

April 2016 Strategy Call



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Profiting with 720 - Interview with Richard James

Objective

Show you how you can become profitable by incorporating 720 into your practice.

Recording

Download the recording of this Strategy Call by [clicking here](#).

Four Key Points:

One: Use 720 in your marketing to differentiate yourself from your competition.

Two: Sell 720 as an added fee to your bankruptcy package.

Three: Increase your bankruptcy fees and include 720 as a value-add (free).

Four: Use 720 as leverage to collect on payment plans.

Richard's Contact Information:

To obtain a free copy of Richard's book, "The DNA of the Autonomous Attorney," please visit www.TheRichardJames.com/720.

You can contact Richard at Richard@YourBusinessAutomated.com.

Call Transcription

Phil: Today we have a special guest who really understands the bankruptcy world, Richard James from Your Business Automated. He is going to talk about 720 and how to profit from it.

Richard, a lot of people know you through NACBA. In a 60-second summary, tell us a little bit about yourself.

Richard: Cool, my wife would tell you she doesn't think I can say anything in sixty seconds, but I will do my best. Here's the bottom line, we have a program where we teach entrepreneurial-minded attorneys how to build a business that supports your lifestyle rather than undermine their lifestyle. It was launched after building a bankruptcy firm from two guys in a room and zero dollars in sales to three and a half million dollars in gross sales in a couple of years using what I call systems. The systems I've developed from my life of being an entrepreneur

The bottom line is today 40% of our members are bankruptcy attorneys, primarily because I cut my teeth in a bankruptcy law firm and I understand how to build one. I think the biggest testament to whether our program works, including how we think about 720 and how to use it, is thinking about how much of the bankruptcy world is struggling right now and our guys and gals are killing it and I don't mean that to brag because their numbers sometimes astound me.

I just read this weeks report from their weekly check-in and I'm seeing numbers up 120% this month over the same month last year, and up 42% this last quarter over the same quarter last year. My profitability is up 350% and these are some of the numbers we're hearing from bankruptcy attorneys. While all the bankruptcy attorneys are really struggling, the ones that are in the program are doing really well. While I want to give credit to the program, the fact is they get the credit themselves because they got clarity about what they want to achieve and they went out and did it.

One part of that clarity has been 720 and how to use it successfully. Hopefully we can talk about that today and I can give you some insight as to what they're doing and maybe somebody in your world can take away from what we talked about and actually put it into play and get some results from it.

Phil: Absolutely. As I see our clients who are using 720 the most successfully, they have a common thread and many of them use you. Before we dive in, I just want to disclaim this right up front, I'm not getting paid if any of our attorneys us Richard's program. There is no referral fee and I just want to speak into that very clearly. I believe in Richard's business model because I see the results and success, and I just want to share this with all of the attorneys in my program.

Okay, with that said, let's dive in. Richard, from your perspective, how are your most successful attorneys profiting with 720?

Richard: I see 720 used to profit a bankruptcy firm in three fundamental ways. There's actually a fourth that we can talk about if we have time that crosses my mind on a regular basis. It's a little different thought process, if you remember to ask me, I'll tell you. I'll just tell you all three and then we can unpack them if you want.

Number One: The first one is you can use 720 in your marketing and advertising to differentiate yourself from your competition which will make your advertising work better.

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Let's say you put an ad out and you spend \$1,000 for it, and right now you get ten leads for every ad you put out. If you use 720 in your marketing and you differentiate yourself in the marketplace by doing so, we have found that you will see an increase in conversion, which means a decrease in costs per lead.

If you were getting ten leads, we've seen them have even more dramatic responses than that depending on the media. The point is you'll get more leads for the same amount of dollars. The ad will cost you the same, the placement will be the same, the media will be the same, it's just the message changes that you are going to help them with credit rehabilitation and get them back on their feet and take a holistic approach to this rather than just them needing a bankruptcy and they should call you. When you do that we get an increase in conversion.

Number Two: The second place that we have seen 720 used and increase revenues for a bankruptcy firm is actually in just flat out selling 720. Putting a value on it, whatever it might be, whether it's a monthly value of \$29 per month or a flat fee value of \$149 or \$290 or whatever it may be. It depends on what you see the value as and just flat out selling it at the initial consultation as an additional service they can sign up for and a percentage of the people will say yes. There's reasons for that.

Number Three: The third one is instead of selling 720 for a fee, you simply increase your fees for the bankruptcy and add the 720 as a value-add.

