Encounter!
With Jay Abraham and Fran Tarkenton

Jay Abraham: Hello, and welcome. This is Jay Abraham. I’m here at Capistrano Beach with Fran Tarkenton. I should set the stage. We are right on the beach, so you might hear some waves crash, some children running, or a seagull come by to visit. But that only adds to the fun of the interview.

Everyone knows Fran Tarkenton as a sports legend. He’s played in three Super Bowls; he was in the Pro Bowl 11 out of 18 seasons; he set four separate records as an NFL quarterback that still stand.

All that is remarkably impressive, but what most people don’t know, and what to me is even more impressive, is his business track record. Fran has started eight separate enterprises from scratch, giving birth to them as ideas from the ground up – “from the dirt”, as he so charmingly says - and built them into very powerful, and very successful enterprises. All without convention borrowing, all without venture capital, and he sold those businesses for an aggregate total that exceeds $200 million.

Now, in a business climate like today, you might be experiencing more than a little bit of challenge just keeping your one enterprise or practice going. I thought this would be a real opportunity for me to be able to pick the brain, learn the strategies, and understand the very successful mindset of a man who could do this. A man who could do it - not once, not twice, not three times, but eight times in a row with not just decent, but phenomenal success.

So without any more fanfare, Fran, welcome, and thank you in advance.

Fran Tarkenton: Thank you Jay, and I’m glad to share this lifelong experience with your friends.

JA: Now, I’ve got to say this: I know, and I’ve looked at a lot of your press – I don’t think you’ve ever given an interview like this. I don’t think you’ve ever documented (and I know from previous conversation) you haven’t even had the opportunity to sit and draw out what some of your specific philosophies and strategies are, so this is going to be a real exciting discovery for both of us.

FT: Well, the reason for that is I’ve spent most of my last 25 years running businesses.

JA: You’ve been an operator.

FT: Starting businesses, trying to figure out how to find a customer, how to satisfy that customer, how to grow the business, how to price my products, how to price my service, how to collect that, how to create cash flow, now and beyond – and that’s where I’ve been. You know, I have listened to your stuff. I love it. I’ve listened to Tony Robbins, I’ve worked with Tony Robbins, and Tom Peters, and Covey, and all the wonderful informational people.
The difference is, while I’ve been listening and gleaning from you guys, I have been doing it. I have been doing the same thing as our listener there in running and operating and growing businesses, creating profits and services that someone wanted.

JA: I like that somebody said one time, “He got his education on the front lines of capitalism.” And I would say that’s what you really did. You basically, each and every day, you fought the battles in the field of commerce, right on the line.

So with that stated, I’m gonna ask you a question. First question I want to know, is: OK, you’re minding your own business being a Hall of Fame football player, playing in Super Bowls – what got you started as a businessman in the first place? Can you go back and give me the motivation?

FT: Sure. Jay, I’ve always been an entrepreneur. When I was five years old I lived in Washington D.C. I lived at 610 Maryland Avenue, and I was the son of a preacher man, and we didn’t have much money, and on Saturdays I used to take my little wagon down to the Safeway grocery store. Because women back then – and mostly women did the shopping back then – did not go to the grocery store with their car. They would walk to the grocery stores, and the neighborhood grocery store, and then they would carry their packages of groceries back to their house.

So I said, “You know, I see this happening.” So as a five-year-old, probably copying my older brother or some other kids, but I saw what they were doing. They were making money. So I went down to the Safeway store, and at five years old, I would put their packages on my little wagon, and drag the wagon to their house, and they would give me a dime, or they would give me a quarter.

Then when I was eight years old, I delivered the Washington Star, as it was then, as a paper delivery boy in Washington D.C., and I did that until I was 11 years old. And then I went on, and finally when I got to college, I sold life insurance for the Franklin Life Insurance Company, and I was the leading life insurance salesman in the state of Georgia in the year 1960, part time. I sold the PPIP Plan, the President’s Passbook Investment Plan. So my entrepreneurship goes a long way back to the time that I was five years old.

Now, I go to professional football. I was drafted in the third round by the Minnesota Vikings, 1961. My starting salary was $12,500. They paid me a bonus of $3,500. I had to work in the off season, so I had an off-season job. I worked selling freight for the Wilson Truck System, $600 a month, and they gave me a car to drive, and I went and – here’s how glamorous my job was. My job was to be able to sell people who were shipping freight between Sioux Falls, S.D., to Minneapolis, MN, to Chicago and back. And I would go in the dead of winter in South Dakota, in Watertown, S.D., Aberdeen, S.D., Sioux Falls, S.D., and knock on the doors of shipping clerks, and convince them – or try to convince them – that they ought to use Wilson Truck System to ship.

JA: Were you persuasive?
**FT:** Yes, I was persuasive. Rates were all the same, but I understood at that time the way I got their business was I had – I could not low-ball the number; I could not offer any better service than our competitors did, because they offered good service too. It was building a relationship; getting to know the person; making an investment of time; and sitting down with them, and listening to them, and asking them questions, and building a trust. When I would build a trust with them – and that might take a week, but most times it took weeks, or sometimes months – I would finally get a chance to get some business.

So I learned perseverance. I learned tenacity. That all of that led to me getting business. Just by being an athlete and walking in never once got me business.

**JA:** Then how did you go from that employment to owning your first enterprise?

**FT:** Well, OK, I went from there. I then sold printing for Holden Printing Company. I worked for an advertising agency back in Atlanta, GA – BBD & O. I then worked in the Marketing Department of the Coca Cola Company for three years, and I did that.

Now we get to 1969. 1969, I’m 29 years old. I’m still playing football, and I decided then that I really wanted to take the skills that I had learned, the entrepreneurial spirit, and I wanted to go out and start my own business.

The first business I started, I figured out that I had to find a need for something. I had to create, if you will, an idea that people would find useful, and would pay money for.

**JA:** So, you had to find a way to bring a new value or a new benefit to people.

**FT:** Yes. So I was – I lived in the heart of the textile country. Georgia, South Carolina, North Carolina, Alabama, Tennessee was the heart of the textile country. And so I got to know a lot of textile people, and being out there – and I was doing a lot of networking, and a lot of speaking back then – I found out an amazing thing: that their turnover rates were just outlandish.

**JA:** You’re talking about employees who would leave?

**FT:** Employees who would leave. And they were running, on the average, for the industry, about 65% turnover every year.

**JA:** Wow.

**FT:** So if you had 100 people, 65 would quit, and 65 new ones would have to be hired. Cost of that turnover was probably at that time about $5-6,000 per employee – cost them a lot of money.

Now, the results of that were that their quality was going downhill; there were more seconds…

**JA:** Reject rate was high.
FT: Reject rate – productivity was nonexistent…

JA: So there’s a tangible cost that they could measure that they were suffering, right then.

FT: That’s exactly right.

JA: So what did you do?

FT: So during that time, I had come in contact with some people that were in the behavior modification (field). I became knowledgeable about Skinnarian techniques, and behavior modification.

JA: But for those people who don’t know what behavior modification is, what is it?

FT: All right. Behavior modification was more of a systematic, scientific approach to human behavior. It said we’re not going to look at you inside, and try to figure out what’s going on or not going on with you. We’re going to look at observable, measurable behavior. And when we look at that observable, measurable behavior, we can see it, and we can count it. And if we can see it, and we can count it, then maybe through the methods of feedback and positive reinforcement, and managing the consequences, if you will, of that behavior, we could impact that to get more of it, or less of it.

JA: So back then, were you on somewhat of the cutting edge, relative to the rest?

FT: I think we were on the cutting edge, and especially in the industry, because the industry wasn’t using that.

So anyway, I got the notion I could take this technology, if you will, and modify it for industry, and go in and really make an impact. So I went to Cannon Mills. Their Vice President of Human Resources was Barry Hudson. Cannon Mills at that time had about 70% of all the towel business in the world.

JA: Yeah, huge corporation.

FT: Huge company, based in Canapolis, North Carolina. Conservative company – never had outside consultants. So I went in to this guy, Barry Hudson, who was Vice President of Human Resources. I said to him, “I believe that I can reduce your turnover, and cut your turnover in half, and save you hundreds of thousands of dollars.”

JA: And did you really believe that?

FT: Oh, I believed that. And he said, “How can you do that?” And I said, “I believe the way to do that is not through a program that has a beginning and an end. It’s
not just in making speeches to your group, or having a seminar every so often. I need to have someone here, live here every day, work first shift, second shift, and third shift (because they had three shifts at work), and we are going to work with your supervisors. Because I think the key to this whole notion is your supervisors.

“I don’t think your people are quitting because they are not getting paid as much as the person across the street. I think it’s because they are not getting the recognition, the proper supervision, the proper feedback, the proper direction from your supervisors, and the reason they’re not is not because your supervisors are bad – it’s because your supervisors don’t know how to.”

So we came in to this environment and convinced him that we were going to do supervisory training. But that supervisory training would have classroom training for two hours on a Monday morning, and then two hours on a Wednesday morning, and two hours on a Friday morning. And the rest of the time, my consultant, who had been trained to do this, was going to work with those supervisors in implementing what they learned in the classroom.

JA: This was the first client you went to.

FT: First one. So I convinced him. So we trained them. We then worked with them, and we brought graphs up – we would graph, and get baseline graphs on performance data, attendance data, seconds, productivity, and so forth. So, he bought into that.

Now, how am I going to finance this? I knew the person I was going to hire, because I’d already worked that out with him…

JA: So did you have a company set up with him?

FT: I had no company.

JA: Just an idea?

FT: I had no money. I wasn’t going to go to the bank and get financing. So I worked out what it was going to cost me to hire this gentleman to work for me. I knew what that was going to be. And then I knew what his living expenses were going to be. So I figured all that out, and I said, “I need to have cash flow to start my business. I need to have cash flow to grow my business, and to hire the second and third and fourth person.

So I came out knowing what my costs were going to be, and then I figured out for me to have an adequate profit margin to be able to grow my business, and deliver the services I needed to do, I needed to charge this guy $9,000 a month. So I convinced him. I said, “I want a five month commitment from you.”

JA: Normally it would be a year or two though, wouldn’t it?
FT: Would be a longer time. And I said, “I want five months. Pay me $9,000 a month, guarantee me $45,000, and if we have an impact of your business dramatically in reducing your turnover…”

JA: In a measurable way…”

FT: In a measurable way, “…reducing your turnover, increasing your productivity – in other words, we were going to get more towels out the back end – that if we haven’t done that for you, then you can break the contract.”

That’s fine. So I’ve got a contract for $45,000. Normally they would pay you 90 days after you bill them, after the first month.

JA: Sure.

