you the goal of every person in this room.” I thought to myself, “How in the world could he know the goals for each one of us?”

Then he said, “Everyone in this room has one primary goal: to be happy.” I had to agree with him. My number-one goal was to be happy. He then continued by saying, “It’s the definition of ‘happy’ that will be different for each person.”

So I asked myself, “What does it mean to me to be happy?” I created a checklist for myself:

- a successful business
- a great marriage
- lots of money and all the good things that money brings
- a wonderful network of friends and family
- a cat
- world travel
- great health
- a sense of purpose in life

and so on.

I wanted all that, and then I’d be happy. So I began to work towards all those things.

In 1994, my husband Robert and I “retired.” We weren’t rich by most people’s definition, but we did have more money coming in every month from our investments, primarily real estate, than was going out each month in living expenses. In other words, we no longer had to work for money. We were happy.

After a few months of retirement and vacation, we had to face the harsh reality that we were bored to tears. One morning we were sitting outside with a cup of coffee. We looked at each other and asked, “Now what?” We had all of the things on my happiness checklist, so did that mean we were done?



Robert and I were supposed to be happy for the rest of our lives. Wasn't that the formula? Obviously, it wasn't.

Everything we had, and that we have today brings us contentment and a sense of satisfaction, but I discovered early on that happiness doesn't have an end goal. You don't wake up one morning and say, "I've made it. I'm happy. And I'll be happy from here on out."

It's no different than working out at the gym. I would love to get to the point where I can say, "I've reached my workout goal. I'm in shape. I've made it, and I don't have to work out any more." That's not quite how it works.

### *What Is Happiness?*

So what the heck is happiness? For me, I know I'm happiest and most elated when I'm growing as an individual. When I'm learning something new and applying it. When I'm taking on something I'm not sure I can do—and then I do it. Anyway, for me, that is happiness. I'm learning. I'm growing. I'm better today than I was yesterday.

As I see it, you have two choices: You're either growing, or you are declining. A person doesn't stand still. You are either getting better—improving your health, your wealth, and your relationships—or you're getting worse.

So what I know is this: I want to be happy. Happiness is an ongoing process, just like building a business or investing. These are actually two of my outlets for happiness. My business and investments are where I get to experiment. I test strategies, make mistakes and learn from them. The more I learn and grow, the more success I have. And the more I learn and grow, the happier I am. So from this point of view, success and happiness go hand in hand. It's not the success that makes me happy. It's what I learn getting to the success that brings me happiness.

A person's definition of happiness is often their reason "why." Why would a person sacrifice hours at night doing market research after coming home from a full day's work, making dinner, doing dishes, and putting the kids to bed? Why would someone forfeit their weekends to evaluate real estate properties? If it were only for money, a new car, or for recognition, they would probably tire of the process and give up.



A greater incentive is to use money as a resource to provide what's truly important to our happiness and fulfillment, such as:

- Freedom to spend time with children and loved ones any time and anywhere,
- Vacations and special memories that will last a lifetime,
- Time and money to donate to causes that are meaningful to you,
- Being a role model for your children to show them the options they have in life.

No matter what your definition of happiness is, it requires work and sacrifice to get there. The question is, "Do you want to put in that work and make those sacrifices to achieve the happiness that is important to you?"

### *It's About Dignity and Self-Respect*

My husband, Robert, and some friends of ours were having lunch one afternoon when Robert turned to me and asked, "Tell me, why are you so driven to be financially independent? This is not something new for you. You've always had this in you. It comes from your core. What is your reason? What is at the heart of this issue that you must, come hell or high water, be able to make it on your own? What drives you?"

My girlfriend Suzi was sitting next to me. She and I are extremely like-minded, so much so that we looked at one another and almost simultaneously declared, "I just hate being told what to do!"

The two of us immediately got on our soapboxes about the times people told us what to do, how we reacted, and why we'll never let someone else dictate our lives.

We women do some ridiculously stupid things in our lives and many of those stupid things revolve around money. I think it's time we simply get smarter on the subject. Am I saying women are stupid? Absolutely not. Nothing could be further from the truth. I am saying that we do some incredibly foolish things. And many of these silly things are directly related to money.

The bottom line is that many of us sell our souls in the name of money. The real crime is the toll it takes on our self-esteem, our confidence, and our self-worth. Yes, this book is about women and business, but it's actually about much more than that. It's about women taking control of their lives. It's about dignity. It's about self-respect.

### *Why Women Must Take Charge*

A young journalist approached me and said passionately, “We have to make women aware that they have to take charge of their money. They cannot depend on someone else to do that for them!” After talking with her more, I discovered where her passion was coming from. It turns out her 50-year-old mother recently divorced. She was left with basically nothing and had moved in with her daughter. Her daughter was now supporting herself and her mother. This situation alone was a wake-up call for the young journalist, and it shook her up. In looking ahead, she realized that if her steady paycheck stopped, she had a total of about \$7,000 to fall back on. She was suddenly propelled into action.

In a tragic event in the summer of 2013, nineteen professional firefighters were suddenly killed while fighting an out-of-control wildfire in Arizona. Most of the men left widows and children behind to fend for themselves. One widow in particular, 29-year-old Juliann Ashcraft, was denied the lifetime benefits she was counting on to raise her four children, the youngest of whom is 18 months old. The tragic loss of her husband was instantly compounded with the unfortunate realization that the safety net she thought existed was never really there. When such unexpected and tragic events happen in life, it’s important for women to have the financial education and experience to confidently see themselves and their children through the difficult times.

### *Women Need to Get in the Financial Game*

The reasons for becoming business owners and investors are very different between the sexes. Women today lead very different lives than our mothers did, but you may be surprised at just how different.

Here are five sound reasons why women need to get into the financial game:

#### **1. Facts about Women and Money**

The statistics about women and money are startling. These are U.S. statistics, yet I find that, for other countries around the world, these statistics are either similar or are trending in the same direction.

In the United States:

- 47 percent of women over the age of 50 are single. (This means they are financially responsible for themselves.)
- Women’s retirement income is less than that of men’s because a woman is away from the work force an average of 14.7 years, compared with 1.6 years for men.

- 50 percent of marriages end in divorce. And who typically ends up with the children? The woman. Now she is solely financially responsible for herself—and her children. And what is the number-one subject couples fight about? Money.
- According to the Women's Institute for Financial Education (WIFE), in the first year after divorce, a woman's standard of living drops an average of 27 percent while the ex-husband's income increases by 10 percent.

What are these facts telling us? They tell us that more and more women, especially as they become older, are not educated or prepared to take care of themselves financially. We've spent our lives caring for our families, but have no ability to take care of ourselves in this vital way. We are depending on someone else to do it for us—a husband or partner, a boss, a family member, or the government.

When I was 14 years old, I came home one day to find my mother sitting with her girlfriend in the dining room. My mom's girlfriend was crying, very upset. I was ushered out quietly, but I stayed in the other room and overheard the conversation. This woman was saying that her husband had left her for another woman and how horrible it was. But when my mom asked, "Did you know? Did you have an idea?" she said that yes, she did have an idea but that, even though the marriage wasn't working, at least she was financially taken care of. I just remember thinking, "Why would anyone endure such a miserable life?"

I think so many of us women still have this idea that Prince Charming is going to take care of us. With one out of two marriages ending in divorce, that's just not the case.

## **2. Avoiding Dependency**

You don't go into a marriage expecting a divorce. You don't begin a new job expecting to be laid off. But it happens, and today with more frequency. Too often we may not even realize just how dependent we are until we're faced with our personal wake-up call.

Here is the story of my wake-up call:

Robert and I have been business partners since one month after our first date. Over the years, we've built several businesses together.

All my life I've prided myself on being independent. From the time I got my first job in high school, I knew that I would not be dependent as long as I could make money.

Even though I built The Rich Dad Company with Robert from the ground up, the truth slapped me in the face one day. I realized that if Robert and I were to split up, I would not

only lose my marriage, but I would lose my business because Robert was the figurehead of our company. If he left, then the business would collapse. Without even realizing it, I had set myself up to be totally dependent on Robert. I could not believe it!

