HOW TO MAKE REAL MONEY

Courses

A BANYAN TREE

STRATEGIES PUBLICATION

Welcome to my crash course on ***How to Make Real Money***.

I'm Drew Sanders, the founder of Banyan Tree Strategies. In this course, I lay out insights into how to understand your unique strengths, what companies will pay up for, and how to match up the two concepts so you can start making more money so you can free up your future.

After you have read the content and filled out the worksheets, reach out to me for a free consultation at the contact information at the bottom of this page.

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1. How People Make Money and Why Companies Pay for It

PART I

The marketplace for human talent has been changing with the advance of the internet, file compression technology, and connection speeds. Being local has value, but only in certain contexts, what you need to be is **in demand**. Being in demand comes down to having skills that the company needs and then the amount you can make with those skills depends on the availability of others with matching skills. It has been called the law of supply and demand or more recently the law abundance vs scarcity.

When you possess a skill like being a data scientist with tangible artificial intelligence experience you currently can trade your 2000 hours of work time a year for close to 1 million dollars and even more in stock options at either Google or Facebook. There just aren't enough of you around and as long as we have computers working on solving problems alongside humans it appears we are going to need someone to interpret and manage the machines.

On the flip side if your highest and best skill is the ability to show up and clean the kitchen you will face massive downward pressure in wages as almost all able bodied humans have mastered this skill and you will be seeking protection from the government in the form of minimum wage increases to hopefully outpace inflation.

Most of the world falls somewhere in between cleaning the kitchen and being a data scientist and it is on this scarcity arc that we implore you to pay attention. A corporation has shareholders, and those shareholders are looking for the entity to get the best deal it can when it comes to paying for services rendered whether that is as an independent contractor or as an employee. It is the shareholders and their bias that is applying the downward pressure on wages. These are the mantras of the shareholders.

- Get it done for less.
- Do we really need to pay for that now?
- Maybe we can get a little more life out of the old machine.

<u>On the flip side you can increase your compensation with skill in a couple of areas.</u>

- Scarce technical skills
- Customer acquisition skills
- Process completion skills
- Human acquisition skills
- Human leadership skills

Technical Skills

Technical skills are easy to understand and often hard to acquire. If you have them, learn how to market them correctly and then build out your leadership skills to stay relevant as you age. If you don't have them don't be afraid to take an online course and continue to build out your skills.

Customer Acquisition Skills

Customer acquisition can be broken into marketing and sales strengths.

Marketing works on identifying and targeting potential customers to lead them on a self-driven nurture journey to become a customer.

Sales exists to pick up the prospect at the point in their nurture journey where they are ready for the nuance of a human perspective to customize the right solution.

Process Completion Skills

Process completion skills center around the management of processes that are mission critical to the value proposition of a business. Think of a surgery center at a hospital or a manufacturing or food processing plant. The person who can make the trains run on time will have pricing power and this will increasingly have a technological component to it.

Human Acquisition Skills

Human acquisition skills are akin to being able to get your friends to do things with you on the weekends. Could you get a group together to go to the movies? Was it easy for you to persuade people to do things? Recruiting people to join you at your current company and attracting the brightest people you know is a great way to increase your compensation at work.

Human Leadership Skills

Human leadership skills are scarce. This is reflected by the fact that CEO's of publicly traded companies average $14 million dollars a year in compensation. As you combine all the skills listed above and you do it with a mind to help others you will soon be asked to run a team and then a department and then an entire company. Seldom are the technical or sales wizard the leader of others, they are often too focused on their own work. It is the person who is competent and aware of how the room feels that finds their way to the top.

Now it's time to apply what you've learned. Take a few minutes to reflect on what you've learned and complete the Lesson #1 Worksheet.

In the upcoming sections we will help you understand where your skills exist and how to articulate them in such a way that you stand the best chance of increasing your pricing power in the battle, which is human compensation. Your family depends on you and with the right skills, words, and leverage you will be able to earn the money that will afford you the ever-valuable assets of time and choice.