FT: I couldn’t afford to do that. So I had to have money up front. So I said one other thing: “We’re going to start April 1, 1969, and I need you to pay me at the first of every month.” He said, “Why do you need me to pay you the first of every month?” I said, “Because that’s how I’m going to fund my business.”

JA: You were honest with him.

FT: “I’m a small business person – I don’t have the financing mechanisms, I don’t have the capital that you have at Cannon Mills. I can bring you service, I can bring results, but I need you to pay me on the first of every month.”

So he gave me a check for $9,000 on the first of every month. I created a positive cash flow, and that was my first business.

JA: It sounds like you’ve been results-oriented from the very get-go.

FT: OK. They had a need. I knew their need. If anybody could come to them, and show them how they could reduce their turnover, increase their quality, and have more towels out the back end at the end of the day – increase productivity, increase performance – this made money for Cannon Mills.

JA: So you’ve always been focused on that?

FT: Always. And so I had to bring value to them. I had to make them more money. If I could show them that I could make them more money, they would be willing to spend more money with me.

JA: Makes sense.

FT: And if I couldn’t do that, I had no reason to be in their shop – to be in their factory, or to expect them to do business with me.
JA: You’ve worked – since you sold your last corporation (for a lot of money, I might add) you’ve had the opportunity to travel around the country and speak to very large groups. Many of them are entrepreneurs; many are presidents of large private and publicly-owned companies; many are middle- and upper-level managers; and many of them are people destined to be middle- and upper-level managers and presidents of companies, and their own entrepreneurs in the future. What’s the most frequent or constantly asked question you get posed to you through all your travels around the country from business owners and what’s your response?

FT: Whether it’s a multi-billion dollar corporation, or whether it’s a young lady who I met in Iowa a few months ago, who was starting her own home business, and she had two customers, the question that they ask me is, “How do I get another customer? How do I grow my business? How do I go from two customers to five customers? Or from a billion dollar corporation to a billion-five?

See, we’ve gone into this cost-cutting phase over the last four or five years. IBM has fueled their profitability now, by not innovation and creativity, and increasing their revenue base – they have done it by eliminating 150-200,000 jobs, selling off businesses – and that’s created a large reservoir of cash for them.

That’s fine at some point. But at some juncture, we have got to create more revenue. We’ve got to add more customers in order to not only prosper, but to survive tomorrow.

JA: How do I do it?

FT: It’s an interesting question, and I do have, I think, a very solid answer to that. I think that we are living in the fastest period of change in the history of civilization. And I think that we are going through, in the last number of years, the most significant change in business that we’ve had since the 100 years of the Industrial Revolution.

Because when the Industrial Revolution came, it changed our life. And what happened with the Industrial Revolution – a few large companies were formed. And those big, large companies dictated to the customer what they could have, and what they could buy. And it was very hard to break through that cartel. It was almost impossible for somebody to be in the automobile business, but Ford, and General Motors, and Chrysler.

JA: Today it’s not the case.

FT: Absolutely not the case. It was almost impossible for anybody to be in the computing business but IBM. Think of this: 15 years ago, IBM had 60% of all the computing business in the world and 75% of all the profitability from the computing business in the world. General Motors, 10 years ago, had 49% of the domestic automobile business. Dominating. Dictating you should have mainframe computers, you should have big automobiles – and didn’t listen to the customer to let the customer – because the customer had no choices.

That’s changed in the last 10 years. Because now, it’s not like – when Ford started? It was like you could have any color Ford you want, as long as it’s black. One
size fits all. Today you can go, within 30 minutes of where you are right now, and you can get a choice of 600 different styles of automobiles. You can find any number of PCs, software products by the thousands.

And so therefore, the consumer is king again. And what the consumer is saying – “I don’t care whether you’re IBM, or you’re Jay Abraham, or you’re Fran Tarkenton, or you’re Herman Schwartz, or Betty Fridley. If you’ve got a product and a service that can add value to me, that can make me money, that can make my life better, and you’re going to build a relationship with me, and support me, and fix it when it’s broken, and I can trust – I will buy it from you.”

So what’s happened, is you’re seeing companies that didn’t exist 15 years ago, 16 years ago – Apple Computer becomes a multi-billion dollar company. Microsoft, in 1982, was a $4 million company. They are where IBM was. They control, today, through the standards of their operating systems, they really control more than anybody else the computing business of the world.

So therefore, the opportunity for small businesses is great. There’s one criteria: Have a product in mind…have a service in mind…that makes somebody else money. That makes them better. That adds significant value to them, and builds a relationship of trust and support that will build loyalty.

JA: I approach it from a slightly different way, but we’re very parallel in our philosophies. My whole take on life and business is this: You can’t be successful unless you offer the customer, or the client, a perceivable benefit, or an advantage. I call it a Unique Selling Proposition or Advantage, but it’s something that distinguishes your company, your product, and your service, in the eyes of the customer, above and beyond your competitor. And you’re saying the same thing from a different point of view.

FT: Yeah, but it’s got to be real, see. We really went through an era thinking that I could just have great marketing, and great packaging, and great advertising, and I could have this image of what I am, or what my product is, and they would buy that perception. We might have at one time. We don’t anymore.

JA: So what’s real?

FT: IBM spent $100 million to promote the PC Junior. There are no PC Juniors around anymore, because people didn’t want the PC Junior.

We have a sophisticated buyer today. We have a very informed customer base today. This customer base has choices. They’re smart. But what’s great about it – I can be a small-based entrepreneur, just starting out, and if I can show that customer that I can provide them with a product or a service that really adds value to them, that makes them money – that is the basic, fundamental criteria to starting a business.

If I cannot make you money – if I cannot provide you something that you really need, or perceive you need, and want in real terms – I don’t deserve your business, and I need to find some other product or service that can. Because all the marketing you have – IBM had $100 million to market, and they couldn’t make it work.

All the marketing that you have, all the advertising will not overcome a product or service that is not wanted by a customer.
**JA:** Let’s talk about adding value, because I think that that’s the core essence of what’s probably distinguished your successes. It has distinguished the hundreds and hundreds of successful entrepreneurs and business owners I’ve had the privilege of working with and observing. But I think for our listener, I’ve got to get specific. So let’s talk about how you add value, and what value really is. Give me examples from your own, either life experience, observations, or your travels, of how, specifically, different business owners, different companies, different professionals, different entrepreneurs, have successfully added perceivable value, what the value is, and how it’s worked.

**FT:** Let me give you one example. I’ve got a friend that I’m spending money with now who’s a tax consultant. And he wasn’t particularly going anywhere. He was making a decent living. And he got an idea that he could help property owners save money on their property taxes.

And here’s what he did: He went to the public records - and the reason I know this, he wrote me a letter. And he went to the public records, and he saw that the City of Atlanta, Fulton County, in the public records had raised the valuation of my property from X to X + 2. And he said, “Whew, that seems extreme.” And these things are negotiable. I didn’t know they were negotiable.

So he wrote me a letter, and said that you are in the top 25% of the homes in Atlanta in the rate of increase for valuation for your home. Which was going to mean I was going to pay significantly more taxes than I had the prior year. He said, in the letter, “I believe I can help you, and what I would be willing to do is work free for you, and any savings that I save you from this appraisal value, I will take 25% of the savings.”

Made sense to me.

**JA:** Heck of a deal.

**FT:** Great deal. He could save me money. The investment to me was no money – I was going to pay the increased taxes. And he went to work on my behalf, and he has saved me significant sums of money, of which I was glad to pay him 25%.

I have gone and told other people about him. He’s done the same thing. And so he’s fueled a whole new part of his business that he didn’t have before.

**JA:** What’s the lesson there?

**FT:** The lesson is, again, look for a value that you can add to someone else. The reason I hired him was he was going to make me money. Not because – I didn’t even know the man. I got a letter. I throw letters away. But when he said he was going to make me money, and he made sense with it – he knew about the valuation increase of my house, so he’d done some research – he was real, and he delivered.

Let me tell you how you can – another example. There are about 1700 distributors of Midas Mufflers – small business. They’re all independently owned. If a person comes in to get their muffler replaced at a Midas Muffler shop – one time, $125. But, the average person who owns automobiles during the course of a lifetime will spend $6,085 getting their mufflers replaced.
So what does that mean to me if I’m a Midas Muffler distributor? It means when that person comes into my shop, I don’t just want to fix their muffler. I want to make this the most satisfied customer in the history of the world.

**JA:** So probably – I’ll come back.

**FT:** I want to get to know who you are. I want to know your name. I’d like to put that in my database. I’d like to know your family name. I’d like to know what kind of car you drive. I’d like to be able to communicate with you by letter – because I want to build a relationship with you. I don’t want you to go across the street next time to get your muffler replaced. I want you to come to my shop. And now, what I also can do, since I have you as a customer, I can now bring you in and start fixing your brakes for you, and doing other things. So I can expand my business by selling you, satisfied customer, more services that you want, and that you need. And as a customer I would rather – you’ve delivered for me, you’ve supported me, you’ve given me good quality, I can depend on you, I trust you – so sell me other things that I might need.

**JA:** So give me a formula. What’s the easiest formula you can give to me to help it be easy for me to start asking the right questions, engaging and meeting the right people…?

**FT:** I can give it to you right now.

**JA:** What is it?

**FT:** Do not be obsessed with making money. Be obsessed with adding value to someone else. Be obsessed with creating worth for somebody else. With product or services. And when you’re obsessed with doing that – when you take your focus away from making money for me… Because if I’m obsessed with making money for me, how can I be obsessed with your needs?

**JA:** If you can fall in love with your customer, and be absolutely dedicated to doing things that will make their life better, you can’t help but be massively successful. I think you’re saying the same thing from a different focal point. But it’s so powerful in its simplicity. One little shift in the way you start looking at every aspect of your life – your customers, your employees, your vendors, your family – can change massively, for the better, the success and the fulfillment, and the richness, financially and emotionally that you can get out of, not only business, but just being alive. And I’d like you to talk a little bit about that, because I think it has merit here.

**FT:** OK. Well, I think it’s evolved. And I think that through all my successes, I’ve had a lot of blips. I’ve had a lot of blips on the chart. I mean, you’re talking to a man here who failed in three Super Bowl games, in front of the largest television audience in the history of the world.

**JA:** (laughs) I’ve never thought about that. Interesting distinction.
FT: We went out and played in the Super Bowl game, and lost. We couldn’t blame the Russians. We couldn’t blame the Republicans, or the Democrats. It wasn’t they, it was us – our skills against the skills of the Oakland Raiders, the Miami Dolphins, and the Pittsburgh Steelers, and the day we played them in front of the world, we failed. I fumbled, I threw an interception. So I’ve also failed, as well as succeeded.