That was my wake-up call. From then on, I wanted to be sure that whatever decisions I made were decisions that were right for me.

Up to that point, I had purchased a few rental properties, but I looked at it as a hobby. Now I saw it as my means to freedom. That's when the passion kicked in and business and investing were no longer a hobby to me. They were my mission.

There was one huge unexpected benefit I received as I turned into an entrepreneurial investor. Once I understood investing and I learned how to make money passively without working, then I realized for the first time that I no longer needed Robert. What was even more enlightening was that I discovered that I wanted to be with Robert, not out of need, but out of want. At that point, our relationship took on new meaning. We were together simply because we both wanted to be together.

### **3. No Glass Ceiling**

One obstacle for many women in the corporate world is the “glass ceiling” where, because of our gender, women hit an invisible barrier and can only move so far up the corporate ladder.

In the world of investing, the markets don't care if you're female or male, black or white, a college grad or a high school dropout. The markets only care about how smart you are with your money. The key is education and experience. The smarter you are with your investment choices, the greater your success as an investor. There are no limits and no ceilings, glass or otherwise, for women in the world of investing.

### **4. No Limits on Income**

Because of the glass ceiling and because of the still-present wage inequality between men and women, a woman is often limited in the amount of income she can make at a job. According to the Bureau of Labor Statistics, even with the same education and experience as their male counterparts, women earn about 82 cents for every dollar their male peers earn.

In investing, the money you can make is unlimited, and it doesn't matter whether you are male or female. You are completely responsible for, and in control of, the amount of money you make as an entrepreneur investor. Since I didn't want anyone telling me how much money I could make, having no limits on my income greatly appealed to me.

## 5. Increased Self-Esteem

I think this is one of the greatest benefits to women entrepreneurs and investors. It's not unusual for a woman's self-esteem to be linked to her ability to provide for herself. Being dependent on anyone for your financial life can lead to a reduced sense of self-worth. You may do things you otherwise wouldn't do if money weren't an issue.

I've seen women's self-esteem soar once they knew how to make it on their own financially. And when a woman's self-esteem rises, the relationships around her tend to improve. Her life improves overall because she feels good about herself and she is making choices that are genuinely true to her. With every little victory, her confidence increases. Increased confidence leads to higher self-esteem. Higher self-esteem leads to greater success, which ultimately leads to the greatest gift of all—freedom.

These five reasons support the importance of women becoming smart about money. The statistics prove how much times have changed for women. Our need for real-life financial education is no longer a luxury. It's a necessity. Depending on someone else for your financial future is like rolling the dice in Las Vegas. The reward may be there in the end, but the risk is steep.

Glass ceilings and income limits are what so many women have been fighting against for ages. Both disappear in the world of entrepreneurship and investing. And two of the greatest gifts of all can be yours: a higher sense of self-worth and time to spend exactly as you want.

Entrepreneurship and investing are no longer just a good idea for women. They're a must-have.

## *Financial Freedom and Happiness*

I am often asked the question, “Why do I need to be financially free in order to be happy? I can be on the beach, help the needy, and spend time with my kids right now.”

Technically, they're right. You don't need to be financially free to spend quality time with your kids, read the latest novel on the beach, or help out at the soup kitchen. However, I will say this: If you're financially free, you can be the one to provide all the food for the soup kitchen and not just be the volunteer ladling soup into the bowl. Or you can be on the beach with your kids all summer long instead of just after work or on weekends. It's all up to what you want and what you're willing to work for.

If you're happy and satisfied with where you're at, then there's no need to waste time reading the rest of this book when you could be doing the things that make you happy now. But if you want something bigger, if you want more time to spend with the people you love, or if you just want to take on a new challenge, keep reading!

# CHANGE YOUR MINDSET, CHANGE YOUR LIFE

One of the best ways to achieve financial freedom leading to greater happiness is to build a business and become an entrepreneur.

In the United States, small businesses owned by women are the fastest-growing sector in the economy. I believe women make outstanding business owners and that small-business creation is the answer to this global economic mess.

This is a role women can jump into and flourish, so if you've ever thought about starting a business, why not take the next step?

## *Change Your Mindset*

An employee typically worships the security of a steady job and paycheck. Her focus is on making the boss happy and working hard in her specific area of expertise.

As an entrepreneur and business owner, however, your priorities must shift. You are now the one who is accountable for everything that happens in your business. You are the one taking the risks. You are the one responsible for keeping your business alive, paying your vendors and employees, and making a profit.

I knew in my early twenties that I wanted to be an entrepreneur. After being fired twice from my first job out of college, I realized that working for someone else all my life was not what I was cut out for. When I started my first business in 1984, making the shift from employee to entrepreneur was not immediate or easy. In fact, it was a harsh awakening, but I embraced it because it forced me to get better and smarter every single day.

This entrepreneurial mindset isn't just for businesses, but also for investments. Your investments are businesses too, and you need to treat them like that in order to reach your financial goals.

Being an entrepreneur is not for everyone. But if you have a sense that it is where your passion is leading you, then I strongly recommend you pursue it. The rewards are phenomenal. Being a business owner and investor is the ultimate shortcut in your own personal development because there are new challenges every day. As a business owner and leader, you will need to rise up and conquer them.

### *Turning Your Passion Into a Business*

Robert's rich dad once said, "Employees dread the work week and live for the weekend. Their world is made up of two spheres: work and play. The rich don't know the difference. Their work is their play because they're passionate about what they do."

If you've thought of starting a business, you've probably heard conflicting advice on this topic. Should you follow your passion? Or should you base your business on something more practical?

Doing what you're passionate about is an important ingredient to happiness in life. And it's wonderful when you can get paid well for doing what you're passionate about. Unfortunately, that doesn't always happen. So how do you know if you should turn your passion into a business?

The key is to remember that the first priority of a successful business is to bring value to your customers. The needs of the owner are secondary. A good business is a win-win situation. If the customer's needs and wants are being met, the owner makes money. If not, the business fails.

So when considering the question of whether or not to turn your passion into a business, ask yourself these questions:

- Can I leverage what I am passionate about to bring value to others?
- How much will others pay for this value I am providing?
- Are the margins (profit margin = income - expenses) strong enough to provide the financial profits I desire?
- Who is the business really for? Am I willing to make customer value my first priority, or is this really about me doing what I love?

If your honest answer to that last question (and you must be honest with yourself) is, "It's really about me," that's okay. Sometimes adding the money factor to your passion spoils the passion. If your first priority is just doing what you love, then you can still pursue it. Just do it as a hobby or a job where you get a steady paycheck, not as a business. Find something else that interests you where you feel comfortable putting customers first. Then build a business around that.

### *Should You Start Your Own Business?*

I don't like other people telling me what to do. This, along with my independence and need to control my financial well-being, led me to business ownership. You may feel the same way.

According to statistics compiled by the National Association of Women Business Owners (NAWBO):



- Women own 10.1 million firms (50% or more), employ more than 13 million people, and generate \$1.9 trillion in sales as of 2008.
- One in five firms with revenue of \$1 million or more is woman-owned.
- Three quarters of all women-owned businesses are majority owned by women (51% or more), for a total of 7.2 million firms, employing 7.3 million people, and generating \$1.1 trillion in sales.

If you want to start your own business, what's stopping you? It may be fear, lack of knowledge, non-supportive partners, and more. But these are all things you can overcome. After all, starting a business is about rising to the occasion and putting your business idea into practice.

### *The Pros and Cons of Becoming an Entrepreneur*

Before you start on the path to entrepreneurship, let's discuss some of the pros and cons of business ownership. One of the best parts of owning a business is that you have full control over everything: marketing, products, services, finances, etc. This can be empowering, but it can also be difficult.

Having control means that you oversee everything. You'll need to deal with many different kinds of people and manage all of the business operations. This will probably entail many more hours of work than a typical eight-to-five job. And even after you put all of your time and effort into your business, there is no guarantee of success or that you'll have a steady paycheck.

This is scary stuff, but the benefits of owning your own business can far outweigh your fears. For example, when you work for yourself, you set your own hours, work wherever you want, and have the freedom to express yourself through your business.