WORKSHEET SECTION 1

List out your top 3 skills.

1.

2.

3.

Which of these 3 skills is in highest demand?

1.

List out the top 3 people you know making the most money per year with similar skills.
What do they make per year?

1.

2.

3.

What do you have to do to make the same amount of money per year?

2. Taking Inventory

We looked at how people make money and assessed our skills. Today, we'll inventory your interests, strengths, and style to determine your unique value.

When an asset is a perfect fit it starts to become irreplaceable or priceless in some situations. Your skills and personality are an asset for you. As you seek to grow your pricing power in the marketplace you have an incentive to find a place that is such a good fit for you that your **unique value** is realized. When we see someone in this situation, and we study how they got there, we find that three areas are aligned.

1- *The person is interested in the work and the people they are working with.*
2- *They have strengths in that work.*
3- *The way they go about working highly aligns and gels with those around them.*

The combination of interest, strength and style creates a fly wheel of power and influence, and it is worth your self-reflection. If you can get these three areas to combine at work you will have a large impact and the compensation that accompanies that impact.

Your Interests

Ken Robinson has a famous TED Talk that led to his book The Element, in which he dives into the history of human accomplishment and it all starts with a question.

How are you intelligent?

If stumped by this question he follows it up with a second question.

Where do you lose track of time?

Think about this question for yourself. What things do you do where time seems to pass quickly? Losing track of time is correlated with focus and this is tied to interest. Robinson goes on to explain that when we are interested in something we may also have a knack for it which can lead to early accomplishment. Chemical dopamine is associated with accomplishment and dopamine makes you feel good. Doing something well and feeling good about it can lead one to tinker and be curious and all of this keeps you in the task longer and longer.

Take a quick inventory of three areas where you have an interest and if given a day of free time you would most likely do one if not all three of these.

Your Strengths

Shortly behind an interest follows a strength and the difference is that a strength requires some amount of effort and practice to develop. You may have an interest in singing, but to have a strength relative to other singers you will need to practice, and that is where the ability to lose track of time comes back in to play. It is one thing to be good at something, it is another to be great. Before the gates of greatness are tracks of blood, sweat, and tears. Thank goodness for our other brain induced chemical Endorphin which feeds you with toughness juice for aching muscles, and Serotonin which fills you with warmth when your associates notice your success.

In the "How to Land a Killer Job Course" we walk you through how to understand yourself and understand how past choices can be very telling. Answer these questions for some insight into what you naturally gravitate towards.

Where do I work best? (Circle One)

- Alone
- With a partner
- A small group (less than 8)
- A big group of 25+

What are my gifts?

Stack rank how much you enjoy the following tasks.

- Administration
- Organization
- Operations
- Communication
- Persuasion
- Compliance

What you like to do and how many other people you like to do it with are important for you to get to your highest level. There are so many different work environments today you are wise to seek out the right situation for you so you can thrive.

Your Style

Think back to your senior year of college. You had life down. You knew what was going on at school and you knew where to be and, importantly, where not to be. The choices you made that year should give you a good look at your own style. Answer these questions to help you get a sense of what type of style you have when you are most comfortable.

What types of groups did you seek?

- Large
- Medium
- Small
- Avoid them all together

Look at your social circle.

- What would describe it best?
- Lots of friends (keep it light)
- A small tight group (8 or less)
- One on one (partnerships)

What role did you seek in these groups?

- Leader or organizer
- Go with the flow
- Rebel

What type of work did your major require?

- Lab work and projects
- Oration and negotiation
- Writing

What skills did you develop when in school that you enjoyed the most?

- Social (how to get along)
- Technical (How to make something)
- Philosophical (How to think and reason)
- Communication (How to persuade)

Understanding your style in a work context and combining it with your interests and strengths should have you centering in on the idea of your unique value. To help draw this out, take a few minute to reflect on how your interests, strengths and style align, using Worksheet #2 as a prompt.