But here’s the difference. I find – and I’m with all types of people that have done wonderful things, and some that have not done such wonderful things. And I’ve seen the people that are productive continually over a lifetime. That continue to search and to stretch –

Failure – they’ve all had it. They all have it. We’ve all had it. But it’s not a devastating experience. It is just kind of a blip on the chart. It happened. I learned from it. I go and use that – maybe the energy from that failure, the hurt from that failure, the disappointment from that failure – I take energy, and rather than let that energy drive me into depression, and to “Why me, Lord? Why does this black cloud always follow me around? Why is it always, you’re not letting me - Why is everybody else always luckier than I am, and have the better break, and get the better job, and make the most money?”

Rather than do that, I take those opportunities, and my greatest accomplishments have come after my biggest failures.

JA: Interesting. And why do you think that is?

FT: Because failure is not terminal. Failure is not a destination. Failure is just another of life experiences, but it hurts more. The failure hurts more than the success. And so therefore, I take – let me tell you about the Super Bowl game.

The first Super Bowl game that I was in against the Miami Dolphins, and we played them in Houston, at Rice Stadium in Houston, TX, and I just – this was my first Super Bowl. “This is it – we’re gonna win! We’re the best team! All the glory, all the power – ”

And bam! In 60 minutes, it’s over, and we’ve lost. And people trashed us. People stopped writing about us. They called us losers. They wouldn’t speak to you. My phone stopped ringing. So I could say, “Wow. Those no good so-and-so’s – why do they do this to me? I know who my friends are now – I’ve got, you know, two, or three who now will talk to me. The rest of ‘em have gone away. And they’re calling me a loser, they’re writing about me in the paper, and saying, ‘He’s a loser – he can’t win the big game.’”

And I can accept that, or I can do something with it. And so what I did at each one of those Super Bowl games – I went back the next day, when I got home, and I started lifting weights, and throwing balls, and the mats, and I took this little small, 6-foot frame, 185-pound body – and they said I was “small, but slow.” That’s not a good thing to say about an athlete.

And I went back and used that terrible, negative energy of hurt, and of anger, and rather than let that take me down, and focus on getting back at “them”, whoever “they” are – they weren’t going to impact me. No article was going to change my life. That writer didn’t even know who I was. That fan in the stand who booed me, and threw things at me – they never knew me.
What I really realized was that I had the power to make a difference in my life. The writer didn’t have the power to make a difference. The people who wanted to pull me down, to drag me down, to tell me I couldn’t do it, because I was “small, but slow” – they didn’t have the power to drag me down. I had the power to make a choice: either to go down and believe them, and acknowledge them, or to take control of my life, and use this whole negative energy into a positive energy, a positive force, and refocus that to create some value, and some worth going forward.

And so that kind of fueled me. I’ve grown from there. And through the last disappointment I’ve had of – I really thought my software company was going to be the next Microsoft. And I sold the company for over $100 million. That paper now is worth over $150 million – significant moneymaker, significant contribution.

The things we did were very significant. We helped information technology people use our software tools to build more complex systems than they could every build before. We made it better for them. And I wanted to build another Microsoft, but we didn’t. And so we sold the company, but it was a terrible disappointment. People trashed me. I got trashed by the Wall Street Journal, by Business Week – and so it really put me into a self-reflective situation. And it hurt.

I had unbelievable anger, and my first instinct was, “I’m going to get them back!” And the anger was real – I mean, I felt it. And what just kind of came over me, was the realization, again, I could submit to that. I had a choice to submit to that, and I was going to focus that anger in a negative way, and that would drag me down, and I could never, never get anything accomplished.

JA: Enormous amount of energy to funnel negatively.

FT: And what I did – I transferred that energy into something much better. Because I deliberately focused, then, on my life, and I said, “Why are you here, Tarkenton? Why are you really here – as a human being, as a businessperson – all in one, right? Why are you here? You’re here to help make other people’s lives better. To help make your wife, or your husband better. To make your children, your grandchildren better. Why do I have friends? Because I’m just such a wonderful person?” What have I done to earn that friendship with you, Jay? I’ve got to give you something. I’ve got to make your life better. I’ve got to be focused on you.

So I, all of a sudden – I thought I’d had all these things all my life, but I didn’t have them near as much. I refocused my life, and “me” was not as important anymore, because I refocused on you, and I, if you will, I externalized my emotions and my thoughts. And the reason I am here is to make you better, to make a customer better, to add value to someone else. And when I can focus all of my energies, all of these negative energies, into a positive force to make you better, my friend...to make you better, my spouse...to make you better, my child...to make you better, my customer – then with the energy there, I can accomplish amazing, wonderful things.

JA: I agree. This is interesting. So, whether I’m a business owner, male or female – whether I’m running, and P & L responsible for a large or small business – whether I’m managing a division, what you’re saying to me, it sounds like, is that if I can move my own self-interest out of the way, and concentrate on whatever I can do to make
You, my employee...you, my customer...you, my vendor...you, my husband...you, my wife...happier, richer, more secure, more productive, more profitable – this is a wild concept – I’ll profit along with that?

FT: You will profit beyond your wildest expectations. Let me tell you in real terms.

I’ve been doing public speaking for 25 years. Last year I did 40 speeches – that’s about standard. I’ve changed. My focus went out – I used to go and make a speech, and I’d come in and make your speech, it’d be a noon speech, I’d get there at 11:59, I’d make my hour speech, at 1:01 – I’m outta there. Because, you know, y’all’d be lucky to have me there. And I said, “That’s wrong.” Because this realization that I’ve gone through in the last number of months, I said, “That’s not right.

I’m there for one reason: to make your meeting the best meeting that you’ve ever had, and to bring value and pleasure to your meeting. So if I’m gonna do that, I need to get to know what you want. So I spent time on the phone before I’d get there. I would get there early. I would talk to you. And I would say, “What would you like to accomplish in your meeting? What’s the makeup of the people? If you had a perfect setting, and a perfect meeting, and perfect input, what would it be?” And you would tell me. And I would make sure that I delivered for you what you needed to be delivered to make your meeting the most successful meeting. And then, after the meeting, I made sure I stayed around to be able to talk, and to bond, and to share with the people.

And just by changing my preparation, changing what I did, changing my attitude, changing my focus from me going to speak to you, and you giving me money, that that wasn’t the focus. The focus was making your meeting the best meeting in the world. So this year, I’m going to do 80. And the demand for mine is beyond 80, but I can’t even take care of the demand. Before, it was a stretch to get 40.

JA: That’s wonderful. I want to ask you, as an NFL Hall of Fame athlete, I want to know what lessons you took from football or sports, or from that competitive arena, and translated to business that you’d like to summarize and share with me, a business owner...me, a manager...me, an aspiring business owner.

FT: That, #1, that I could not do it alone.

JA: Interesting.

FT: That I needed teammates, and the teammates need to talk together, share ideas together, work together – because the team was so much stronger than the individual. I could be the greatest quarterback in the world, throw the prettiest passes in the world, make the greatest drop-backs in the world, call the most perfect plays – and if my teammates did not do their job, play their roles, our play would fail...we would lose.

And so, the role that I learned is that my role is not to, again, just be a great player. I want to be the best player I can, but I need to be able to make my teammates better.

JA: How do I do that in business, and where do I start?
**FT:** I do that in business by not being full of “me”, and the notion that I have all the answers. “I now how to do this, because I’ve been doing it for 15 years, I’ve been doing it for 5 years – and all the people that work around me and for me are dumber than me, because I’m the president, or the chairman, or the owner, or the manager, and they must be dumber than me, because if they were smarter than me, they’d be in my job!”

**JA:** So instead, what do I do?

**FT:** I involve all the people. If I’ve got one employee, or if I’ve got 20 employees, I’ve got to give them an ownership in their mind. I’ve got to give them an ownership in their spirit and being of the ideas that fueled the growth of my company.

**JA:** What does that mean? You know, give me an example.

**FT:** I might, if I’m the president, be the ultimate decision-maker, and have to make the ultimate decision. But if I involve the people that work with me into thinking through how we go to market…what’s our product…what’s our strategy. Give me the benefit of your experience. Give me the benefit of your thinking, and have an open architecture of thinking to say, “Oh, that’s valuable. That’s good.” Because the basic premise that I believe is that all of us are smarter than one of us, and if I go in thinking I’ve got all the answers – which I do not, and nobody else does either – and I press that on my people, they know I haven’t got all the answers. All I do is alienate them, and they become robotic, and they become employees who are just putting in a day’s work for a day’s wages.

**JA:** That’s great. And I might also add – and a lot of these are my interpretation of what I know you believe, because you shared it with me privately before we met today, and I’m just adding here… Whether you use the ideas fully, or modify them, or not, by respectfully including all your key staff, all your team members, in the decisions and the thinking process, they feel more a part of it. They’ve got more passion, more commitment, more investment – it’s part them. It’s like they’ve given birth to it, and I think their connection is so much more than somebody who feels like they’re ostracized, don’t you think?

**FT:** Everybody wants to feel an ownership of ideas. All of us want to be involved. All of us want to know what the score is. And I think that - you know, in football, we have a scoreboard up there. Wouldn’t it be a boring game if I played offensive tackle, or had a less-visible position than the quarterback position, or the running back position, or the wide receiver position, if we played 60 minutes of the game and there was nobody keeping score? Would you play golf, or would you play tennis if nobody kept score? Walk around, hit balls, knock in balls?

**JA:** Of course not.

**FT:** You wouldn’t. Well, my thing is to…
JA: That’s an interesting perspective.

FT: I mean, this is supposed to be – it’s a game. It’s a good game. It’s a pleasurable game. We like – we need to keep score. We need to know. Everybody needs to know how we’re doing. What’s our revenue? What’s our cost? What’s our profitability? What’s making money, and what’s not making money? How do we generate more customers? How do we keep more customers? How do we satisfy our customers more? How do we grow our business? How do we add – that’s the things that all people want to be - But at the end of the day, they need to know. Even if I’ve got a private company, and I own 100% of it. These people need to know.

Now. Also, if I can then share with them the profits that they helped generate, I create an ownership for them of mind and money that makes a difference for them, and they’ll never want to leave me. They’ll want to stay with me, and they’ll want to continue offering up ideas, and to grow – because they see they’re part of this family.

JA: They’re acknowledged and rewarded, both financially, and also, as having worth as a human being. What else did you learn on the football field that translates?

FT: I never felt, in football, that I ever reached my full ability. And I think all athletes really, realistically think that. I think Michael Jordan probably thinks he ought to hit every jump shot. And I thought I should complete every pass, never throw an interception, call a perfect play, make a perfect reaction, and win every game.

Now certainly, that’s unrealistic. So therefore, as an athlete, I grew up thinking that I’d never get there, so it was always the search to get better. Always the drive to get better.

JA: Now how would you do that in athletics?