You can also take advantage of all the tax benefits specifically for business owners. Plus, you can leverage OPM (Other People's Money) and OPT (Other People's Time) to grow your business and create the life you want.

### *Take Action on Your Dream*

Per the Small Business Administration, "half of new employer firms survive at least five years." That means you have a 50/50 shot at owning a successful business for five years. So if you have dreams of being your own boss, go for it!

Start with your business idea and figure out what you need to do to make it a reality. Get the education necessary to succeed, and build a support group of mentors, coaches, friends, and family members who will be there for you in both good and bad times.

Then, take action on your dream! Owning a business is full of positive, priceless experiences. You just need to be willing to do whatever it takes to get through the negative times to succeed.

*What one thing are you going to do today to start turning your business idea into a reality?*

### ***Tips for Starting Your First Business***

#### ***Start Small***

Just as with investing, start small. No business has gone from nothing to huge overnight. You may want to read the biographies of some business legends like Henry Ford, Steve Jobs, Anita Roddick, or Mary Kay Ash. Biographies of great entrepreneurs can give you fantastic insights into what it takes to succeed.

If this is your first business, then I encourage you to take small steps. You don't need to spend much money to get started. Every business I started began on my dining room table.

#### ***Find a Mentor***

The greatest shortcut to creating a business is to find a mentor, someone who has successfully built a business in the same area you're interested in. I say "shortcut" because this person will often see the strengths and weaknesses of your plans or decisions and direct you, based upon their own experiences.

#### ***Start a Part-Time Business***

Keep your daytime job and start a part-time business in your off hours. Work on your business during any free moment you find. If your new business is truly a passion for you, you'll be amazed at how much time will appear. The Internet has opened up a whole new world for entrepreneurs because now you have access to an entire world of information, vendors, and customers.

### Examples of Part-Time Business Successes

- eBooks

Two of my friends wanted to learn how to publish a book online. They did all the research, worked with an author whose book was only in a print edition at the time, and experimented with what worked and what didn't work. In the end, they had a sure-fire way to successfully publish an eBook. So what did they do?

They wrote a small pamphlet on "How to Publish an eBook" and sold the pamphlet via several channels on the Web. As a result, they receive about \$200 to \$300 every month from the sale of their booklet. It's not a lot of money, but if they do this with 10 to 20 books, not only do they have a nice business model, but they also have created healthy cash flow every month.

- Designer Handbags

A woman I know had an addiction to designer handbags. With every extra dollar she had, she ran out and bought the latest Louis Vuitton, Prada, or Gucci handbag. Of course, she was limited by the monthly paycheck from her job.

At times, her friends and family would ask if they could borrow one of her purses. She then got a bright idea and asked herself, "What if I rented out my handbags?" And that's exactly what she did. Today, she has a successful accessories rental business online (and off) in which she rents handbags, shoes, and jewelry.

This is just another simple and small idea that grew into a successful business.

### *Try Network Marketing*

The network-marketing or direct-selling industry is becoming more and more popular these days. You choose the company, sell their products, and invite others to join the company. Not only do you make money from the products you sell, but you also receive a percentage from the product sales of those people you brought into the company. This is known as "passive income."

The beauty of direct selling is that the company provides the business systems as well as the education to be successful. Choose the company that best suits you—one that is aligned with your goals and values and, most importantly, is committed to building you into a successful entrepreneur.

Network marketing gives you the opportunity to face your fears and overcome them. The greatest thing about network-marketing companies is that you're not alone. They are truly a business school and have the patience to work with you while you are learning.

Most people are not so fortunate to have a rich dad like my husband Robert, but there are thousands of “rich dads” out there who want to build your self-esteem by encouraging, teaching, and mentoring you in business. You find these rich dads in the best network-marketing companies around the world.

In most cases, the business structure and support systems are already in place with the purpose of supporting your success. It typically requires very little money to get started and can be done on a part-time or full-time basis.

Trinidad’s story is an inspiring one. She could have quit on herself and her children many times, but she chose to persevere and succeed in her network-marketing business. Here is her story:

At age five, I was a tiny native shepherdess without a father. I lived on a farm in Peru in the middle of an internal conflict sparked by a bloody Maoist terrorist group.

In an attempt to escape from terrorism, I traveled to Lima, the capital of Peru, to study nursing. I stayed with relatives and worked as a street vendor to earn money to advance my career. Unfortunately, one of my relatives stole all of my money.

I had to start over. I met a man, fell in love, and we got married. Together we sold clothing in a “mercadillo,” a marketplace. Years later, my husband and I created a small clothing factory by securing, and promptly paying off, a bank loan.

These were busy years, raising four children and running a business. Yet another setback occurred when I got sick and my husband had to take control of the business. Because of bad management and a lack of knowledge and experience, he lost everything. One day when I returned home, I discovered that he had left me and taken all our belongings. I was left alone with four children, no money, and a bankrupt business.

I was devastated. I knew I had to start from scratch again, but this time I took a different road. I was invited to be part of a Peruvian nutrition enterprise that produces and markets nutraceutical products under a network-marketing strategy.

In the beginning, I did not understand the meaning of network marketing. I only wanted to sell the products to feed my family, but I was required to attend meetings where I was asked to find affiliates to sell the products. At first, I thought it had to do with loans so I refused. At home, I looked into the mirror and said to myself, “You are not worth anything. You are a failure.”

Despite these feelings, I continued to attend their meetings and was approached by an independent distributor. I started to sell the products directly to friends in order to create my own downline of distributors through relationship referrals. I received my first commission checks but was still discouraged and confused.

I learned how to improve my internal communications. I began to understand how my low self-esteem was deceiving me to believe that my life was only failures. I started to appreciate the many goals I had accomplished throughout my life and began to recognize the many valuable lessons I had learned from my experiences.

Listening to Robert Kiyosaki at a business conference, I learned how the business I was building was creating value. Kim Kiyosaki shared that my business was the way to build my future and a way to generate richness for myself without relying on a husband, family, job, or government aid.

In time, I discovered that I was important to others as I helped them find the same values and business opportunities I had found. At the same time, I am achieving higher monthly incomes. My average income is now higher than the salaries of doctors or engineers in Peru.

I have learned from my mistakes. I have learned to forgive those who have hurt me in the past, to face my fears in order to overcome obstacles and negative beliefs, to improve my communication skills, and especially to help others find their way.

Today, I feel that I am a self-confident woman who believes that nothing is impossible. My changed life has shown me that positive beliefs are self-fulfilling prophecies that are leading me to my financial freedom and happiness.

### ***One Important Key to Achieve Success and Happiness***

How many books, articles, and talk shows communicate the endless keys to success and happiness? Hundreds? Thousands? Maybe more.

I only want to share one key with you. This comes from my own personal experience. It is the one key that I feel is the most important for anyone seeking any level of success and happiness in their life: *Surround yourself with supportive people.*

Said another way, get rid of the negative people in your life. Supportive people encourage you to go for your goals and dreams. They want you to win, they tell you why you'll succeed, and they offer their guidance and support.

Negative people will tell you all the reasons why you can't do something. They'll tell you, "It'll never work," "Don't be ridiculous," "What makes you think you could pull that off?" or "Don't take a risk. You might lose."

I made the decision years ago to get rid of the negative people in my life. The price was too high and it was too tough to be polite and keep them around me. Negative people kill creativity. They squash your dreams. They keep you doubting yourself. They drain your energy and waste your time. Negative people keep you small.

I seldom give advice, but I'll adamantly state here that if you have negative, toxic people in your personal or professional life, walk away from them. It's rarely an easy thing to do. It wasn't for me. But knowing now that these people no longer have any influence on me, I wish I had made the decision many years earlier.

Stretching yourself and going for your goals and dreams is tough enough without negative, limiting baggage. Your success will be much grander, easier, and more fun when the people surrounding you are on your side.

Lester Crown, chairman of Henry Crown and Company, an investment firm, said it this way: "You can't make a good deal with a bad partner." I read two points into that statement.