Now you need to canvas the landscape of industries that are experiencing growing pains and need your unique value. This will be covered in the next lesson and our path goes from one of introspection to one of discovery.

WORKSHEET SECTION 2

What are your interests?

Where do your interests and abilities align?

Where do your interests, abilities and style align?

Is there a big enough market for the way (your style) you like to do what you do best?

If not, what other skills could you acquire that have when aligned with your style would meet your financial needs?

Who do you know that has unlocked their unique value and how can you emulate them?

3. Do the Research

You explored the intersection of your interests, abilities and style to determine your unique value. Today we discuss matching your unique value to the pain points of a business.

You are now armed with some great information about how companies value employees and about your unique value. It is now time to identify the companies that are growing and if you listen closely, you can hear them **rant**. Yes, you can hear them ranting in the elevators to each other because something isn't going well, or someone isn't getting the job done. When the client is calling and they aren't happy, when the boss is wondering why the project is behind schedule, and when the sales team is behind its projection. That is when you can hear them rant.

To the outside world they will never admit it, life at company XYZ is always perfect, even when it isn't. They are in sales mode and the glass is always half full. The Human Resource Department isn't going to tell you the truth either. They are the internal PR department and control the spin to keep the employees focused.

You need to talk to people who have recently left the company to really find out what departments are growing, and which are not. LinkedIn is a great resource for this as you can search the company name and then see who in your network works there and who used to work there. Start with the people who used to work there and reach out to them for a 15-minute informational interview. You are not looking for dirt, you are looking for growth and listening for pain.

Pain is different than dirt. Dirt is people behaving poorly. Pain comes from the challenges of growth and any past employee should be able to share the answer to the question.

A good question to ask after a few pleasantries is what were some of the common areas of frustration at the company when it came to meeting its projections?

Start by picking a few industries that are growing in your area. Then look for the fastest growing companies in those industries. Then interview a few former employees over the phone. Next reach out to people at the company that are connected to people you know and learn which areas are growing the fastest and what is breaking in that division. Things always break when there is fast growth, don't be afraid to ask about it.

Side note: If you don't have a robust LinkedIn profile take our other course and look at lesson 5 for how to do it. If you want to make real money you need a network, so get going.

Now that you are armed with the right information you can start to put together your plan for articulating how you are going to overlap your unique value on top of their pain. It is key that you are doing this with multiple companies in hopefully several industries. This allows you to have some momentum while the companies you are speaking with take their sweet time getting back to you.

It is important to note that you are doing this while maintaining your fixed salary job. Getting a job when you have one is a much easier narrative to speak to than when you are unemployed. Much of the work you are doing taking this course will also allow you to network for better opportunities inside your own company.

The challenge is that your boss and your division have formed and opinion and the powers of confirmation bias are stacked against you if your idea of the future doesn't match theirs.

For each opportunity fill in the answers below or fill in on the worksheet on the next page:

- Name of Company:
- Its pain as you understand it:
- The part of the company you want to help:
- How your unique value will help:
- Who leads the division?
- Who are the people that work for the leader?
- What are your first steps to get on the leader's radar?

Take a few minutes in Making Money Worksheet #3 to reflect upon this lesson.

Next we start Part 2 of the course, and dive into specific action steps you can take to make more money.

WORKSHEET SECTION 3

List out 5 people you know who have important jobs:

1.

2.

3.

4.

5.

What are they complaining about when you speak with them?

Where are they in pain in their work life?

Do any of your skills overlap with solving their pain and if so, what are they?

Pick a company and fill out these questions:
Name of company:

It's pain as you understand it:

The part of the company you want to help:

How your unique value will help:

Who leads the division?