You don't tell them you're increasing your fees because they're getting 720. You just increase your fees across the board and now give everybody access to 720 across the board. That is the other way to get more revenue. We can unpack each of these individually but does that make sense or do you need more clarity on any one of them, Philip?

Phil: Absolutely, let's start with the first one. I agree that those are the three aspects and we see about 50% of our attorneys selling it, which would be your example too and about 50% of people including it as a value offering, but not everyone is increasing their fees when they do this option.

Richard: Yeah and I think that's a big point. Most people bring it on as a value-add and don't increase their fees. When we get to the fee structure we'll talk about that more.

Phil: Let's start with the first one on marketing because that's a key distinction, so what do you see out there with your clients on that?

Richard: Back to marketing 101, the first step in marketing 101 is getting clarity on two primary things. Who is your client avatar or ideal target market; who is it that you are fundamentally going to be selling your services to? Different bankruptcy firms have different answers to that but often times we find the answer is the single mom, couple of kids, divorced recently, left with a lot of bills, upside down, doesn't know what to do, that's ideal target market.

Then once we get clarity on that, the second is developing a unique competitive advantage or a unique selling proposition, which is if somebody would ask you what you do, how do you answer that question? Most bankruptcy attorneys answer that question well, "I'm a bankruptcy attorney, we help people gain freedom or see light at the end of the tunnel or lift the weight off their shoulders," and while those are all reasonable answers they are all what I would consider marketing incest. They're the same things that everybody else is saying.

Transcription, continued...

When you start using 720, you can now take your client avatar that you want to attract, build an advertising piece that you're talking directly to them and then use language that speaks to what their primary concerns are and why it's important that you have a holistic approach to bankruptcy. A bankruptcy firm who uses 720 in their service offerings can now officially say we take a holistic approach to bankruptcy. When you come in we don't just pay attention to where your debts are and getting rid of those debts. We actually hold your hand all the way through the process and insure that once your bankruptcy is discharged that we show you how to get back on your feet again and get quality credit scores and here's the reason why you want to have quality credit scores...

Why is it important for people to have a good credit score? We know all the answers to that, whether it's from improving your chances on getting a job, being able to buy your first house, be able to get a car that doesn't cost you 23% or 27% in interest. There's all these reasons why having a good quality credit score make sense to you and a lot of those reasons will make sense to your clients.

The moment you create an ad that has that feel as opposed to the feel that most bankruptcy ads have, which have bankruptcy in big black letters up top, a guy sitting over a table or a husband and wife sitting over a table looking at their bills with a frustrated look on their face and a call for a free consultation. Then oh by the way, we also do trust and estates and wills and personal injury and auto accidents, everything else listed down at the bottom, right.

That's a typical bankruptcy ad but if you take that ad and you replace it with we take a holistic approach, we're going to let you get your life back, we're going to hold your hand all the way through, you will see your ads perform better because you start speaking to a specific demographic and person. You'll attract better quality clients, you'll attract more of them, you'll ultimately lower your cost per lead and you'll lower your cost per client. Now that was an awful lot to say about a very big topic, but what questions did I leave you with?

Phil: I love it. Do you help people with advertising like that?

Richard: While we don't specifically design an ad, what's in place is this community where there's somebody else who has already done it and they just give advice on how they should go about doing it. Does that make sense?

Phil: Makes complete sense. Going back to marketing, when you see attorneys that use 720 and they move away from the ad of the frustrated man over the pile of bills and focus more on a holistic approach, you've seen an increase on the return on investment, right?

Richard: Yeah, so it's not any one thing. It would be unfair of me to say all they did was change their messaging and they saw a 75% increase in lead generation. Sometimes that's true, they'll just change some of their messaging and it will be a holistic approach and they'll get 20% increase, yes.

Often times it's a part of a much larger picture, so you heard me allude to the fact that somebody wrote a book on this. When you add in this power of using a lead magnet, right, along with a holistic approach and then you add a deadline into it, boy, now you can take the guy that was getting 20% increase and he can get 220% increase. Does that make sense because he's using marketing at its purest form?

Transcription, continued...

Phil: I love it, and just a reminder to our new partners, the lead magnet is this free offer. Like hey, call in and you're going to get this, you're going to get a copy of my book for free or whatever that is. Some type of value add that's getting the consumer to call your office or go to his website to download this free book.