1. No matter how good the deal—be it business, investing, or personal—if you have a partner who's unsupportive, negative, or working toward his or her own agenda, the good deal will become a bad deal.
2. To attract a good partner, you have to be a good partner. So don't just look at those around you. Look at yourself as well and ask yourself, "What kind of a partner am I? What kind of a partner do I want to be?"

The most important action I took toward my own increased success and happiness was cleanly severing ties with the negative and pessimistic people in my business and personal life. I also regularly check in on myself and ask, "Am I the kind of person and partner that I want to be for others?"

Eliminating the negative people in my life and constantly evaluating myself as a potential partner changed everything in my life for the better.

### *Liability or Asset?*

I know that some of you may be fearful and hesitant to pursue your financial freedom dreams because of your significant other. If you asked your spouse to take an accounting class, a real estate

investment seminar, or some other financial class with you, what would he say? Hopefully, he would be supportive and want to work with you to secure your financial future together. After all, if you're going down one path and your spouse is going down another path, it's going to be very, very difficult when it comes to you and your money.

I know there are a lot of spouses out there who are big liabilities. But if you're in a bad relationship with an unsupportive partner... don't let that stop you! Do it anyway!

Get a financial education: Pick up a book, go online, and look at the information that's out there. Get started now, and take action.

And if you are planning to get married and not sure if your future spouse will be an asset or a liability, play the *CASHFLOW*® board game together because you'll see behavior you've never seen before. It's amazing to see people's true behavior come out in a game environment. You'll see their financial habits on that game board.

*A couple that studies and gets wealthy together, stays together.* This is the mantra Robert and I have had for a long time about marriage and money. Most couples fight over money, but why would you want to fight with someone you love over something dumb like money?

Getting a financial education gives you the opportunity to do something together and can lead to greater happiness in your marriage. If you and your spouse are an asset for one another, you can learn together, grow together, make money together, invest together, get cash flow together, and more. It's actually a lot of fun. And while the journey to financial freedom is not rocket science, it does take time and effort.

With this in mind, what are you and your spouse going to do today to increase your financial education and your happiness together?

### ***Why Do So Few Women Lead?***

I came across an intriguing article in Time magazine about Sheryl Sandberg, the chief operating officer (COO) of Facebook. Sandberg has a unique take on women. The Facebook COO says that women are still a minority when it comes to being leaders in the business world.

The statistics in the article state:

- Of the 195 heads of states, only 17 are women.
- Women hold about 20% of all seats in parliament globally.



- Just over 4% of Fortune 500 companies are led by women.
- Women hold just 17% of board seats. (Interestingly, that percentage is up only 3% in the last ten years.)

### *Why is this?*

Sheryl's premise is that we women are partly to blame. In other words, we do it to ourselves. Social norms, for lack of a better term, are also to blame. She writes, "From the moment they are born, boys and girls are treated differently. Women internalize the negative messages we get throughout our lives—the messages that say it's wrong to be outspoken, aggressive, more powerful than men—and pull back when we should lean in." (Sheryl released her book *Lean In* this past March.)

In her view, women need to set their sights higher, have more confidence in their skills and talents, and spend less time on housework and childcare. (And the men in their lives need to spend more time on housework and childcare.)

### *A Revealing Experiment*

One of the most revealing pieces in this article is an experiment conducted in 2003 with two groups of college students. Both groups were given the same case study to read about a successful real-life entrepreneur, Heidi Roizen.

One group read Heidi's story. The other group read the same story with just one difference. Heidi's name was changed to Howard.

Here were the findings. When asked about what they read, the students rated Heidi and Howard as equally competent, but Howard was seen as more appealing and likeable. Heidi came across as selfish and "not the type of person you would want to hire or work for."

The bottom line of this experiment shows that success and likability go hand in hand for men. *However, a woman's likability goes down as her success goes up.* As Sandberg says, "Female accomplishments come at a cost. And that cost is people declining to click on the 'Like' button."

Is there a different set of criteria for evaluating a woman versus a man with the same level of success?

Marissa Mayer, the President and CEO of Yahoo!, made the headlines recently for returning to her job just two weeks after giving birth to her daughter. She received quite a bit of criticism for that. That doesn't happen for a new father. Why? Because society tells us that women are supposed to be nurturing and not so work-driven.

Next time you are in a discussion about a highly successful woman, listen to the words people use to describe her. Do they say she's "too aggressive," "not liked by those she works with," or that "she's in it for herself"? Or do they simply see a highly accomplished person?

One other story: Wendi Goldsmith, the CEO and entrepreneur of Bioengineering Group in Salem, Massachusetts, came face to face with the successful-female bias when, after building a successful company, she decided to post her profile on an online dating service.

She put down as her profession: "Geologist and Entrepreneur."

How many responses did she receive? *Zero*.

So what did she do? She removed one word from her profile, "Entrepreneur," and her response rate soared. Wendi said, "Men want the warm, fuzzy woman and not the one they think wields a hatchet. Many men are uncomfortable with, intimidated by, and ill-equipped to handle a powerful woman. People assume that those with power aren't necessarily nice, and women are supposed to be nice."

Fast forward, Wendi did not end up with anyone from the online service. Instead she is married today to a man she had met years earlier. The twist? Her husband, Brian, had no idea when they first started dating how successful Wendi's company was. He said, "If I had known she was a successful entrepreneur, I would have been a little intimidated and unsure about pursuing her romantically."

Is this crazy equation of a successful woman not being equal to a likable, popular woman at the root of why there is such a lack of female business leaders today?

Have we fallen prey to the myth that women are less assertive and less driven than men? That women are supposed to be nice, nurturing, and supportive, and anything less than that labels us selfish, cold, and not to be trusted?

And are we passing this bias onto our children, both consciously and subconsciously? Are we teaching our daughters, nieces, and granddaughters to be future leaders or to be polite?

Is all of this just an excuse women can use to not lead? Or does this success/likability awareness inspire you to take on a greater role in life? These are questions for you to ask yourself and to create an honest dialogue with your thoughts and your mindset.

## *Change Your Life*

Be true to yourself and think about your financial dreams. Don't worry about your education level, your current credit-card bills, or your busy schedule. Instead, focus on what you want. Maybe you want to have more time to spend with your children, support a special charity, or travel the world. It's your dream. Have fun with it.

Now grab a pen and paper, and write down your financial dream.

Did you write it down?

Okay. Now, how many of you have a little voice in the back of your head saying, "Sigh. That would be wonderful, BUT..."?

*If so, stop that negative, little voice right now!*

According to an article in *Psychology Today* by Alex Lickerman MD, "complaint... often comes streaming out of our mouths without our conscious awareness. We actually become conditioned by previous repetition to think pessimistically when obstacles arise."

This means that you need to be more aware of your thoughts. When you feel negative about something, be aware of this thought and replace it with a positive idea. Instead of thinking about the obstacles in your way, think about how you would actually start to make your financial dreams a reality.

This can be a very challenging process if you have many negative ideas ingrained in your head from childhood, friends, family, and advisors. To help make changes happen and take a step closer to making your dreams a reality, start writing down all of your questions such as:

- What kind of financial education do I need in order to get where I want to be?
- What are assets and what type should I pursue?
- What tools and support will I need to keep me on track with my goals and overcome problems along the way?
- How will I celebrate small wins as I move forward?

Once you look at your questions, you'll have a better understanding of the information you need. Your initial questions will lead to more questions, but this is part of the learning process. You'll have a lot of choices to make, some easier than others, but don't stop here!

At this point, you are already thinking about possibilities rather than the negative, and you are on your way to actually making your financial dreams a reality. Next, you need to start acquiring information to get your questions answered. Then take action on this information.

The choices you make will be answered according to who you are. Remember, you are a unique and gifted woman. Don't let negative people or your own negative thoughts stop you from pursuing your dreams.

*This is your journey, your dream, your process. Make it true to you!*

## FINDING THE MONEY

If you're thinking, "I don't have the money to start my business," keep reading.

For every business that my husband and I have started, we had no money. There's this idea that you have to have a lot of money to build a business or you have to have a lot of money to invest. I don't subscribe to that. Borders bookstore started in a garage. Steve Jobs started Apple in a garage. Neither of those companies was highly financed.