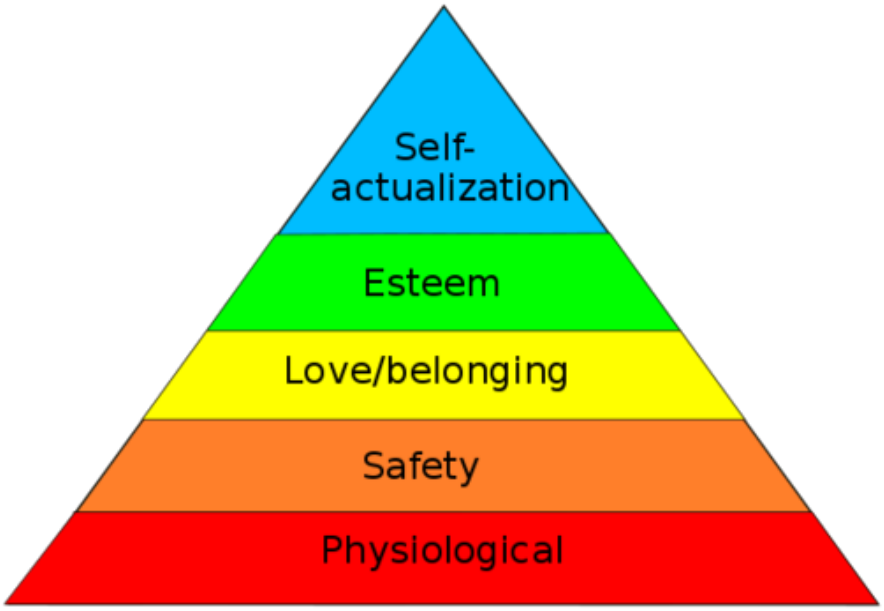
Who are the people that work for the leader?

What are your first steps to get on the leader's radar?

4. Climbing the Ladder at Work

PART 2

Albert Maslow was a social scientist of note in the 20th century and is widely known for creating the hierarchy of human need pyramid that is shown below. His work on how our needs change with our external situations can be understood with the example that a man being chased by a tiger in the jungle has no capacity to fall in love no matter how attractive or willing the prospective mate might be. The full details of his work can be found here.



We would like you to hold a similar image in your mind when thinking about work and compensation. Here are the corresponding levels for you and making money.

- Trade your time for money (this is most often entry level work)
- Trade your time for money + a bonus that is negotiated (you are making something happen)
- Trade your efforts for outcomes you individually control (this is a variable cost structure like sales)
- Trade your efforts for outcomes tied to the P&L of a business unit (you receive a piece of the profit)
- Trade your efforts for P&L of a larger unit (receive profit sharing and earn equity)

- You buy a business and need to recruit people to run the company at all the levels already outlined

It is important for you to look at the highest rung on the work ladder and realize how you will feel when you own the company and someone who works for you comes to you and says:

“Mr. Jones, I really need a raise because I have worked here for three years now and my wife is pregnant with our 2nd child, and we need to make more money.”

While you may have compassion for your employee’s situation, you will also be thinking of how in the world can you afford to pay this person more when you have your customers wanting to pay less and your suppliers charging you more, and the government adding more regulations on behalf of your workforce with things like increasing the minimum wage.

It is as this moment that Mr. Jones delivers a canned response that is vague and doesn’t help you in your situation at all.

“Ted, congratulations on the exciting news. We have put a hold on all our promotions in the past six months as we are adapting to the changing business environment, and you know we are close to landing a few big deals which might change things. Please keep doing your best and we can look at this down the road. Great news on the pregnancy, is it going to be a boy or a girl?”

The reality is that the businesses needs are competing with your needs for the scarce resources of time and money. The business wants as much of your time for as little as possible, and you would like to allocate as little of your time for the most amount possible. The outside forces that impact both Ted and Mr. Jones are the amount the business can afford to and must pay to retain employees to deliver the value proposition of the business and the number of jobs that Ted can perform within his ability to physically or virtually commute.