FT: Well, in athletics, in was, again, sharing of information. Getting ideas on how to train better…techniques of throwing the football…offensive game plans…architecture, designing the plays…

Let me tell you an interesting thing. I guess it started my thinking of, I can get information that’s helpful to me from anywhere. Do not belittle anybody, no matter what… Maybe they’re not a Phi Beta Kappa. Maybe they’re not a college graduate. Maybe they can barely read and write. But they can teach me something.

When I was playing in New York with the New York Giants, we used to practice at old Yankee Stadium. And we had a clubhouse man there named Pete Praveet. “Little Pete”, we called him, and Pete had no high school education, no college education. He’d been a clubhouse man. They called him a clubhouse “boy”, since Babe Ruth was there. Nobody gave Petie the time of day. He picked up the dirty equipment, and the dirty socks, and the dirty linen, and he got it washed, and he got all the clean stuff in your locker, and that was his sole role. And I’d always go there early in the morning, because I liked to be around early in the morning, and I liked to prepare and get situated. And Petie and I were always there, and I loved to talk to Pete, and listen. And I had great respect for Pete.
So one morning I walk in there, and he’s got a play diagram on the wall, on the blackboard. I said, “Pete, what are you doing designing plays?” And he kind of started a little bit, he said, “Well Fran, you know I think we’re playing the Redskins this week – I think you can score on this play.” I looked at it, I said, “Petie, that looks pretty good!” I put that in the playbook for that week.

We played the Washington Redskins, and we’re down – I think we were down about three touchdowns in the fourth quarter. We scored a touchdown and got back in…we scored a second touchdown and got back in. Another touchdown would have won the game for us. We’re on their 25-yard-line. I remembered Petie’s play. And I called it, and we scored, and we won the game. From Pete Praveet.

You know, one of my great counselors today, I’ve spent a lot of time with – I’ve got a lake house up at Lake Burton, up in North Georgia. And there’s a little lady there, 58 years old. Her name is Ruth Brooks. And Ruth Brooks is one of the smartest entrepreneurs I know. She has been to Atlanta three times in her 58 years. I’m sure she never got beyond high school. She doesn’t get out of that little community that she’s in. But she is so smart. She’s as smart a businessperson as I have ever known.

And Ruth Brooks had a little gas station. And she had a little gas station, she had some extra property, and she decided to sell beer, so she built this little shack up there to sell beer. And after she’s selling beer for about three months, they closed her down. They said, “Well she’s on the county line, and the county line is a dry – this county is a member of that county, and you can’t sell beer.” – And closed her down.

Ruth was really hurt, and she was angered, and she was dismayed…but I watched her. She didn’t let that – so she closed down the beer, and she opened up a kitchenette. She started cooking breakfast and lunches. And she fuels – I mean, every breakfast and every lunch that place is packed. She has five chicken houses. She has 17 trailer hookups, and she continues to add this and that, taking advantage of the property, and I said, “Ruth, tell me something. What’s the most important thing that you’ve learned in business?” She says, “Well Fran, I’ve learned cash flow is most important.” I said, “Really, that’s pretty good. How’d you learn that?” She said, “Well, when I started my first business here, and I had my little convenience store and my little gas station here, I went around, and I started talking to people.” She understood networking. Nobody told her, she didn’t go to Harvard to learn it. She said, “Well I just decided to go around and see all the little stores around here, and see how they were doing, and why they were doing good, and why some were not doing good. And I found out the ones that went out of business were the ones that gave credit. To their friends, that they gave credit. And I found the ones that were doing good and surviving were the ones that said, ‘We want cash. We don’t give credit here. We’re not a bank.’”

And she wasn’t a bank, and a little grocery store out in the country in Lake Burton is not a bank. So you go in there – she doesn’t take credit cards. She takes your cash. And she understood cash flow. And she understood leveraging ideas, and leveraging her assets, and leveraging her property. I spend seven or eight weeks during the year – parts of seven or eight weeks during the year up at Lake Burton, and every time I’m up there, the 30 or 40 or 50 nights I’m up there, I never fail to go down at 7:00 in the morning and sit down at the counter with Ruth Brooks and eat her biscuits and have coffee, and have an hour talk with her.
JA: That’s fascinating, and wonderful. What else did you learn in football that applies to business?

FT: I use this term a lot. I learned that failure, or defeat, is not terminal…it’s not final. I can always have another game. There’s always another challenge. The beat goes on. That chapter just closed, and that chapter was not like I wanted it to be, but I could learn from that chapter, and I could go out and –

So losses weren’t devastating to me. Interceptions weren’t devastating to me. I never feared to throw the football in the middle of a crowd, if it meant it gave us a chance to win the competed pass. I had an infinite capability to take risk, and an infinite capability to bounce back. An infinite capability to go for it.

JA: You must have naturally known that the upside in opening yourself up to take calculated risk…to try new things…to reach out and stretch…the payoff, more often than not, was better, long term, than the short term little pain.

FT: Well, I think that – and the short-term pain was not really painful. It was a disappointment. It was a blip on the chart. It was a life experience.

Life is to be lived, not to endure. Now, if you don’t want to be talked about by anybody, trashed by anybody, written bad things about by anybody – don’t do anything. That’s a formula for that. If you don’t do anything, people won’t write about you, they won’t talk about you… And that’s enduring. And life is to be lived. Again, life is to give to somebody else, to add some value to somebody else. And so that means I have got to be willing, and understanding. Failure is OK. I don’t like it, but it’s part of the life experience. It’s not devastating.

JA: Fran, you impress me, because you have no fear of going to anyone and selling a concept, a product. You think nothing about travelling around the country, knocking on any door, calling the highest-ranking head of the biggest public corporation, or the smallest. You’ve sold millions of dollars in a month. Give me a formula I can use, irrespective of the business or profession I’m in that can make me not afraid to go to people and sell my idea with passion, and certainty, and confidence. What’s your secret?

FT: Well, #1, I’ve got to have an idea that’s compatible with making their lives better. If I really have that, then I don’t have to sell it.

I went into an $80 billion company just recently, and I met with the president of that company. And as I said to that president, I said, “I am coming here presenting an idea to you that I think could make you millions of dollars. I am here because if that idea makes you millions of dollars, I’m going to be able to profit from that idea also. And if I cannot do that for you, you have no reason to do business with me, and vice versa.”

So, selling has been so overblown. We think we’ve got to - high pressure selling, we’ve got a special presentation, we’ve got to do all the trappings of what salesmen are supposed to do. We’ve got to have the product or service that’s going to make them money, but then we’ve got to allow the people to buy.

Salesmen oversell. We hear about over-coaching…salesmen oversell. You don’t need to oversell. People don’t trust salesmen, and the reason they don’t trust salesmen is
because most salesmen will do a lot of things to just get the sale to earn a commission. And it’s usually a one-time sale.

At some point in your life, if you’re the business owner or the salesperson, you’ve got to make the commitment to yourself, “I’m only going to go and present an idea to a company that I know will make that company better. And if I don’t have that idea, or that product, or that service that will do that, I refrain from even attempting to be there.” That’s called credibility.

JA: I’ve got to ask you a question…

FT: That’s called believability.

JA: I absolutely agree, but what do I do with the situation I’m in? I’m running a business. Maybe I don’t really believe I add a lot of value. How can I either change the value of what I do, or at least change the respect I can develop for the value I offer? A lot of people have a very low respect, a low self-worth of the value and the benefit of their business.

FT: Ah, real, real important, because so oftentimes, we as entrepreneurs think, “Well, I really like this product, and like this service, but I know all the goods, and I know all the bads about it, and I really – could you think anybody’ll give me money for this? Do you think that they really will find it valuable? Because I have been working with it so long, that it’s like, a common thing to me. You know, I’m used to it.”

And that’s where the entrepreneur or the small businessperson has got to get over that hurdle, and really understand: Does this have value? Does it not have value? Most of the time, it does have value. Most of the time it will add some value to that person. Then it becomes the courage of being willing to pick up the phone and call the person who has the ability to buy. Not call down eight levels below, but call the person that has the ability…

JA: Go as high up as you can.

FT: Go as high up as you can, to the person that has the power to make a decision. That might be the president of the company; it might be the purchasing department; it might be any number of people. But find that person, and have the courage to call that person, and try to set up an appointment, or give the message over the phone.

Many times, I get on the phone and say to the person, “Can I have one minute of your time. What I’m going to do – I believe I can make you millions of dollars with my idea, and if you’ll give me one minute to explain what it’s going to be about, and you then do not want to see me, I understand, and I will do that.” And many times, I will get the appointment. Sometimes, they will say to me, “Fran, that’s a nice idea. It’s not applicable to me.” And then, I’ve got a choice – again, a choice. We have choices. I can say, “You no good so-and-so!” and I can get angry, and I can get belligerent, and I have burned that proverbial bridge, have I not? That person will never talk to me, will never buy from me, and worse than that, he will tell somebody how rude and arrogant I was.
FT: Or, I can say, “Well, thank you for letting me present my idea to you. And I’m sorry that we’re not going to able to get together. I still think it’s valid, but you’re a real gentleman, or you were a real wonderful lady for letting me present my idea, and I hope we have a chance to meet again sometime.”

Leave them with a good feeling. I am into nice. Salespeople, entrepreneurs, big business people, need to be into nice. Nobody likes to deal with arrogance. With somebody who has all the answers. Somebody that’s gonna be pushy, and hard, and cruel, and belligerent – nobody wants to deal with that. They want to deal with nice. They want to deal with someone who they feel has some compassion for what they are about, and what their challenges are, and can help solve those problems. And when I feel that, as a buyer, I will listen to your story, and I will be understanding of your story, and I’m more apt to buy from you.

JA: There’s a lot of schools of selling. Most people try technique selling, which to me is manipulative. The other, that I think is much, much easier, is what I call strategic. And all it really is, is you have a strategy you’re trying to accomplish, and the strategy seems to me, that it should be, “I’m going to bring greater benefit, greater value, greater results, greater protection, greater enhancement to the other side, the customer. Is there a selling process that you would help me with? I might be more than a little bit trepidatious, fearful, insecure, uncomfortable picking up the phone, or getting in my car, or even sending a letter to somebody. Help me overcome that unreal fear.

FT: OK. I think you have to be really interested in people that you’re dealing with. Yes, you may be offering them a product or a service, and maybe you’re a little bit hesitant. Is it really gonna help them change their life, make them better, make them more money? And you’re really a little insecure about that. But if you really are interested in the person that’s going to be on the other end of that line, or across that desk from you, then you’re going to go in there with good conscience to be nice, and open, and asking them questions, to find out, maybe, before you get there - what kind of products do they like? What kind of services do they like? And learning from the questioning situation before you even present your idea or your product, and maybe through that question, you might say, “You know, I’m really glad you told me that, but I came in here to offer our services or products to you, but you know, you’re really not the appropriate company. We really can’t give you the value that I thought we could give you.”