When it comes to investment property, Robert and I were broke for quite a while. We were homeless for a short period of time when we were building our businesses. And when it came to our business of investments, we didn't have money either.

My very first investment was a little two-bedroom, two-bath house in Portland, Oregon. I needed a \$5,000 down payment and I didn't have it—but I found a way to get it. The one thing I'd say about investing, especially real estate investing, is to find the investment first because then it's a tangible thing. Otherwise, it's just talk. Once you find the investment, it becomes real to you. Then you can figure out how to find the money.

It's no secret that raising capital to grow your business or invest in property has become harder. Traditional lenders are requiring you to jump through more hoops, and they are applying less attractive terms after all the jumping is over. Private lenders and investors are more cautious and have raised their standards as well. What's a businesswoman to do?

### *The Key to Raising Money*

It's often said that the key to raising capital is a person's ability to sell. Selling is a crucial skill for any entrepreneur. When it comes to raising capital, the question is, "What are you selling?" In other words, what is the lender or investor looking for?

The key to raising money, whether it's to start or expand your business or to purchase and operate a rental property, comes down to four factors.

1. Project
2. Partners
3. Financing
4. Management

Address these four points clearly and confidently and your investors are likely to buy in. If you can show a prospective lender or investor that you have command over these four pieces of the puzzle, then selling will not be an issue, and you will attract more money than you thought possible.

The first time I raised money for my business, I wasn't aware of these four gems, so much of my sales pitch to prospective investors was based on BS (Blue Sky). The "sell" was much more difficult because: 1) I didn't know what the investor was looking for, and 2) I relied solely on my persuasion skills instead of sound business sense.

Even though it was more difficult, I was still able to raise a quarter of a million dollars from 10 investors. And in the end, every investor got his or her initial investment back and made an excellent return on that investment.

The process we use today, whether I'm the one raising the money or people want money from me, is much more efficient and leads to better results.

### ***The Overall "Want" of a Lender or Investor***

The what-I-want umbrella covering any deal investors are considering is that they want a healthy return on their investment. If I give you X dollars, then how much money will I get back and when will I get it? That's the overall want of an investor.

*Note: When I refer to a "lender" or "investor," I am referring to anyone or anything from a traditional bank or lending institution to a private organization or an individual. The same criteria apply, no matter whom you are approaching for capital.*

## *Music to an Investor's Ear*

A presentation should not be long or complex. It will differ depending on the business or investment involved. Often when a “pitch” is short and concise, it reflects that the people presenting it are confident in knowing what the investor wants and secure that they can deliver it.

Let's take a closer look at the four key factors I mentioned earlier.

### **1. Project**

- What is the project the lender or investor is providing you capital for?
- If it's for your business, then what exactly is your business?
- What makes your business unique from others in your industry?
- What is the advantage your business has that will build the investor's confidence?
- What will make it successful?

Keep it simple. Keep it concise. Keep it real.

### **2. Partners**

- Who are the key partners behind the project?
- Who is putting the deal together?
- What experience do the partners have?
- What is their track record?

Put yourself in the investor's shoes for some perspective. Whose music project would you more likely invest in—Paul McCartney's or Mike Tyson's? Whose new skin-care company would you back—Mary Kay's or Lindsay Lohan's? It's not rocket science. It's common business sense.

The experience the partners bring to the table and how comfortable the investor is with their level of expertise are what will drive any investor's decision.

### **3. Financing**

Show me the real numbers. This is obviously a bit trickier for a startup company because most of the revenue numbers will be projected numbers, not actual numbers. This is where previous experience can overcome that obstacle. Show the investor as accurately as you can how the project, be it a business or an investment, will make money.



Be realistic. As an investor, I do not want to see the best-case scenario. I want to see the most realistic numbers, including the problems and roadblocks ahead. Every business and investment project has problems. Pretending that yours won't makes you look like an amateur.

- How much money are you raising in total?
- Where is the money coming from?
- Is the money being raised from private parties, traditional lenders, pension funds, or government programs?
- What are the terms?

For example, let's say I'm being approached for the 20-percent down payment on an apartment building. I'm told the other 80 percent is coming from a top lending institution. What would be more attractive to me as an investor—borrowing the 80 percent at a lower interest rate that must be refinanced in two years or getting the 80 percent at a slightly higher fixed rate for 25 years? The first option presents more unknowns down the road while the second scenario has fewer potential surprises.

- How are you going to use the money being raised?
- What are the funds being allocated to?  
*One hint: If it's ever suggested that some of the money raised is to pay you, as the owner of the business or the deal, then my door is closed. If you want a paycheck, get a job.*

And, of course, you must answer these two key questions for your potential investor:

- How soon until I get my initial investment back?
- What is the return on my money?

The bottom line: *Is your financing structure attractive to an investor?*

#### **4. Management**

It's said that, "money follows management." I agree. However, your case is so much stronger when you address all four components, not just management.

Investors want to know who's running the day-to-day operations. This is key to the ongoing success of any venture.

- What is the experience level of the management team?
- Who are they?

- What are their backgrounds?
- What makes them vital to the success of this project or business?

If you are starting your own business or if you're raising money to grow your existing business, then the partners and the management team may be the same people. That's not a problem at all, as long as the investor has confidence in the experience and expertise of the team.

### *How It Plays Out in Real Life*

Let me give you a real-life example of how this formula works.

A friend approached Robert and me about an investment opportunity. We knew this gentleman personally, but had not done any business dealings with him. He is very well respected in the business community.

Here is what he told us:

*This is the investment—an Arizona landmark resort with three golf courses plus two additional golf courses from a second prestigious resort. It has gone into foreclosure and we are certain we can purchase it for about 25 percent of what the previous owner put into the property.* (The Project)

*My two partners and I are purchasing this investment. This is the 54th venture we've done together. Here is a list of those projects and the results. You know one of my partners, Mr. XYZ. (Just about everyone in town, and beyond, knows of this man. He is a business legend.) We've been actively searching for three years for a great project, and we feel this is the one.* (The Partners)

*We are raising 10 percent of the purchase price as a down payment. Two pension funds are putting up X number of dollars, and the bank that has foreclosed on the property is financing the rest of it. You can conservatively expect a return of X percent on your investment, and you should have all your money back within three to four years.* (The Financing)

*As to the management (at this point he drops a four-inch binder on the table that falls with a thud), this is the company that will be managing the hotel. It also operates the ABC and MNO resorts. (He then drops a second four-inch binder on the table.) This is the company that will manage the golf courses. There is a listing of the other golf course it manages. We've checked out both of these companies thoroughly.* (The Management)

That's the investment. What do you think?

### *What We Thought*

It took us all of five minutes to say, “Count us in.” Here is the beauty of our friend’s approach: This is a multimillion-dollar venture. He could have gone into all sorts of graphs, figures, projections, and data. He could have spent hours telling us what a great deal this was. Instead, he took all of 10 minutes, answered the four key issues, and five minutes later we had a deal.

Raising capital does not have to be a laborious, drawn-out affair. If you can keep it to the four key points and provide your investor with confidence, then money will flow to you and financial freedom and happiness can be within your reach.

Oh, just one last point. You’d better deliver.

# TURNING ORDINARY IDEAS INTO GREAT FORTUNES

So far we've discussed happiness, financial freedom, the need to take charge, why you should start your own business, entrepreneurship, investments, and how to raise the needed capital. To learn more about the elements required for successful businesses and investments, I've added excerpts from our *Choose to Be Rich* program, which describes the B-I (Business-Investor) Triangle.

Anyone can start a company, yet how many can start a company that survives and thrives? Anyone can purchase real estate, yet how many know how to analyze a property or how to structure the purchase to take advantage of the tax savings available for real estate? The key to success in either business development or real estate investments lies in the B-I Triangle.

Take away any one side of a triangle, and what do you have? An unstable angle. Take away any one side of the B-I Triangle and what do you have? A business or investment doomed to failure.



There are three sides to the B-I Triangle:

1. Mission
2. Team
3. Leadership

Each side is critical to the stability and long-term success of the business.