Richard: Let's move on to number two, Selling 720. If you're going to sell 720, I find that the people who sell it actually figure out how to do a decent job of infiltrating 720 into their conversations all the way through the process of a client's communication because they feel they need to do so to be ethically responsible to add value because they just sold them something, so they take money for it.

I do believe that when you sell something like 720, an added service, there's an added level of hyper attention to how well you're going to serve that client regarding that service. Now, if you're going to sell 720 as a monthly service or you're going to sell it as an immediate access, there's a psychological reason for that and that is because the best time to sell something is when they're already in the buying process. A buyer is most likely to buy something when they've just recently bought.

The number one mistake we find most bankruptcy attorneys who decide to sell 720 make is they decide to wait until after the initial consultation to sell 720. They sell the bankruptcy and then they put a little flyer or something in their folder and tell them about 720. Then maybe they send them a direct mail piece or an email to try to then sell them 720. I think that there's a reason to have that in place but I don't think it should be the primary place we sell it. The primary place we sell it should be right at the initial consultation.

The mistake we find a lot of attorneys make is they don't just include it as a natural progress. What we teach is this, when somebody says they want to do business with you and they say yeah, I'd like you to help me and whatever that looks like in your world, just immediately at that very moment, immediately transfer over to a one piece of paper thing that just says welcome to our 720 program and tell them what it is. You have to have a synopsis of what 720 is. As we told you, we're a holistic firm; we care deeply about helping you get yourself on track with credit. You understand the benefits of having an improved credit score. Of course you have to list the features and the benefits and why they're important.

Then you say, do you believe it's going to be important for you to have a 720 credit score after you finish filing bankruptcy? Yes, I do. Okay, so we have a program that can help you, hold your hand and get you to a 720 credit score after bankruptcy and here's what the investment for that program is and you tell them. Then you simply have two check boxes, yes I would like to have a 720 credit score after my bankruptcy discharge is over and I'd like this firm to help me accomplish that and I agree to these terms or no, I'm not interested in having a 720 credit score following my bankruptcy discharge. You just ask for the order right there. They already know they can trust you. You have already convinced them to say yes to your services. They're already in a buying mentality and a percentage of the people, whether it's ten percent or fifty percent, depending on how you do, will say yes to buying the 720 program. Does this make sense?

Phil: I think it makes a lot of sense.

Richard: The key in this is a psychological thing that's taking place. We've all suffered from buyer's remorse whether it's a car or a thing we wanted or whatever. We got into a situation where a person we were meeting in front of was good enough to create an emotional response that we pulled the trigger and said yes. Then we went home and we thought better of it and we didn't want to do it for whatever reason we had buyer's remorse. That's why they created the return policies in a lot of states for car dealers because they realize this exists.

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I'm not comparing bankruptcy attorneys to used car dealers, forgive me but the process, the real psychological neurological process that happens, it exists and it's true. Which is why they sell you the warranty and they sell you the upgrades when you go to a car dealership the moment you buy the car because there is a powerful psychological thing that's happening. Once they've crossed the chasm of you saying yes and you making a decision to be a buyer of that particular service or product you have dropped all of your barriers and you're more available to say yes at that moment.

Phil: Right.

Richard: Here's a question, Phil, do you believe that every one of your members believe that if a client needs the services of bankruptcy that they be best served by choosing their firm. Do you believe they believe that?

Phil: Yeah, I believe that.

Richard: Okay, do you believe that if a client goes through bankruptcy they'd be best served to get their credit score over 720 by going through your program?

Phil: Absolutely.

Richard: Okay, do you believe in your heart that it's important for them, for their financial health and their overall being of their life and the way they run their life going forward to maintain a credit score over 720?

Phil: Absolutely, yeah.

Richard: Okay, so if we believe all of these things then we have a moral and ethical responsibility to ensure we get as many people on this program as possible and if you choose to sell the program for a fee then you have a moral and ethical responsibility to do your very best to maximize the number of people that will say yes. I'm telling you, the way that you get the most people to say yes is doing it in the consult, not waiting until after.

Phil: Okay, let's go to point three. This is when people have profit with 720 by including it in their services and raising their fees.

Richard: I've got so many stories about fees. Many people on the call don't know this about me but I owned funeral homes for years and in the funeral business there's actually a service that will cremate your body for free because you donate it to science, to an extent and they'll cremate your body for free and send your ashes back to your family after they're done. When we offered cremation, a lot of people were like we've got an offer, cremation for \$799 or \$699 because there's a service out there that will do it for free.