Climbing the ladder of capabilities is the job of your 20’s. The more skills you can acquire the more you will be able to impact an enterprise and therefore negotiate your correlating compensation. We will now outline a few of the skills that can most quickly increase your take-home pay.

You're not done yet! Apply what we've discussed here in the Section #4 Worksheet.

Next we look at how to acquire a concept, and the LTV:CAC ration (don't worry…I'll explain in the lesson).

WORKSHEET SECTION 4

How many rungs are there on the compensation ladder at your current company?

How long will it take you to get to the next rung?

If you went to another company, could you qualify for a different level?

What additional role could you take on to change your compensation structure?

5. How to Acquire A Customer

We're more than halfway through the course and you're well on your way to making more money, a lot more money!

Today, we're going to explore how to **acquire a customer.**

The cost to acquire a customer (CAC) in relation to the lifetime value (LTV) of that customer is pretty much the whole ball game when it comes to business. A common ratio that is used to determine efficiency is the inversion or LTV to CAC.

A research firm by the name of Klipfolio has articulated the following opinion on what a company should strive to achieve.

An ideal LTV:CAC ratio should be 3:1.The value of a customer should be three times more than the cost of acquiring them. If the ratio is close i.e.1:1, you are spending too much. If it's 5:1, you are spending too little. In fact, you are probably missing out on business.

You are probably thinking, thanks for the lesson, but how do I make more money!

Well, you are part of the cost in this game, and what you are looking to do is get paid for helping **acquire the customer** beyond just showing up and being on the marketing or inside sales team.

You can't win a game until you know what game is being played. The big game that is going on all around you is 'how do we get our costs down as much as possible' and get the customer to stick around as long as possible.

Start figuring out the questions that your company's customers are asking, when they are asking them, and how they are solving the solution now without your offering. Talk to people who are potential high value purchasers and listen for pain. What hurts and why are they dealing with the pain?

As you tease out the key issues and then compare them with your company's offering, think through the challenges and obstacles that are keeping the two parties apart.

- Is it trust?
- Is it time?
- Is it a perception of value?
- Is it that the potential customer doesn't really believe life could be better?

The ability to think through an issue and be curious is the start of learning how to acquire a customer. Once you have started down this path and are learning how to bring potential customers to the business, the people who run the business are going to treat you differently.

Notice that we didn't say treat you better. In the beginning you may be told to:

- Don't think; it can only hurt the team.
- Just stay in your lane and do your job.
- What are you trying to do, make us all look bad?

These statements are a sign that you are in the wrong place and working for the wrong person. Don't lose your job over your new skills, but don't stop learning either. You are now looking to play a much different game than you were before.

You used to show up and trade your time for money, and the people around you were playing that game as well. As you look at playing a different game, don't expect them to encourage you as it will call into question the choices they are making for themselves.

Most companies will pay referral fees for new clients to anyone in the company. This is the start of getting out of the mail room of life and into the game helping the team win the game they are playing. Paying a commission to an employee is a variable one-time-cost that goes into the LTV to CAC ratio. It is the easiest thing a business owner ever does. They know how to keep customers, and they always want a chance to start fresh with a new customer and employ their new customer retention strategies.

Acquiring a customer starts with understanding what pain exists in the potential customer base, and how your employer is solving that pain. You are picking up the New York Times of business and following an ongoing story of pain and relief. The sooner you can be fluent in this conflict, the faster you will find a way to earn more money for you and your family. So put pen to paper and complete the Section #5 Worksheet.

Just three sections left! Coming up, we will tackle the topic of how to recruit people to join your team.

WORKSHEET SECTION 5

What is the big game that your current employer is playing?

Who are the customers you could help them acquire?

What pain is the company solving for?

List out a few potential customers you may know?

6. How to Recruit People to Join Your Team

In this section we are going to explore recruiting and how to bring people into your team.