### *The Mission*

At the base of the triangle is its most important component: Mission. As the world market becomes ever more glutted with products and as competition becomes increasingly fierce, the businesses that thrive will be those that use their mission as their beacon.

What does mission mean? In truth, it is an intangible concept that can take on spiritual overtones in the hands of a devoted entrepreneur. The best way to define mission is by example. Henry Ford's mission, one he fulfilled with messianic fervor, was to make the automobile available to the masses. Hence, his mission statement was: "Democratize the automobile." It was Ford's ability to maintain his focus on this mission that helped fuel his financial success.

Or consider the case of Johnson & Johnson. Back in 1890, the Johnson brothers invented a first-aid kit for railroad workers who were getting injured as they laid tracks across the United States. For

over a century, the company has remained true to its original mission, and today the name Johnson & Johnson remains synonymous with first aid. In the cases of both Ford and Johnson & Johnson, the mission came first, not the lure of profits. Too many would-be business owners are driven by the desire for profit alone. Unfortunately, money alone won't provide entrepreneurs with sufficient stamina to weather the storms their young companies will inevitably face.

A glaring example is the owner who becomes an instant millionaire by taking the company public through an initial public offering (IPO) and then watches as the company falls apart. The problem with the profit-only mission is that it doesn't take into account customer need. After all, without customers, there can be no profits. The mission of a business should be to meet customer need by providing a product or service. If customers are well satisfied, then profits will follow.

A mission that serves customers first, and serves them well, will:

- Keep the entrepreneurial flame alive
- Serve as a beacon in the early years
- Eventually reap profits
- Keep the business focused

### *The Customer Is the Mission*

The story of Levi Strauss suggests the importance of defining a mission with customers, rather than profits, in mind. During the Gold Rush, Strauss, a 20-year-old Bavarian immigrant, boarded a ship for San Francisco with hopes of selling dry goods to prospectors. Included in his stock was a roll of rough canvas for tents and wagon covers. When Strauss landed on the west coast, he met a prospector.

"You should be selling pants," said the prospector, dubiously eyeing the roll of canvas.

So Strauss took the roll of canvas to a tailor and had him sew it into pants for his new acquaintance, giving birth to Levi's. Because of Strauss's primary commitment to customer satisfaction, eventually the profits rolled in and today his casual denim pants are worn the world over.

Making money is not a strong-enough mission. The mission of a business should be to meet the customer's need.

Your mission may be obvious if you're building a business to provide a specific product or service. If your business is to own real estate, you still have a mission. It may be to build assets for your family, or it may be to provide housing for your tenants. If you stay focused on your mission and pay attention to your customers' or tenants' needs, you'll fulfill your mission.

### *The Team*

The second side of the B-I Triangle is Team.

In school, students are taught to take tests as individuals, and they bring home individual report cards. But business is a team sport. In business, people are measured by their ability to perform teamwork. If there is no teamwork, if every person is an island, then the business will fail.



A team is not a group of people with the same skills. Employees and small-business owners often make less money than they would like because they try to do things on their own. When they grow frustrated with the powers that be, they form a union.

A business team, however, is not like a union. It is a collection of specialists—accountants, bankers, attorneys, insurance agents, and so forth—with differing skills. In a team, the whole is greater than the sum of its parts. With a solid team in place, the owner or investor gets the broadest education possible. And that's exactly what an entrepreneur needs—an expansive view of the world, not a single, specialized skill.



### *Go for the Team, not the Cadillac*

When first starting out, the business owner should dream of having a team of specialists, not a car or a plane.

Sam Walton, founder of the phenomenally successful Walmart chain, saw this in the early generation of discount retailers: “Most of these... guys were very egotistical people who loved to drive big Cadillacs and fly around in their jets and vacation on their yachts.” Not surprisingly, most of them went out of business. Go for the team, not the Cadillac.

Depending on your company’s cash flow, specialists can be either paid members of the team or part of an unpaid, but committed, advisory board. Ideally, of course, the team works only for your business, not a host of others. With a team in place, you can make informed decisions and avoid the pitfalls into which many a hapless young company falls.

### *Teamwork Reaps Profits*

In the old days, employees were considered “workers.” By the 1980s a shift in attitude, and language, had taken place in the halls of corporate America. More and more, successful companies began to treat their people as part of a team. At McDonald’s, employees became known as “crew members,” at the Walt Disney Company, they were now “hosts,” and at J. C. Penney, “associates.” These companies weren’t just paying lip service to the concept of teamwork. They gave it life, and corporate profits responded.

Employees and sole proprietors tend to be solo players and want to do things on their own. If they do happen to pay for specialist advice, it may be after much hesitation and out of their own sweat and blood.

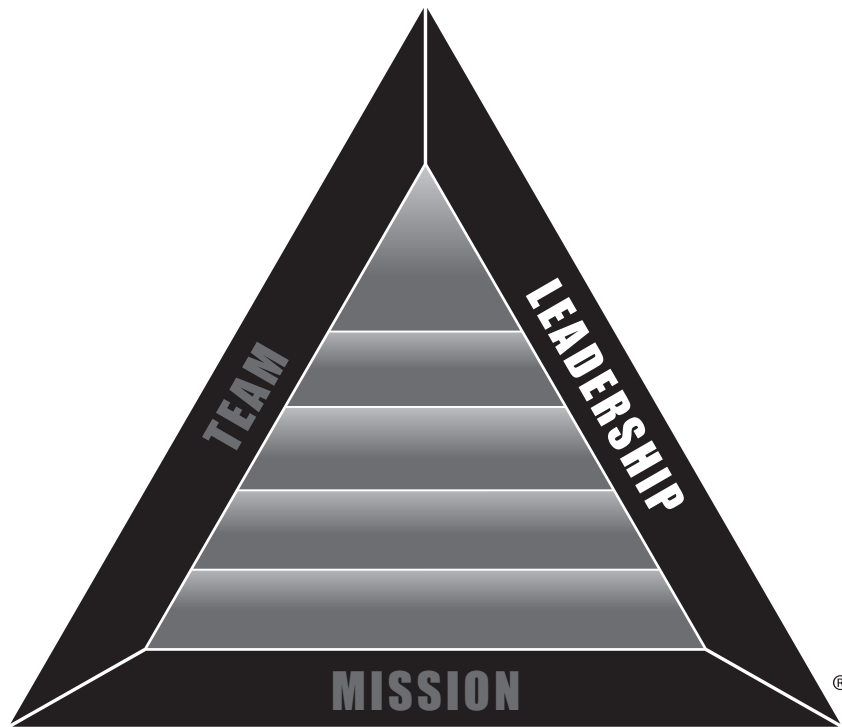
Big-business owners and professional investors, however, do not hesitate to hire professionals because the entire B-I Triangle is paying for their services. Those who follow the B-I Triangle have shed the common notion that building a business is risky. To these team players, it is riskier not to build a business.

Of course, specialists are just one of several groups that make up the larger business team. A successful team-driven business depends on investors, owners, employees, and specialists.

The investors fund the company. The owners work with the employees to make the business grow and bring a return on the original investment. The employees serve as an extension of the owners and represent the business to customers. All the while, the specialists help the owners keep the business moving in the right direction.

## *Leadership*

To keep the company focused on the mission, and to keep the company's different personnel working as a team, you need leadership—the third and final side of the B-I Triangle.



True leaders aren't born. They're made. Though leaders come in all different shapes and sizes, they have in common certain intangible qualities. A true leader is part:

- Visionary
- Cheerleader
- Pit boss
- Listener

As visionary, the leader conceives the mission and keeps all eyes focused on it. As cheerleader, the leader heralds the successes of the team as it strives to fulfill the mission. As pit boss, the leader makes the tough calls regarding issues that distract the team from its mission. As listener, leaders gain invaluable feedback from the team. Feedback helps them correct what they're doing wrong and hone their leadership skills. The leader is then able to take decisive action while focusing and inspiring the troops.

Leaders trust their team. Leaders who think they are the smartest people on the team aren't true leaders. They have no faith in the rest of their team and have never bothered to develop their own personal leadership skills. The person willing to listen and learn is the one who has the makings of a great leader. A leader's job is to bring out the best in people, not to be the best person.