I said so has anybody hired you for six hundred ninety nine dollars in the last month? Yeah, we've got a bunch of them that hired us. I said well, do you believe that they knew about the free service? I think so, yeah, but they just chose us. I go, well you're contradicting yourself. If free is the lowest possible price, why are people willing to pay you \$699 when there's free available to them? The answer is because price doesn't matter as much as everybody thinks that it matters.

I find that price lies typically, squarely between the ears of the attorney that owns the firm. If you price your services incorrectly for Chapter Seven, what I find is you could seriously damage the business. Often times I find if they go really, really low they get busy for a period of time, especially when bankruptcy's going well but what happens is they burn out because there's not enough profit available to hire the staff needed to support all of the business and they get an awful lot of complaints to the bar association.

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When times are tough and bankruptcies are skidding and there's not as many of them to be had, I find that a lot of bankruptcy attorneys tend to compete on price first. All of these answers are wrong, they're not the right answer. The right answer is pricing your services where they need to be priced, not so that your firm can get greedy rich, that's not the point. It is so that you can create an environment that you can one, serve your clients correctly, make sure they have the highest level of service they need and require. Two, that you can convert the maximum number of clients through what we call the perfect client lifecycle, which is determining how many leads to generate, how many appointments are set, how many appointments show, how many people hire, how many people pay in full, how many people refer their business. Finally maximum the number of leads you can generate because you have a marketing budget that can actually go out there and advertise.

All of this comes back to this principal of we believe that our firm is the best possible firm in our community to serve people who are in need with a bankruptcy, and so. We're going to do everything in our power to make sure we serve as many people as we can. Which means we're going to charge the right amount so that we can have the necessary profit available that'll allow us to do that. Now once we come from all of this foundational principals, the question is well, how do we start to charge the right amount? One of the easiest ways to do that is to add more value. There has to be a perceived value.

When you do business with anybody ... just this young lady who I talked to today made the decision she was just going to charge something, that's great. I would argue that if she doesn't do something to add value somewhere down the line she will hit a ceiling with how many people she'll be able to hire because she'll run up against the fact that her competition is charging the same thing and she's not differentiating herself in any way.

If you're going to add value one of the fastest ways for a bankruptcy firm to add value is to add 720 because you can just say if I'm charging \$1500 right now, it's super simple for you to be able to say I'm going to charge \$1995 right now and because they'll know what the old price was and they don't know what the new price was, they just simply know our fee is \$1995. Here's what we're going to do for you in a bankruptcy but we have a holistic approach to this and our firm is different because we don't just leave you out there afterwards. We hold your hand and ensure that you get a 720 credit score when the process is finished.

Just by adding that into your sales process, adding that into your language it will create maybe said best permission for the business owner to create price elasticity for their Chapter Seven fees. I say Chapter Seven because most firms typically charge whatever the no look fee is for Chapter Thirteen. That's why I'm specifically speaking to Chapter Seven. That's the general premise that's the background, the foundation of why and that's the general premise of how. We can go deeper on that if you have more questions about it.

Phil: The one thing I want to point out is that when you go to www.720creditscore.com, and click on "7 Steps to a 720 Credit Score, you will see the price of \$1,000. We list that price to add clarity to if the client is considering you and another attorney. You can say I buy these in bulk, every single month from 720 credit score. I realized my clients couldn't afford \$1000 for this program but the program was so good that I called 720creditscore.com up and how much I can buy access in bulk.

Richard: There is one small distinction I want to make. You had made a point of having this conversation when the prospect asks the question about how come you charge a little more than the Joe Shmo down the street. The vast majority of the time, clients are not shopping around and know exactly what everybody else is charging.

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I know there will be people who object to that statement but our experience is when we get somebody in our office, chances are pretty good they were not shopping somebody else, they don't know what other people were charging. A percentage of the time they do but the majority, so let's say 55-60% of the time they don't know.

What I would say is, I actually want to overcome the objection before it ever happens and I want to assume that we're going to add 720 right in to the sales presentation. When you build the structure of an initial consultation, it is that exactly, it is a structure. When you look at the structure and you lay it out step by step and you say well, where will I insert 720, it should not be after they raise an objection as to price. It should be prior to asking for the order so that you create enough value that price isn't even a consideration.

Phil: I love that distinction. I agree completely and I like the fact that you can bring data to it that most people are not shoppers. Most people are finding your firm through some random advertisement or a friend. Do believe, in the mind of the average bankruptcy attorney, they think that everyone knows that there's people out there that are offering bankruptcies for \$1200 or whatever the number is, and I agree with you, that's not the case.