Think back to your freshman year of high school and college. You were entering a system that had a four-year social hierarchy based upon your grade and the seniors in most cases ran the place. You didn't know where everything was, and if you didn't have an older sibling who gave you some advice you were basically clueless.

Your school either had an elaborate orientation process or directed you to their website. You had your student identification number and your class schedule, and you were on your own. What you didn't realize at the time was you were the new engine room for the upper classmen who ran the different associate groups at the school. The sports teams, media outlets, student government, and social chairs were all looking to recruit you to join their ranks and pick up a shovel and start digging.

The people who recruited you were often the leaders, and they were practicing the art of persuasion to convince you that your life was going to be better within the confines of their group. Most likely you said yes to a series of groups, and within a few years were either the one recruiting the new freshman, or you embodied the best that group had by your actions.

Now think about your current employer in this context. You are one of the many employees showing up to compete on behalf of the company. Think about your team:

- Is it an all-star team?
- Are some of the people around you average at best?
- Do you know people who have basically quit caring and still are showing up and going through the motions?

This painful truth is your opportunity. Find the people you respect the most and see if you can get them to join you at your company. The process of recruiting someone to your company is like the customer acquisition steps. It starts with seeing what is going on with others and then backing into how your offering is a unique fit.

Helping the company acquire the best new talent possible will again fall on deaf ears to the wrong people. Do not be dismayed by this predictable response. These people are losers, and

losers are great at recruiting others to join their ranks of misery. Don't fall for it. **Find the people who care and are trying to win a game of life at work.** See if you can connect the dots between an open job requirement and a connection of yours.

As we referenced in the last section, most companies pay referral fees for new employees, and like customer acquisition, the more you play in these areas the better your chances to add some variable compensation to your life without having to have that awkward conversation with Mr. Jones about how much you need a raise.

When you are helping solve the company's problems, you have leverage to be compensated by the company, or to find another company and cut a better deal at the outset. Understanding this leverage and learning how to use it are crucial skills to learn as you scale the ladder of influence at work.

Complete the Lesson #6 worksheet for more on this.

Two sections left! Next, we will dive into the details of how to run a team.

WORKSHEET SECTION 6

Who recruited you for your current job?

How do you like to be recruited?

Who was the last person you tried to convince to do anything?

Why were you trying to persuade them?

Compare that with your company, what is similar and what is different?

7. Mapping Your Boss: How to Run a Team

The famous business thinker Peter Drucker said that "culture eats strategy for breakfast," and we have added that "a team eats group's lunch." Understanding everything you can about teams is a great way to start making more money right away. Jeffrey Bezos of Amazon talks about two pizza teams. He doesn't want too many people on the team. We agree. If everyone has only two slices you can figure out that eight people is a magic number for grouping humans.

More detail on the dynamics of humans and how they interact with each other is in the book Team Genius by Rich Karlgaard of Forbes Magazine. It is great background reading as you start to unlock the puzzle which is human dynamics at work. The first step to learning how to run a good team is to be the best follower of your current team leader. Think about the job he/she has in organizing you and others to meet the needs of the company and the customers.

- What can you do to help the identified initiatives happen on time, and on budget?
- The person leading the team has needs: what are they?
- If they are going to pick a replacement for their position at some point in the future, would they pick you?
- If not, why?

If you are going to help your boss, it pays to pay attention. Here is a quick template to help you map your boss:

Mapping Your Boss

NOTES

Extrovert or Introvert?

- o Extrovert — Tip: Is their door mostly open or closed?
- o Introvert

Reader or Listener? — Tip: Watch how they order food from a restaurant.

- o Reader
- o Listener

Morning or Evening Person? — Tip: Look for when emails come from them.

- o Morning
- o Evening

What types of teams or performers do they like?
1.
2.
3.
4.

Do they identify with a certain culture in a major way? If so, the codes of behavior from that culture will matter a lot to them. For example: Baseball guys typically have an "unwritten" code that you either get or don't get and you only get it by studying the game.
1.
2.
3.
4

What stories do they tell about success? They will want to relive those stories with your team.
1.
2.
3.
4.