Now, that type of selling, if you will – that type of communication, that type of conversation – all of a sudden, I’ll tell you what the reaction is. The reaction is, “No, no – tell me what it is… I want to hear!”

JA: I agree.

FT: I have gone in so many times... I went to Pacific Bell – big company. I was a little company – I had the little software company. And I didn’t have but five or six customers. And I had this product, and they’ve got this big meeting – they had the
meeting because, you know, I’m a football player, so I, you know – bring everybody in. People that don’t even have anything to do with the buying. And the guy’s name was Chuck Meyers, there, and he was head of this department.

And so, I started out – because I was a little bit insecure, but I was going to be nice, and I was interested in Chuck Meyers, and I was glad to be there. I was going to get to know the people. I was going to have a wonderful, communal experience with those people.

And I started off, I said, “You know, I want to tell all of you right now, and we’ll tell you about our product. And I really don’t know whether this product is for you or not. It may very well not be for you, because I don’t know your business well enough. I don’t really know what kind of applications you’re building here, and what type of needs that you really have. I know what my product does, but I don’t really have that knowledge of what you’re doing, so therefore, bear with me. You know, this may not be for you, but let me just quickly give you five minutes of what our product does.

I gave him five minutes, and they wanted ten more minutes. And two weeks later, they sent in an order, for, I think it was about $350,000 ordering the product.

JA: What’s the lesson?

FT: The lesson is, don’t be so presumptuous that I am going to sell you something. Which means, if I am going to sell you something, I really don’t care whether you need it or not. And if I sell you something, and I have the attitude that whether you need it or not, my mission is to sell, then I have lost the essence of doing business.

JA: Which is?

FT: I have become internal. I am worried about my well being, temporarily, and I’m not really concerned about adding value to you. See, I’ve internalized it again. I haven’t externalized my thought processes, and if I really externalize, and I’m really concerned, and I’m really focused on bringing value to you, I would never sell you anything that you didn’t need.

JA: That’s a great point.

FT: See? So that’s where - I don’t look at myself – people say, “Well you’re a natural born salesman.” I’m not a natural born salesman. I don’t look at myself as a salesman. I look at myself as really having a mission and a passion to help you, and when you have that attitude about yourself, and you feel good about that, then it gives you courage, because you are not going to sell something to that person that they do not need.

JA: I agree. Let’s continue the game. I’m going to give you some more situations; you give me a quick response. Thinking outside the box.
FT: Whoa. One of the keys to being successful in business today is thinking outside of the box. And we have to really fight our instincts. Our instincts that we’re all searching for the answer. I’m searching for a comfort zone, because if I could say, “Whoa, I finally got the answer! I got it! Boy, I’ve been searching, but I’ve got the answer!” Then we’re already starting to slide down the other side, because the answer is constantly moving, because the world is not staying still. The world is constantly changing, and if I have the answer today, it might not be, and probably won’t be the answer tomorrow. So therefore, I have got to have an open architecture to thinking. I have got to be willing to think, not just of what has been successful for me for the last year, or for the last two years, or the last three years. What might be?

Ted Turner. You’ve heard of Ted Turner, haven’t you?

JA: Of course.

FT: You know, he is one of the most intriguing human beings I’ve ever known. Controversial – people say, “Oh, crazy Ted.” Well, I’m in Atlanta. That’s where Ted Turner is, and he was in the outdoor sign business. And all of a sudden, I remember reading in the Atlanta Business Section; “Ted Turner buys UHF.” There used to be UHF television stations – real hard to get on your dial. He buys it for $3 million, and it had lost $2 million the year before. This was the time when the networks had 99%-plus of all the television business in the world, because this was, what, 17, 18 years ago.

And I said to myself, “Why would Ted Turner, sign business, want to be buying a UHF television station that had a signal that did not get outside of the city limits of Atlanta? Competing against the networks, who had all the vast resources, and he was a little bitty guy there. But Ted Turner, if he was just going to duplicate what the networks were doing – copy what the networks were doing, he gets crushed and buried, and he’s out of business.

But Ted Turner was smart. And he was willing to think outside of the box. And he was saying, “Whew…” He went out to Guinette County, just outside of Atlanta, adjoining county. There’s a little company out there called Scientific Atlanta that was started by a guy named Sydney Topal.

And so he went out there, and he had talked to Sydney, and he knew that Sydney was building this satellite dish. And we didn’t know about satellite dishes then, and he said, “Sydney, I’m intrigued with the satellite dish.” Now this was before he gave him the $3 million dollars for the television station. He said, “Sydney, what could I do, if I bought that UHF station, Channel 17, what can I do with that satellite dish?” He said, “Well, you could put that up outside your offices on West Peachtree Street, and that signal could go across the State of Georgia. You, all of a sudden, would have coverage across the State of Georgia, across the whole South, and even across the country.”

Ted Turner said, “Really? I could do that? Whoo – I could really leverage the asset of this television station, and I could have a marketplace that – wow!” He gave the money. He thought outside the box. But then, people said, “Well you’re stupid Ted, because even though you can send the signal across the country, who’s gonna watch? You’ve got to have programming.”

Hmm. Big problem. He went out, and he did some research. He didn’t hire a research agency. He didn’t have the money to do that. So he went out, and he asked you
and me. “Fran, what do you like to watch?” That’s pretty good, huh? Go to your customer – “What do you like?” I told him, I like sports. I like to watch news. I like family movies.

Ted Turner went out and bought a – didn’t pay much, because the old ragamuffin Atlanta Braves, and the ragamuffin Atlanta Hawks, and he put those on television. And all of a sudden, people started watching, and advertisers started – and then he started up the 24 hours news, CNN News. Why didn’t ABC, NBC, CBS do that? Huh? They had smart people – they had more smart people. The NBA’s, all this…Ted Turner found out that people wanted to see news, and liked the news.

And so, all of a sudden, he took a negative situation, a business that was losing money 18 years ago, and today, his value of his broadcasting franchise is higher than any one of the networks. Why? Because he thought outside of the box. He was creative, he was innovative, and he responded, and found out in thinking outside of the box, “What is it that customers want, and how can I deliver my product in a broader territory?”

My daughter Melissa, 25 years old – a year and a half ago graduated from the University of Arizona. She came to work, and she wanted to start a memorabilia business, selling autographed jerseys of her dad. Autographed pictures of her dad. Autographed footballs of her dad. Autographed helmets of her dad – big helmets, many helmets. So she got a whole bunch of products that people – and so she started doing some interesting things. She said to me, “Dad, I think there are probably millions of people who would want to buy an autographed something of you,” being the legendary player that she thought I was.

And so, “How can I get to that marketplace effectively?” And I said, “Well, you need to think about that. Because you’ve gotta think. You know, you don’t have money to advertise on national television, because it’s not gonna be cost effective.” So she did an interesting thing. She took out an ad in the Viking Report, right? Because that was a legitimate thing to do, the New York Giant Report. And she paid $300 for that. And so, that $300, she got $2,000 back in orders. And then she said, “OK, now I’ve got a list of those customers.” And she kept the list of those customers. So she mails back to those customers about other things they might have – birthdays, Father’s Days, Christmas – how about this? And suggested to them, and then they would come back.

And then, she said, “There are a bunch of stores out there.” So she started calling stores that do nothing but memorabilia. Now she’s got 35 stores from her, because they want authentic things. So they reorder all the time.

And then she found another list of 8,000 stores that sell caps and jerseys, and they don’t have a lot of room, but they could sell pictures – 8x10 pictures, because it doesn’t take this place’s space. So she sent letters out to those people, and she’s getting a 10% return, and she’s mailed to 1,000 of those stores, and she is mailing, as she gets more money in, she mails a little more, and more money in…And I have told her, and she is learning – cash flow, cash flow, cash flow.

Now, what she’s learning is, “I’ve got to go out. There are a whole host of places where I can sell my dad’s products.” This first year, she’s gonna do $250,000 in sales, and she’s gonna make $150,000 profit, and her cash flow was positive from the first day she was in business, and she’s starting to just stretch out even more, until now she’s looking at getting articles written in these sports collector’s digests. And she’s calling up
the editors of the digests, and getting them to write a little article. And they write a little article, people call in, and fax in orders, where they’re a collector.

So you’ve got – she’s found out there’s a collector’s market, there’s a gift market, there’s a whole host of places where she can sell this thing, and there’s a retail market. So she’s going and finding ways to penetrate multiple markets, and she’s fielding a business that didn’t even exist from an idea, and being creative and innovative, and thinking outside the box.

JA: So what do I do to learn to see possibilities outside the norm – to not be traditionally wedded, but to stretch myself, and look at possibilities I’ve never considered before. Help me.

FT: Well, first of all, when you have your product or your service, you’ve got to look at, what is your marketplace? Is it a regional marketplace? Is it a neighborhood marketplace? Can it be a statewide; can it be a national marketplace? And once you determine that, how many people can help you market or sell your product? And then, once you figure that out, you go out and call them on the phone. Go down the street and see them. Send the fax to them, if it’s across the country. You don’t have to pay for the telephone call. Send them a fax, give them the message, show them how they can make money to be able to sell and display your product.

You’ve got to get your product, and the story of your product, and the story of your service out, but you don’t have a million dollars, or $10,000, or even $1,000 to do it, so how do you do it? And you’ve got to think through, how do you do it in a very cost-effective way, because I need to – if I put it out there to somebody, when do I get money? How do I get money? And what’s that going to cost me to put it out to get money back?

So it’s those basic, fundamental things that one has to do, but it’s there. How do I get people to write about my service? How do I get somebody to write an article in the newspaper, or an article in the magazine? And so you cultivate a story, and you find a way to meet an editor to talk about your small business, because people want to write about small business ideas, home business ideas. They’re waiting for these stories.

Get yourself a story. Go see an editor. Go see a magazine. Get some publicity. Do a little mailing. Find out what your target marketplace is, and put a little mail together, and make sure that in that mailer, you make your story compelling. They’re going to get a lot of mailer, and a lot of messages. Make your message simple, and understand that you have got to give them a reason to want to come visit your store, or want to buy your service, or want to buy your product. Don’t just think that “All I’ve got to do is mail, and people will respond.” They won’t.

Use all the cost-effective, inexpensive ways to create more places to sell your products and services, and more visibility for your products and services.

JA: That was great – but let’s go deeper. Let’s do another one. Competitive advantage.

FT: Maybe the hardest thing to come by is competitive advantage. Phones – great race of phone businesses. There are – we know about AT & T, MCI, LC1 – all the different phone companies. There are 200 small phone companies out there offering long
distance service. They buy the cable from each other. The service is pretty much the same.