Richard: Yeah, and the problem is, most attorneys that own firms are meeting with clients. Many of them are the best sales people in the office. Many of them are the ones doing the consults and so like all sales people, they hear that objection once or twice in a day. If they meet with five people per day and they hear that objection once or twice it seems like it's everybody, right, but when you look at the mass over a larger period of time it really isn't everybody, it's a smaller percentage of the whole. I know we only have a short time left, but I'd love to tell you the fourth one?

Phil: Yes, of course!

Richard: This isn't going to add additional dollars to the top line number, so if you charge \$1500, what I'm about to tell you isn't going to help you charge more. What it's going to help you do is get paid on the \$1500 you charged. Because in bankruptcy one of the number one challenges for attorneys is tax season. They should make more money in these three to four months than any other time in the year.

The reason is because everybody's got tax returns and you can leverage that in your marketing and your collections but the number one problem that bankruptcy attorneys have is getting paid.

Most bankruptcy attorneys will allow people to come in and pay them something down and then they'll pay what they can when they can and, until they're paid in full. Some attorneys actually take post petition payments, so that means they're filing the petition and they're getting paid after post discharge many times and now they're chasing people for money, which is fine. What they're often times lacking is the stick.

What we've been talking about is using 720 as a carrot. In your marketing use it as a carrot, you get more leads. In your sales process you use it as a carrot and you sell your bankruptcies for a higher price. It is a carrot and it's a good carrot. There's also a place to use it as a stick and this is that concept of a stick and the carrot. The carrot is what the dog chases and the stick is what happens when you hit them in the rear end. They chase the carrot, they get hit in the rear end with the whip.

The stick is this, when a client comes in and they purchase your service from you and let's say you're giving them 720 as part of your services, you can now say as long as you qualify as a good client, we'll give you 720. The only conditions you have to qualify for is a good client. How do I qualify as a good client?

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You have to be responsive to the trustee when he makes requests. You have to be responsive to our office when we make requests. You have to make sure when you show up to your 341, you show up on time with your social security card and your drivers license and you have to maintain your plan. If your paying us \$100 a week or \$100 a month or whatever it is, you have to stay on plan and as long as you maintain your good client status, we're going to give you 720, this \$1000 program at absolutely no cost.

Now what that does is, we've reinforced the carrot but we've now given your office a stick. I talk to bankruptcy attorneys about how to maintain collections and a number one way to maintain collections is to use a three pronged approach. I won't go into it deeply but let me ask you, Phil, how important do you think cash flow is to a law firm? Scale of one to ten, ten being important and one being not important.

Phil: Ten.

Richard: Yeah, ranks up there with Oxygen, right. Here's my question, how good at paying the bills are bankruptcy clients? How good are they at managing the bills?

Phil: A one.

Richard: Right, so why do most bankruptcy attorneys let people who are a one at managing their own personal money manage the cash flow of their business? It never made any sense to me.

What I say to them is we have to put a process in place to maintain collections and one of the key things in that process is proactive communication. The pro-active communication is typically on the phone. Typically that pro-active communication is enough and rather than calling them only when they owe you money, call them pro-actively and stay in touch with them.

Now, occasionally people fall off plan and we can't get them back on plan. When we have 720 as a carrot, we also have it as a stick. What happens is if they don't stay on plan or they're going to fall off plan, someone from your office needs to call the up and try to collect a payment, any payment to keep them on good client status. If they cannot make any payments to stay o plan, then they lose access to 720.

Phil: Richard, I know you have a book that you're going to give to our attorneys, how do they get it?

Richard: Simple, our site is TheRichardJames.com/720, and you can get a free copy of our book. It's the DNA of the Autonomous Attorney, some of the people on the phone may already have it, if you do, great. If you don't and you want a copy of it, it covers this concept of building systems that support your lifestyle rather than undermining your lifestyle.

Step one, request a free copy of our book and step two, if that book makes sense to you and you're interested, we'll invite you to invest sixty minutes with us in what we call a personalized practice growth plan.

Phil: Excellent. Richard. Thank you so much for your time. You bring so much value to our program and these calls.

Richard: Yeah, Phil, I love being part of your program. If anybody has any questions they can always email me direct at richard@yourbusinessautomated.com.

Phil: Thanks so much everybody. Feel free to call me directly or email us if you need anything at all.