If they were a superhero, which superhero would they be?
1.

Take these answers and think about your boss in a new light. They hold the keys to your future at that company, and until they are stack-ranking you as the number one, most valuable member of their team, you are not able to increase your earnings. **They need to feel when you are not at work that something is missing.** They need to feel it when you are at work, things are humming.

The faster you get to that state at your current company, the sooner you are going to be given the chance to run a team. It is at that exact moment that you are going to have a compensation question with your boss, because team leaders make more money than team members. That is the way it works. You are going to earn every penny they pay you, and if you ever leave the company the market price for a team leader is always higher than team member.

When you do get your team to oversee, you need to understand that every first-time team leader makes mistakes. They often make them because they over-emphasize their key traits that got them to the position. In the course "Getting a Killer Job" we outline for you the need to understand your team player style as outlined by Glenn Parker in his book "TeamPlayers and TeamWork." It is vital for you to understand that working with others causes certain personalities to emerge, and as the leader you can really get into trouble if you don't understand how others work in teams. You need to value not only what they can contribute,

but the way in which they do it. We will cover this specific area more in our course on running an effective team.

The key takeaway for you in this lesson is that leading a team is a great way to increase your compensation and put you on a track for high wages in the future. When you lead others, you earn the right to climb the influence ladder at work. This allows you to potentially earn more than just subjective bonuses. You have the chance to earn contractual bonuses, profit sharing, and equity as you build out a track record of success.

You can do it! It starts with making your boss successful. Let's review this lesson by walking through a few questions on our Lesson 7 worksheet.

That wraps up *Making Real Money*.

Section 8 we will summarize what we have learned.

WORKSHEET SECTION 7

Describe your best team experience ever.

Describe your worst team experience ever.

What were the 3 main differences?

1.

2.

3.

What role do you like to play on a team and why?

If you were tapped to run the team you are on at work, what changes would you make and why?

What teams are you leading outside of work and how could that help you with your work team?

8. Summary

Thank you for taking my course on *Making Real Money.*

This course started out with you flat on your back staring up at the sky wondering how you were ever going to make more money. Hopefully by now you are up and running with a full understanding of a few things.

- How people make money and why companies pay for it.
- Inventory your strengths and interests to arrive at your unique value.
- Matching your unique value with the market realities of a business.
- Climbing the ladder of influence at work.
- How to acquire a customer.
- How to recruit people to join your team.
- How to run a team.

Each of these lessons have a multitude of nuance to them. But it doesn't pay to become a professor. You are right in the middle of a very active time of life, and you need vital insights and functional tools to make the money you need to have financially secure freedom.

Getting your consumption in check is job number one, but it will only get you so far. Not having dessert at the Chili's on Friday night is not a way to lead your family to a brighter future. **You want to make as significant a contribution to your society as you can, and that includes having success and responsibility at work.**

Take these lessons, rip them apart, make them your own, and learn how to be useful and invaluable to others. Learn everything you can about how companies work and how value is created, and profits are earned. Recruit others to be with you on this journey and invest in their success. Watch them invest in your success in return. As your abilities grow and others learn to rely on you, your income and net worth will increase, and you will have the great sense of accomplishment that comes from making an impact in the lives of others.

Go for it and please share with us your challenges and successes. We believe everyone has a contribution to make and are excited to learn more about you and your story.

Drew Sanders
Founding Principal
Banyan Tree Strategies

WORKSHEET SECTION 8

Which of the most common ways to make more money appealed to you the most?

What 3 steps are you going to take to earn more money at your company?

1.

2.

3.

List 3 people outside your company that you are going to meet with to talk about growing your responsibility to increase your earning potential.

1.

2.

3.

List 3 different people that have great influence and see if you can take them to lunch and convince them to let you help them grow their own efforts.

1.

2.

3.