David Ogilvy, prescient founder of the advertising agency, Ogilvy & Mather, went to great lengths to avoid holing himself up in an ivory tower. Knowing the importance of remaining visible, he walked the halls and visited with his people. "A chairman who never wanders about his agency becomes a hermit, out of touch with his staff." Ogilvy met with success not because he was a born leader endowed with exceptional charisma, but because he strove to listen and learn. Not surprisingly, what motivated him to continue honing his leadership skills wasn't the thirst for profits, but a deep-seated commitment to his company's mission of unparalleled client service.

*"To force good ideas to bubble up, you must listen to what your associates are trying to tell you."*

—Sam Walton, founder of Walmart



### *Inside the B-I Triangle*

With the right mission, team, and leader, you'll establish a stable triangle for your business. But there's more to business than just the framework. Prudent management is the ongoing activity that fulfills the promise of mission, team, and leader. The B-I Triangle has five tiers within its framework that must be managed.

### *Cash Flow*

Cash flow, the bottom-most tier, is also the most fundamental to business success. Cash-flow management means financial literacy, the ability to read and make sense of financial statements. Many small business owners go under because they can't tell the difference between profit and cash flow. Profit may be phantom cash flow. Actual cash flow is to a business what blood is to the human body. Nothing affects a company more dramatically than not being able to make payroll one Friday.

### *Communications*

Communications is the next tier up. Much communication is devoted to activities external to the company such as raising capital, sales, marketing, customer service, and public relations. Most entrepreneurs spend too little time improving their external communication skills. This can be risky because communication is essential to raising capital, the life of any business.

Internal communication is also important—sharing the company's successes with the entire team, staying in touch with advisors, and having regular meetings with employees. Investors, advisors, and employees can get away with speaking the language of their specialized areas, but the entrepreneur, the leader of the flagship, must speak the language of all. All great leaders are great public speakers.

Almost any successful business has a leader who knows how to communicate with everyone on the team—investors, advisors, and employees. What sort of communication will inspire different team members to unite and fulfill the company's mission? Detailed policy reports tend not to work. What has proven effective is the age-old language of the common person: uplifting anecdotes, inspiring metaphors, and legends about company heroes. Leaders at Frito-Lay are known to tell service stories, leaders at Johnson & Johnson share quality stories, and leaders at 3M tell innovation stories. These people speak the language of the common folk, for this is the language that opens ears and hearts. Through stories, the leader motivates the team to fulfill the mission.

## *Systems*

Systems is the third tier up. A business is a web of interlocking systems. For it to grow, a general director must be in charge of making sure all systems operate with maximum efficiency. The director is like a pilot in the cockpit, reading gauges from all the plane's systems. If one gauge indicates a malfunction, emergency procedures must be implemented to prevent the plane from going down. The pilot isn't part of the system. He or she is merely managing it. Most small businesses are weak because the director is the system. In a business built on teams and systems, the director supervises multiple systems without becoming a part of any.

Systems managed in a typical business include:

- Product development
- Office operations
- Manufacturing and inventory
- Order processing
- Billing and accounts receivable
- Customer service
- Accounts payable
- Marketing
- Human resources
- General accounting
- General corporate
- Physical space
- Computer systems

## *Legal*

Legal, one tier from the top of the triangle, is too often neglected. Legal fees may seem expensive at first, but it is much more expensive to lose the rights to your property or to get embroiled in litigation down the road.

The young Arm and Hammer well understood this. He and his father bought out a partner in their pharmaceutical manufacturing business and renamed it Allied Drug and Chemical Company. As soon as sales started skyrocketing, the partner resurfaced, claimed that he'd been swindled, and brought a million-dollar suit against the Hammers. Armand went to the famed commercial trial lawyer, Max Steuer. He paid Steuer \$1,000 simply to write a letter showing the ex-partner that he intended to fight. It worked. Scared stiff, the man backed down and saved the Hammers many thousands of dollars in potential legal fees later on.

Lots of businesses go under because they fail to protect their intellectual property. Never underestimate the power of patents, trademarks, copyrights, and contracts. Bill Gates became the richest man in the world by buying an operating system, protecting his purchase, and selling it to IBM.

Aristotle Onassis became a shipping magnate with a simple legal document—a contract from a large manufacturing company guaranteeing him exclusive rights to transport its cargo all over the world. A single legal document can be the seed of a worldwide business.

Here are some areas of the law where attorneys can prevent problems:

- Contracts
- Intellectual property
- General corporate
- Shareholders
- Labor
- Consumers
- Securities and debt

### *Product*

Finally, on the very top tier, rests product. Product is at the top because it embodies the business's mission, and because success in selling product depends on all the tiers below. The product can be a tangible item like a hamburger, or an intangible idea such as consulting services. Whatever it is, in one sense the product should be viewed as the least important part of the business. Take away the rest of the B-I Triangle and the product has no value. Most of us can cook a better hamburger than McDonald's, but few of us can build a better business system than McDonald's.

### *Managing Your B-I Triangle*

After reviewing each tier of the B-I Triangle, consider how each tier relates to your business and your real estate investments. Whether you own a hotdog stand or a multinational business, whether you own one property or many, all the elements of the B-I Triangle must be present and working in harmony for your business endeavor to succeed.

### *The Less You Work, the More Money You Make*

Be careful of being too hands-on. It's easy to stay busy in your busyness and never build anything. You don't have to become imprisoned in busyness.

Once you master the art of building B-I Triangles, you will find that the less you work, the more money you make. The key lies in putting together systems that can function without you.

You will also discover that it doesn't take money to make money. If you develop your ideas and build B-I Triangles around them, investors will come to you.

# THINK LIKE AN ENTREPRENEUR AND INVESTOR

## *An Entrepreneur's Mindset*

An entrepreneurial mindset is essential in today's fast-changing business and economic environment. It will help you prepare for the future, increase your financial education, and control your money.

The *Forbes* article, "Why Everyone Will Have to Become an Entrepreneur," explains:

*The fact is that the rate of change is only increasing. And the only thing you are able to count on when it comes to how you are going to make your living is you. That's why you'd better be prepared to be an entrepreneur. In the best of worlds (i.e. you get to keep doing the job you currently like), you will gain new skills and new ways of thinking that will allow you to do your existing job better. And if the worst happens and the winds of change sweep you out the door, you will have a head start on whatever it is you do next. Either way, you need to be prepared to be an entrepreneur.*

Unlike employees, entrepreneurs don't rely on the safety net of a paycheck from someone else. They learn from their mistakes, are driven to solve problems, face challenges with new answers, and get results no matter how much time or effort it takes.

Creating your entrepreneurial mindset will help you change the way you look at life and investing. Figure out what you want to accomplish and constantly learn new things pertinent to your goals. Then, take action on what you want to achieve and review your business and investments to see if they are giving you the results you want. It doesn't matter where you are now in life. What matters is the mindset of thinking like an entrepreneur.

## *An Investor's Mindset*

Every investment also needs to be treated like a business with a mission, income statement, and balance sheet. It also needs the right team behind it with sales and marketing to drive it, and of course, profitability. No matter how small an investment you make, these are the fundamentals of a successful business.



Here are the investment rules that I live by:

- The investment must put money in my pocket.
- The investment must stand alone.
- I want to control the investment whenever possible.
- Every investment must have an exit strategy or exit options.

When investing, I always look at it through the eyes of an entrepreneur. The investment must have cash flow on its own, and I need to be able to control the income, expenses, and debt whenever possible. And before I even buy an investment, I must know my exit strategy or how I will sell the investment.

## BALANCE YOUR LIFE

### *Mom-trepreneurs*

A key component of entrepreneurship is that you have more flexibility over your time than an employee, although having your own business is no walk in the park. You will often put in more hours per week than the woman working for someone else. Yet, an entrepreneur makes her own rules and creates her own schedule—a huge plus when needing to work around your kids’ schedules.

An added bonus is that you can involve your kids in your business and give them an education they’ll never get in school. I know of several female business owners doing just that. One couple is teaching their two young boys to be entrepreneurs. The boys, ages 10 and 14, are now on their third business together in three years.