It’s hard to differentiate, in most cases, that I’ve got a unique product that nobody else has. My product has functions and features that nobody else has. Because if you have that uniqueness today, it’s going to take maybe a week before somebody else can match it, or a month, or two months, that somebody’s going to be able to have a product with functions and features that you possibly have. And so what happens, is that somebody starts cutting price, and that gives them a temporary competitive advantage.

You can never depend on low price being a consistent, long term, competitive advantage.

JA: But what can you depend on?

FT: What you can depend on is building a relationship. I believe in relationship selling. You’ve got to have a product or service that they want – that somebody is buying. Now how do you get them to buy it from you, rather than somebody else? You do that by building a relationship with that customer. You do it through communications – telephone communications, face-to-face communications, fax communications, communications back into them – and you do it with telling them the truth. If your product has a flaw…if your product doesn’t do some things that you would like it to do, you say, “Our product does this, but it doesn’t do this. We hope someday…”

Build a trust, so they can believe what you say, and that once they buy one thing from you, and they trust you, that you deliver more support to them than they could possibly expect. Because whenever we buy a product – products are going to break, right? When I buy a car, I know that car is going to break down. I’m going to end up buying that car from someone who I know will be there to fix it for me now.

JA: That’s a great point.

FT: And here’s another thing: Many people will put most, if not all of their eggs in one basket. I think that is a mistake. I have a whole bunch of ideas, and I’ve always got a lot of lines out there in the pond, and I am working the different ideas to see how much value those ideas have. I don’t think you should ever be totally relying upon one product, one service, one idea – but you need multiple ideas, and multiple products, and multiple services that you can be offering out there, because you don’t know which one of those ideas are going to be compelling to that customer.

Let me tell you about my friend Sergio Zeiman. Sergio Zeiman, in 1986, was the head of marketing for the Coca-Cola Company, the biggest marketing job in the world. He had the biggest marketing debacle - and he made it, and he was responsible for it – in the history of commerce worldwide. Sounds big, doesn’t it?

JA: Sounds big.

FT: 1986, here’s Coca-Cola, the most well known brand name in the world. Multi-billion dollar company based on the product of Coca-Cola. And Sergio came to his superiors one day in 1986 and said, “I think that we should change the formula from
Coca Cola to a product called, “New Coke.”” And the reason he did that was very legitimate. I mean, he had research available to him, and the greatest research minds in the world. And the research was that in the taste tests they were running against their competitor Pepsi, and against RC Cola, Coca Cola wasn’t finishing first, it wasn’t finishing second, it was finishing third. RC Cola first, Pepsi Cola second, Coca-Cola third. Market share was diminishing. So he said, “This cannot be.”

They came up with a new formula for this product, New Coke, secretly. And they went and tested it against Pepsi and RC Cola, and New Coke was beating them. So logic would tell you, after all that research, let’s put our eggs in the basket of New Coke. And they did.

But you never know how the public’s going to react. Even though your research may be wonderful, when you finally put New Coke out there, what happened? The world dismissed it. They found out that there was a loyalty to this old Coca-Cola trademark that they didn’t really fully understand. And so 77 days later, after this terrible debacle, they reintroduced old Coke, and reintroduced the same old formula as Coca-Cola Classic. It was the greatest introduction of a beverage in the history of the world, and has fueled a growth that is unprecedented. Roberto Grezeta, the Chairman of the Coca Cola Company, said, “Oh, we need a disaster like the debacle that Sergio brought about about once every ten years in the Coca Cola Company.”

So, the point of the story is this: We cannot put our eggs all in one basket, even though we believe that this is the greatest product – it fits tactically, strategically, everybody’s going to want it – we don’t know until we put it out there, and the customer lets us know, and gives us feedback on it. So therefore, I have got to have multiple strategies, multiple products, and multiple services in order to find out which is going to be the one that’s most acceptable to the customer.

I have never been reliant in my life on one source of income. No matter how much money I was making. And when I had my software company I was making millions of dollars. Fortunes. But I always had other sources of income. For some day, we may not have the software company. And in fact, some day, we did sell the software company, but we had other sources of income, and other sources of ideas that generated revenue for us, that continues the flow going.

**JA:** You set me up on that answer. I’ve got to respond, and stimulate one more application of your answer.

I understand, and I fully agree – you should have multiple sources of revenue - multiple products, and projects or services. But let’s talk about multiple marketing approaches for one product, or two products, because before you move out to new products, I think – and I want to hear your response – you should move out in multiple ways to market the product or service you’ve got. What do you think?

**FT:** I absolutely agree.

**JA:** You did that with your daughter.

**FT:** I did that with my daughter. #1: when I have the different lines in the ocean out there, and in the lake out there fishing, I’m going to find out over a short period of
time, which product or which service is selling, and that customers want. Once I find that out, then I want to be able to look at “How can I now expand the distribution, if you will…the marketing, if you will… of that particular product?”

Now today, with the technologies available to us, there are all sorts of efficient ways to get there.

JA: For example?

FT: For example, the Internet. That’s a way people are selling products and services, and they’re advertising in a very inexpensive way. There are 30 million people over the Internet. By the year 2010, there are going to be a billion people on the Internet.

JA: What are some of the more innovative ways you have found to market the various products or services you have sold over the years? Non-traditional.

FT: Let me tell you one way. It was a marketing tool, but the marketing tool became the product.

I was on an airplane one day, coming back from Hawaii. And I had been high up on a mountain in Hawaii, and had a two-week vacation, and boy, I was full of vim and vigor. And I had my ticket jacket in my hand. And I said, “Boy, this is an upscale audience. Wouldn’t this be a great advertising/marketing vehicle?”

So I came back, and I got some artists to put some things together. I said, “You know, if I had six pages of advertising in here, and I had advertising on each side, that’s 12 pages of advertising from that six pages, back and front of that. Now, what can I do for the airlines that would help the airlines out? Well, it’s expensive for them to print the ticket jackets. Their profits are being squeezed, so what if I go to the airlines, and said, ‘If you’ll let me put the advertising in, I’ll print your ticket jackets free, and have them delivered to your ticket offices all across the world.’” They said, “Good – go do it.”

So I got the commitment to be able to print 14 million ticket jackets. So then, I didn’t have the wherewithal to do this. Remember how you’ve got to create cash flow positive the first day?

I went to Chicago, and there was a printer up there. Big printer, big resources, big presses – they could print 14 million ticket jackets a month. They had a sales force to sell advertising.

You know, the hogs go to slaughter, the pigs get fat – and I don’t believe in being hoggish, I believe in sharing. So I said to this printer, “You would like to have this job of printing 14 million ticket jackets, wouldn’t you?” “Yeah, boy, that would be great.” I said, “I’ll tell you what I’ll do. I’ll give you 50% of the business. You put up the capital, I’ll get the airlines committed to it, and I’ll go out and sell the advertising for you. $100,000 a page, 12 per month, that’s $1.2 million per month. Multiply that by 12, because I had to make a year commitment.

I then went out, took my idea, and I went to Eastman Kodak, AT&T, General Motors, Exxon - and I sold out, in one month’s time, the entire publication, and I had a business, I had no money risk, I had no money financed. I had a partner - he made money, I made money, the advertisers were happy, and the airlines were happy getting a
value of free ticket jackets. That fueled the business by thinking of a different way to use marketing, if you will – it was marketing, but marketing became the product.

My first company, I told you, was a consulting company. We started at Cannon Mills, and then we went and fueled a growth across the country. We were consulting with probably a third of the Fortune 500 companies. But I wanted to expand my marketplace, and I wanted to get a more diversified audience. I did not just want textiles, or just steel companies, or just automobile companies, because all those companies were cyclical, and if they were losing money, they may not hire me.

So you know what I did? I had to sell this concept of being able to increase productivity of their people, and I had to sell it at a very high level, so I couldn’t hire a sales force to go out and sell at a low level. So I went out, and I started hiring retired, big-time executives of these Fortune 500 companies.

JA: How clever.

FT: And these guys worked on a commission basis. They wanted to work. They wanted to help me go, and go ahead, and make a little money on the side, but they had something to do. They had their pensions, or they were wealthy, or they had a fair amount of money, but they liked to make a little more money.

JA: Did it work?

FT: It worked. I had a network of these guys, and they would take me back into these big companies, and get me an audience, and would help me sell the services that again, fueled the growth of the business.

JA: That’s wonderful, that’s wonderful. But I’m not going to let you off the hook. I’m going to give you another one to respond to. Risk taking vs. hedging your bet – and before you respond, I want to give you a little bit of the framework that’s stimulating my mind.

You started eight separate companies from scratch. No outside capital, you didn’t go into borrowing, yet you were cash flow positive in the first month. That’s pretty interesting.

You try a lot of things, but you’re not promiscuous. You learned to balance that. Give me a response to that that I can use in my business, in my career, in my practice.

FT: If someone wants to gamble, they should go to Las Vegas and gamble. Business is not a place to gamble. Risk taking is different from gambling. It is, I think, stupidity to risk the welfare of your family and your business that you have now, or your ability to live the lifestyle that you’re living now by risking all of that for the hope and chance of making a lot of money.

Big companies do not bet the farm when they risk, and go out to start out a new venture, or a new division, or buy a new company. But, at the same time, we can be creative and innovative, and we can take risks without betting the farm, and without gambling. And I think the entrepreneur is more skilled at that than anybody else. But
again, you may not have the wherewithal to risk $100,000, or you may not have the wherewithal to risk $1,000.

JA: So what do I do?

FT: So therefore, it makes you think more. It makes you have to be more creative and innovative if you have an idea that really makes sense to you, then you’ve got to find a way to bring that idea to the marketplace with the least amount of cost possible that will not put you out of business, that will not derail your lifestyle, and will not cause you sleepless nights.

The worst thing an entrepreneur can do to start a business, or to start a new business is to go out and mortgage his house, or her house, or to go to the bank and get a personal line of credit, and put all your assets against that personal line of credit, because you know this is gonna work – it may not work.

So figure out a way to get that business started, and you can do that. You can be more creative and more innovative. You can figure out a way to launch that product or service without going to that bank and borrowing $10,000, or $5,000, or $1,000. Work through it. Brainstorm with other people; figure out how to do it. Don’t go to your friend and borrow the money, because if you lose the money, you lose the friend.

JA: Now you were telling me something very valuable, and very interesting in the discussions we had before this interview. You seem to have a knack for finding someone else who’s got, relatively speaking, more to gain than even you by seeing you become successful, and they seem able and eager to take over the risk and the investment from you. And I think that’s a real interesting concept. Can you expound on that?