Another mother includes her daughter in her retail business whenever possible. The girl loves greeting customers, ringing up sales, and being with her mom at the same time.

I like what this mother of one and a senior executive at a large beauty company said:

*I was thinking that while traditional careers (government, finance, corporate jobs) are pretty inflexible, I’m always inspired by the mom-trepreneurs who basically blaze their own trails to make it work. Rather than waiting for the world to be accepting of what you want out of work/life balance, it’s awesome to see women take control into their own hands, found their own businesses, pursue their passions, and all while being great moms. It takes a lot of guts, creativity, and often the luxury of not being the primary earner, to be able to create those businesses. But, in the end, those businesses can employ lots of other moms trying to balance their lives.*

### *No One Is More Important Than You*

What is your reaction to that statement?

“Heresy!” some of you might say. “How selfish is that?” “How arrogant!”

Not really. When you make some one or some thing more important than you—your children, your spouse, or even your life’s purpose—then you allow that person or that thing to have control over you. You give that person or thing power over you. You lose a piece of you to whatever you concede the

power to. Granted, all these things may be extremely important, but they are not more important than you, the being.

When I made this statement recently to a group of women, one woman commented, “I would sacrifice my own life for my children!” I am sure she would, as I bet most mothers would. However, that does not mean that you, your spiritual self, is less important than your children.

I used to say, “My mission of financial education is first and foremost!” Yes, the mission is tremendously important to me, but it is not more important than I am.

Men don’t seem to struggle with this concept as much as women do. The word I hear used most often by women regarding this statement is “selfish.”

Why is this such an issue for so many women? In my opinion, we are so used to putting everyone else first—our children, our husbands or partners, our parents, our job or business—that many of us have become accustomed to taking a back seat. Some actually brag and are proud of how exhausted they are. They’re exhausted because catering to those you love, without catering to yourself, drains you of energy instead of giving you energy. And that is not empowering, inspiring, or healthy.

It’s easy to lose track of who you really are when, day in and day out, you’re living your life according to everyone’s else’s dreams, visions, wants, and needs.

The bottom line is that, in order to best serve others, you have to first serve yourself. I’m sure you’ve heard the announcement on board an airplane, “Please be sure to put your oxygen mask on first before assisting others.” You take care of you, so that you can better take care of others.

Think of a time when you were really happy, when you felt free and full of life.

- What were you doing?
- How were you feeling?
- Were you more productive?
- Were you more fun to be around?
- Were you willing to help others?
- Did things seem to happen effortlessly?

This is about you achieving your full potential by having the financial freedom to strive for what truly makes you happy.

Women, it’s time we raise the bar on ourselves. It’s time we become the role models that will inspire women, young and old. It’s time to embrace the fact that there is no one or no thing more important than you. It’s time to put yourself and your happiness first, and make it a better world.

Are you taking the time you need every day for you, so that you can move towards your financial dreams? Are you putting yourself first, at least some of the time?

It's common knowledge that the healthier you are in mind, body, and spirit, the more effective and productive you are—in all the roles that you choose to play. Focus on you first, so you can better take care of those you love most.



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## RELEASE YOUR GIFT INTO THE WORLD

If you stopped working today, how long could you survive financially? And I'm talking about on your own without receiving money from a spouse, boyfriend, partner, friend, or anyone else. If you have no idea, it's time to increase your financial IQ and change your situation. Now is the best time to pursue financial freedom.

A recent *Wall Street Journal* article entitled "Renting Prosperity" explains how we are a nation of renters. People are renting everything from homes to cars to books and more in order to increase their wealth. I mentioned earlier about a woman who loved designer handbags, but couldn't afford them. So what did she do? She created a handbag business to rent them out, and today, she makes a nice profit from her small boutique of rental handbags.

The point is to be creative and stop thinking like the status quo. There is always opportunity when you have a financial education.

### *Focus on Your True Calling*

Are you doing what you believe you are meant to be doing? Or are you working simply for the paycheck?

Are you doing things and making choices in order to make a few people in your life happy?

Are you hiding behind busyness—emails, paperwork, work—that keeps you busy but does not move you toward your true life's work, dreams, and happiness?

It's so easy to get sidetracked with distractions all around us in a world of sensory overload. But what if you're actually choosing to be sidetracked by all the busyness—making that choice because it's safe, comfortable, and keeps you from pursuing what you really want to be doing?

Often, when I have a difficult phone call to make or a tough conversation to have with a business partner, I find myself buried in my emails, tidying up my office, or taking my dog for a walk—anything to keep me from doing what I know I have to do. Why? Because what I have to do is uncomfortable.

In Steven Pressfield's recent book, *Turning Pro—Tap Your Inner Power and Create Your Life's Work*, he calls this being addicted to distractions. Distractions come in all shapes and colors—drug and alcohol addictions, constant texting and Facebook, never-ending problems, drama, money, procrastination, sex, sports, and hobbies—just to name a few.

Our distractions keep us from coming face to face with our true calling: our life's work, our destiny, our purpose for being, and ultimately our happiness.

Why in the world would you not want to know and pursue your life's calling? Simple. It takes work, a lot of work. That also means it can be very uncomfortable at times.

I get distracted when I need to sit down and write, whether it's an article, a blog, or a book. I get distracted from reading my investment newsletters. I get distracted from preparing for a talk I'm going to deliver. It's a constant battle.

Pressfield says, "Painting, writing, starting a new business venture, doing charity work, or even just putting everything we have into the work we're already doing, is waylaid again and again by that chattering critic inside our heads."

In his earlier book, *The War of Art* (one I highly recommend as well), he called this chatter "resistance." He writes, "Resistance stops us from committing to the important work of our lives—not just committing to it, but fighting like hell to get it done."

Do you know anyone who bounces from diet to diet struggling to lose those extra pounds? They know what they need to do: change their diet and exercise. It's no major revelation. Yet, the fight continues. That's resistance. That's a distraction.

What is the number-one thing that causes us to choose a distraction over our calling? According to Pressfield, it's fear. Fear of what? It's not what you think. The number-one fear that holds people back from fulfilling their true work is the fear of "being excluded from the tribe, i.e. the gang, the posse, mother and father, family, nation, race, religion." People are so afraid of what other people will think of them that they live their lives just to fit in with those around them rather than do what they truly want to do. Your happiness is exactly that. Yours, not theirs.

This rang very true for me. I did a lot of things in my life so that people would like me. I wanted to be liked, by my tribe and beyond. But here's the kicker to it all. As Steven Pressfield says, "The tribe doesn't give a sh\*t."

He goes on,

*That gang or posse that we imagine is sustaining us by the bonds we share is in fact a conglomeration of individuals who are just as f\*\*ked up as we are and just as terrified. Each individual is so caught up in his own bullsh\*t that he doesn't have two seconds to worry about yours or mine, or to reject or diminish us because of it.*

*When we truly understand that the tribe doesn't give a d\*\*n, we're free. There is no tribe and there never was. Our lives are entirely up to us.*

### ***Bring Your Genius to the Surface***

What's the bottom line to all this? Every one of us has a calling, a genius, a gift to give. In many cases, we're so concerned about what our family or friends will say or think of us if we stray from what's comfortable or familiar that we choose the path of least resistance. We're fearful that, if we don't, people may stop talking to us. Or it may be that we just don't want to work that hard to bring our life's work to fruition.

How will you know when you've touched on your calling? You will feel a lot of fear.

Why? Because there will be no one to blame, no excuses or justifications. There will just be you—who may be different from the “you” you've been living.

Maybe your life's work is as an entrepreneur, an artist, a mechanic, a tennis player, or a baker. Whatever it is, it is inside of you. Maybe you've already discovered it, or maybe it's bubbling to the surface.

Nobody said this process would be easy. Happiness is not free. You will have to choose to make the sacrifices and do whatever is necessary to push through the barriers to become financially free. But with that new-found freedom in time and money, you will have the resources necessary to push forward towards your true calling. That's where real happiness is found.

Here's to your freedom and happiness as you strive to bring your gift, your life's work, to the world.



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