FT: Well let’s just think of this. I have leveraged - what you’re talking about - leveraged the idea for myself, for my partners that helped me start a business, or for big companies like IBM, like this printing company, and like a lot of other big companies. Because at the end of the day, big companies are not unlike little companies. They are fueled by ideas. And if I can bring an idea to them that can make them more money, and they see that, and I can present it in a way where it’s not going to be any risk for them, or moderate risk for them, they are willing to buy into that idea, and give me money to fund that idea, and for them, it’s not a gamble. It’s a worthwhile risk, because they can gain a great deal, and if they happen to lose a few thousand dollars on it, it’s not going to put them out of business. It’s not going to change the makeup of their company.

So therefore, as an entrepreneur I can think in a number of different ways. Can I go and pull this off by myself? Do I need a partner that can benefit from this? A medium sized partner? Or maybe even an IBM, or an AT&T, or an MCI, or somebody that’s a mega-company. Can they benefit from this idea? Can I help bring something to the table that they don’t have? The answer is, yes you can. Do no underestimate the power of your idea, and if you cannot pull it off with financing, find a partner who can help you do that who would be benefiting from your idea.

JA: That’s great. That’s great.
I didn’t give you another intro - you sit on the board of two very large companies. One of them is Coca-Cola Enterprises.

FT: I sit on the board of Coca-Cola Enterprises, which is the largest bottler in the world. It is owned 44% by the Coca-Cola Company. I’ve been on that board for seven or eight years. I’m on the board of Sterling Software, which is the 11th largest software company in the world, with revenues of about $700 million a year, and Coca Cola Enterprises is somewhere between $7-8 billion a year.

JA: Yeah, here’s the question: You’ve been in the corporate arena. You’ve been in the entrepreneurial arena. What have you discovered that big corporations could learn from entrepreneurs, and vice versa? What should the entrepreneur be learning from the big corporation?

FT: I think that large corporations have already started to learn from entrepreneurs. Because large corporations might have started off as a small company (which they did, from a seed) but that was years ago. It was generations ago. And they were built into these power bases of tremendous market share, and so for the 70’s and 80’s they were saying, “We just want to hold onto this market share.” And also, they were able to force on the market whatever they wanted to because of the sheer weight of their size. They could outspend, and out-market, and out-package and out-distribute the world. And that has changed.

Now, the big corporation has learned that “We cannot do that anymore.” And they’ve learned this from the entrepreneur, because the entrepreneur didn’t have that power anyway. The entrepreneur had to have a product or service that somebody wanted. They couldn’t force anything on the marketplace.

JA: I agree.

FT: So the big corporation said, “You know, I just wanted to have Coca Cola in a 6 ½ ounce bottle.” And people said, “I want it in big bottles. I want it in cans. Not only do I want Coca-Cola, I want you to give me other flavors of beverages. I want to get New Age beverages, and Fruitopia, and Powerade, and other things that would be unheard of 20 years ago at the Co’ Cola Company.

IBM made all their money selling mainframes. They forced mainframes down the throats of everybody, because they had a 60% operating profit on mainframes. They didn’t want to be in the PC business – you know why? They were making $1.98 on the PC’s. They said, “We’ll force this on the…” And then, all of a sudden, what happened? IBM almost ran out of money. They fired their Chairman of the Board. They hired Lou Gerstner, who’d never been in the computer business, and Lou Gerstner said, “We need to get back to basic fundamentals, here. We need to start listening to our customer. We need to find out what they want. They don’t want mainframes? They want PCs? They want networking? They want client-server solutions? We’d better get it to them!”

And as Lou Gerstner said, the great, big, wonderful company of IBM – richest company in the world – missed the biggest movement in the computing business in the last 40 years…it’s called client-server. Because they were so focused on doing what
benefitted them the most. They were not externalized on bringing value to their customer, and it almost cost the richest company in the world, within a period of five years, to go totally broke and out of money. And they had to do, for the first time in the history of that company, fire their chairman, who happens to be a very decent and wonderful human being, and should not be faulted for the problems of IBM. They started ‘way before he did.

And so the entrepreneur, of course, has no power to dictate. We have to create products and services that are valuable to a customer. And so from that standpoint, the big business learned from the entrepreneur.

The entrepreneur can really learn from the big business: organization, planning – because big businesses do one thing really well – they plan. They think through strategies. And the entrepreneur – sometimes we’re too quick. We don’t think through the strategies. We don’t brainstorm enough. We don’t put enough time in planning before we launch. So, what we can learn from the big corporation is to spend more time thinking about our product and services, do a little more research, do a little more planning, so that we can anticipate the problems of the marketplace.

JA: Great point. Now, I’ve enjoyed our relationship for a number of reasons. One of the real joys that I’ve gotten out of it, is my observation of your sense of certainty – I know that that was a driving force in your sports career. It can’t help but have been a foundational force, an element, in your business success. Help me learn how to become more certain, more confident, more courageous in my conviction about my deserving greater success. My companies, my family, myself being entitled to achieve so much more. Because you obviously – you understand that, you live it, you radiate it. I mean, when you have a vision, you don’t balk, you don’t flinch, you don’t equivocate – you go for it!

FT: I go with the conviction to the customer, but in the end they are going to validate to me that my conviction was right, or my conviction was wrong.

JA: You don’t take it personally, do you?

FT: I don’t take it personally, and so when they come back to me that this idea is not going to fly…that this is not really something that I want, I have to look at that for what it is and then abandon that idea, and maybe that idea will lead me to another idea that will be closer to what they want. And I keep doing that process until I’m finding something that will be what they want, and what they need, and what they will buy.

JA: Which leads me to the logical, next, related question: When I met you, about two or three weeks later you called and said something to me, and you repeated the same thing today at a meeting we had before this interview with John Zahote, our producer. It’s, what’s your feeling about doing your homework and doing your research? You said, “John, I’ve done my research on you.” When you talked to me the second time, you said, “Jay, I’ve done my homework on you.” Tell me a little bit about your thoughts on homework and research in the business arena.
FT: I think it’s important to know about as much about the people that you are in business with as you possibly can. To know their history…to know what they think…to know what made up their uniqueness… Maybe I’ve got a head start on the strengths of that person, the weaknesses of that person, and I can determine whether I can deal with the weaknesses or not, and enjoy the strengths of that person. Because we all have strengths and weaknesses, and we have to see how that fits with what we’re doing.

I think relevant information, before I act and as I’m acting is critical. Because I’ve got to generate it before I act. I’ve got to generate information from other people’s experiences with you and John.

JA: So what, do you call somebody and just start asking questions? What do you know about him? Tell me about him. Is he good? Is he bad? Is he dumb?

FT: I call people that I know, that you know, that John knows, and say, “Tell me about John. Tell me about Jay. Tell me about what they’ve done. Tell me about what they think. Tell me about – are they credible? Are they not credible? Are they real? Are they not real? Let me know.” And people want to tell you. And then, you’ve got to do some interpreting yourself, because maybe you’re calling somebody who’s got an ax to grind.

JA: Or you might get a mixed comment – you have to evaluate.

FT: You might get a totally opposite comment from how things really are, and you’ve got to be sensitive to that, to know… If I get a negative about somebody, I really want to dig, and explore to see where that really comes from. And so many times, where that comes from is a jealousy, or people really would like to tear down that person, because it makes me be a little bigger, and a little better in your eyes. And so you start doing that, and then, as you find that out, obviously, you don’t trust that source as much anymore.

Now, after you get going, and you start your projects out, then I think information is critically important to understanding what your business is and how you’re doing. So many people do not know how they’re doing until it’s too late. So they cannot make the adjustments as they go along.

I’ve told my daughter in her business, “Every day you ought to know exactly how much cash you brought in, where you brought it in from. Who bought what? When did they buy it? And the more information you have, the more you’ll know about your marketplace, the trends of your marketplace, who’s buying what, who’s not buying what, and how to then, sell or advertise, or market into that place that is generating the revenue for you.”

Business is a constantly evolving game of strategy, based on good, solid information, not based on whims, or what we hope might be. It’s based and driven by good, hard information that we’ve got to look at realistically in order to make the adjustments that we need to make, to again, do what? Serve our marketplace with products and services that makes them better.
And if you don’t have that information, you are not a businessperson. You are not an entrepreneur. You’re not a risk-taker. You are a gambler. And at the end of the day, gamblers will lose. The odds are stacked against gamblers.

The real entrepreneurs – the real driven business people who are driven to add that value, that are information based and driven. It’s not a gamble. It’s a risk, but it’s a calculated risk that will bring rewards eventually.

**JA:** That’s a great answer. Great answer. Now, Fran, you associate with, hang out, fraternize, vacation with, sit on the boards with some of the most dynamic, powerful, wealthy, influential, most newsworthy men and women. You’ve seen a lot of entrepreneurs, large and small. If somebody’s making 100, 1,000 times more than me, it can’t be because they’re 100 or 1,000 times smarter – it’s humanly impossible. It can’t even be that they started with 100 or 1,000 times more capital in the beginning, because most people don’t have that much advantage. How and why are some people 10, 100, 1,000 times more successful and wealthier than others? What’s their secret, and how can I utilize that to my own business advantage?

**FT:** Very, very interesting question. And my first response to you is, I don’t believe that just because one person makes $1 billion out of an idea, and another person makes $10,000 out of an idea, that the billion dollar person is a lot more successful than the $10,000 person. Because, again, I think that people that I know – and I know some, and I will describe them, that have made billions of dollars. And some that have been equally successful that have made thousands of dollars, and I think that what they both have in common, is they have an obsession with creating value for somebody else.

Let me talk about that. One of my great, wonderful friends, who passed away a few years ago, was a guy by the name of Sam Walton. You ever heard of him?

**JA:** Of course.

**FT:** Sam Walton started a little company called Wal-Mart. And I spent days, and hours, and weeks, and months with him. He didn’t really start Wal-Mart until he was in his mid-40’s. He was a franchisee for the Franklin Discount Store. He had a couple little discount houses in Arkansas. And he became frustrated, and he was saying, “You know, my business is doing fine. I’m not starving. My family is being fed, and educated, and I’m paying the mortgage, and I’m doing all the things, and I’m in this little city of Bentonville. But I know I can do better. I believe I can change the face of retailing in this country.”

And here’s a little, simple guy, Sam Walton, nobody knew him. He didn’t have a Harvard MBA. He didn’t have the proverbial silver spoon when he was born. He wasn’t endowed with money and wealth. He wasn’t Phi Beta Kappa – none of those things. He wasn’t obsessed with making Sam Walton wealthy, and he never lived like a wealthy man. But what he was obsessed with was three things: quality, value, and service.

I asked him, I said, “Mr. Sam, how’d you do this?” He said, “I went out to my competitor’s store, and I’d stand outside the store, and Mary and John would come out of the store, and I’d say, ‘Mary and John – Sam Walton. I’ve got a store down here. How can I get you to come down here and shop at my store?’” And he said, “They told me,
‘Give us better quality of merchandise, better value, and better service, and we’ll come
down and see you.’ And I really thought I was doing that.”

You know, we all think, “Well, I’m working hard. I am really focused, and I am
really giving quality value and service to my people.”

And he said, “But evidently, I could do it better. I wasn’t doing it well enough.
And I thought about that. Boy, you know, if I can improve that 20%, or 30% - if I can
really start a store of my own – just a little bitty store – and just focus on providing
quality, and value, and service, and products at the lowest cost, and great value, and
service those people, and focus on that customer – I could build a business.”

And this wasn’t 1900 – this was 1961. Sears Roebuck was dominant, was it not?
Montgomery Ward was dominant. Kreske Company was a huge company – this was the
retail business. He started a little store – maybe 8,000 square feet, now a museum in
Bentonville, AK. Not in Los Angeles, not in New York, not in Detroit, not in Chicago.
And there, based on the principle, “Quality, Value and Service”.

And you go there, and you go in the Sam’s Clubs, or the Wal-Mart Stores that
have now gone from when he died $50 billion in sales to $80 billion in sales. They’re still
obsessed with providing quality, value, and service to the other people.

When Mr. Sam died, he was worth $22-23 billion. He drove a used pickup truck,
lived in a modest house in Bentonville, AK. He didn’t have a second home. He didn’t
have a fleet of jet airplanes that he flew. He had his own private plane, a prop plane, that
he actually piloted himself, because he wasn’t obsessed with making money himself. He
was obsessed with doing something for other people. So that separated him from all of
those who want to make so much money.

For me – if I make so much money for me, and I’m worried about that, and that’s
my drive, I may even sell people something they don’t want. And eventually, I will be
found out.

But I’ll take you to Ruth Brooks. I don’t believe she has a high school education,
certainly not a college education. Sits in that little town between Clayton and Clarksville,
GA, in a little town on the outskirts of Batesville, population 20 people. And yet she
understands that she has got to give something to the people – service and price.

And then there’s another story. You know, I’ve mentioned before my friends
Sydney Marcus and Arthur Blank, who were the President and Chairman, and co-
founders of Home Depot. Now 1978, they worked for Handy Andy in California. They
were fired! They weren’t 20 years old, they were mature men. And they said, “Let me
see. We would like to start a store that we would like to shop at. We would like to start a
store that we would be scared to compete against.” So they used the experience that
they’d had in the past, and externalized, again, and thought about what would be the kind
of store they would like to shop in. And in 1981 they started Home Depot. This year,
they’re gonna do $15 billion in sales.

So what’s the consistent theme in this? It’s very simple, and basic, and
fundamental. It’s biblical – do unto others as you would like them to do unto you. Add
value to other people. It’s a simple message, and so my friends who have made this
money have had a simple message.

Bill Gates at Microsoft. He leveraged IBM, if you will. He was a little $4 million
company. IBM was out looking for an operating system for its PC. Bill Gates said, “I
could leverage this. I could develop this operating system. I could sell it separately, but
IBM is gonna encase it with all the PCs they sell. This is good – I’ll form this partnership.” And he leveraged – it was a little $4 million company. This richest company (IBM) in the world – and leveraged it because he could give them something that would help them sell more PCs.

And then, as he went on, he found out that for him, the user of PCs were the people developing systems. The people that were technically oriented. The developers of applications for companies. So he made sure that his marketing was into that group of people, because the presidents and chairmen were not buying from him. The people using the PCs and building the applications and keeping the information flowing in the company – they were the ones buying. So he made sure that he communicated to his buyer.

IBM was a big company. They weren’t going to talk to the technicians and worker bees. They got more important than the real customers they had, and so therefore, they failed to talk to them. They failed to listen to them. They failed to understand what they wanted, and Bill Gates was already there, and he went right by them.

So again, it’s knowing who your customer is. Knowing what your customer wants, and focusing on that customer. Those are the ones that have created huge wealth, and they weren’t necessarily rocket scientists. They weren’t necessarily the smartest people in the world. Bill Gates’ people think he’s a genius – he may be. A genius in what? He dropped out of college. He didn’t have an MBA. But he focused on knowing who his customer was, and on bringing value to his customer, and he continues to do so, and he’s continually obsessed with that. He’s not obsessed with his own wealth. He’s not obsessed with his own things. But he’s obsessed with continuing to grow his company. And that separates the people that make it, and the people who don’t.

JA: Fran, you said something a few moments ago that I was really intrigued with, and I’d like to ask you to comment a little deeper. You said that just because somebody made a lot more money didn’t necessarily mean they were a lot more successful. What did you mean by that?

FT: I don’t think money is the only measuring stick, or the most important measuring stick. I think the successful people are the ones who truly add real value, and help make somebody else’s life better.

Let me take a for instance: Jonas Salk. He didn’t have the wealth of Sam Walton when he died. He didn’t have the wealth of Bill Gates. But did Jonas Salk make a contribution to the world?

JA: Indeed.

FT: Indeed, he came up with the polio vaccine. But there are many less visible stories than that, of people that have made other people’s lives richer and better, that maybe made money during that particular time, but weren’t the wealth of the Rockefellers, or the Carnegies, or the Bill Gates’ of modern times.

So to me, your success is what you have contributed to other people’s well being during your lifetime. Now, that doesn’t degrade making money. That doesn’t make Bill
Gates bad, or Sam Walton bad. They created good value, and they made a lot of money. But it’s not the sole measuring stick of how successful you are.

JA: So, I may be being far too hard on myself if I’m judging my success, or my non-success, by the fact that I haven’t yet hit the millionaire mark, or the ten millionaire mark, or the $500,000 a year mark, if I’m doing good work, and I’m adding good value, and I’m benefitting my customers, or my clients.

FT: Yes. And let me extend that thought, if you will. I had a friend who was chairman of the board of a very large textile mill. I was a young man, 28 years old, and I was just starting my family. And we were playing golf one day, and he said, “Oh, my goodness, my daughter’s 21 and she’s getting married next month. I don’t know where the time has gone. You know, I have great wealth. I have made a lot of money. I am in an important position – I am chairman of my company. But I’ve sacrificed my time with my family. I don’t know my daughter. I will never, ever overcome the loss that I feel for not getting to know my daughter for these past 21 years.” And he said, “Fran, take that advice and don’t let that be the story you tell when your daughter is 21, and is about to get married.” And I really took that to heart, and he really had something to say.

So what if we just make hundreds of millions, or tens of millions, or hundreds of thousands of dollars, and in the process we have destroyed people? We have ruined lives, we have lied, we have cheated – or maybe we didn’t lie, and we didn’t cheat, but we just sacrificed our family, the time with my children. That’s not a proper sacrifice. That’s not success to me, no matter how much money I might have made.

But let me tell you the good news. That should not detract from your ability to make money. I’ve got four children. I’ve got a 30-year-old, a 26, a 25, and a 7. I’ve got a 5 ½-year-old granddaughter, and a 1 ½-year-old granddaughter. I have spent wonderful time, and continue to spend great quality time with them while I drive my new ideas, while I drive my new businesses, and have driven my last eight businesses. I do not look back now and say, “I have not spent the time. I have not been there for them to help them grow, and be wonderful human beings, and add value to their lives.” I have, and I feel really good about that. I feel better about that than I do about making money, obviously, but the two do not have to be mutually exclusive. They can both be done, and done well.

JA: That’s great. I’ve got a couple more. This is wonderful, this is wonderful.

FT: Is it rain out there, or is that just the ocean?

JA: It’s the ocean.

FT: Yeah, it’s right there.

JA: Yeah, it comes right up to the house sometimes. If you like surfing, it’s really nice. If you don’t, it’s really intimidating.

This is a very personal, and a very private question I’m gonna ask. Hopefully you’ll be willing to answer it. You’re 55 years old. You’ve seen a lot of life. You’ve seen a lot of competition. You’ve seen a lot of businesses. You’ve seen a lot of sides to
people. You’ve seen good. You’ve seen, probably, not so good. You’ve seen the exhilaration of success. You’ve seen the agony of defeat. You’ve seen the human arena at so many different levels – what’s the one lesson you’ve learned today that you wish you knew back when you started, and among all the other things you’d like to give to me so that I could take heed of it, take it to heart and take fullest advantage of it right now in my life, in my business?

FT: It’s a very good question, and I’ve got, today, an answer for that question. And it would not have been the same answer a few years ago. That because of all those life’s experiences that you have mentioned that I’ve had, through these 55 years; because of the most recent experience I had with my software company last year… The thing that I wish I’d realized earlier, but I’m glad I realize now, is that the great thrill and joy of life is not personal benefit. The real joy and thrill of life is to understand that I’m here on this earth… I’m here on this planet, to contribute to somebody else. To make things better for you. To make things better for my spouse. To make things better for my children, for my friends. And I’ve got to be a great caretaker for that. And I’ve have got to really focus all of my energies on making those relationships better, and giving to those relationships, with no regard to what comes back to me.

The real true friendship, is it not? Is to give without any notion of receiving? I do for you – it’s not that you owe me now, because I’ve done that for you – I did that because of my love for you, and my concern for you. And in business it should be no different – it is no different. Because if you’re going to bless me with the confidence of buying my product and services and being my customer, my whole focus should be to be obsessed with your happiness, and what you get out of that, not what I get out that. And since I’ve made that transfer in dramatic terms, in the last few months, my life is richer today than it’s ever been.

My relationships are better today than they’ve ever been. What I feel – the fullness that I feel today – I do not feel anger and hatred toward other people. I do not have revenge in my heart to go and get people who have left me, abandoned me, written bad things about me, talked bad about me, stolen from me. I really don’t have anger toward those people, because my focus is going forward, and to making things better for the people that I’ve just mentioned.

And since I’ve really understood that as well as I understand it today, in a whole, kind of revelation and discovery, that is the essence of fulfillment. Not only are my relationships so much more rich and full now, but I’m doing more significant work today than I’ve ever done before. Because of this new discovery – that’s something that’s always been there. You say, “Well, I knew that.” Well maybe you did. I didn’t. I didn’t have the clarity of understanding of what that really meant.

So it’s fueled a new me, at age 55. I have made more dramatic change in my life in the past six months than I had in the previous 54½ years. So that’s what I’ve learned, and that’s what I would like to give to you, my friend, and to that person who’s listening to us right now.

JA: That’s wonderful. This has been an exceptional interview. You’re a very gracious man, you’re a very knowledgeable man, you’re a very giving man, and it’s obvious you’re a very happy man. And I think I have been enriched by the experience,
and I know somebody else listening who has also. Thank you very, very much. I really appreciate it.

**FT:** Thank you for the opportunity, Jay.