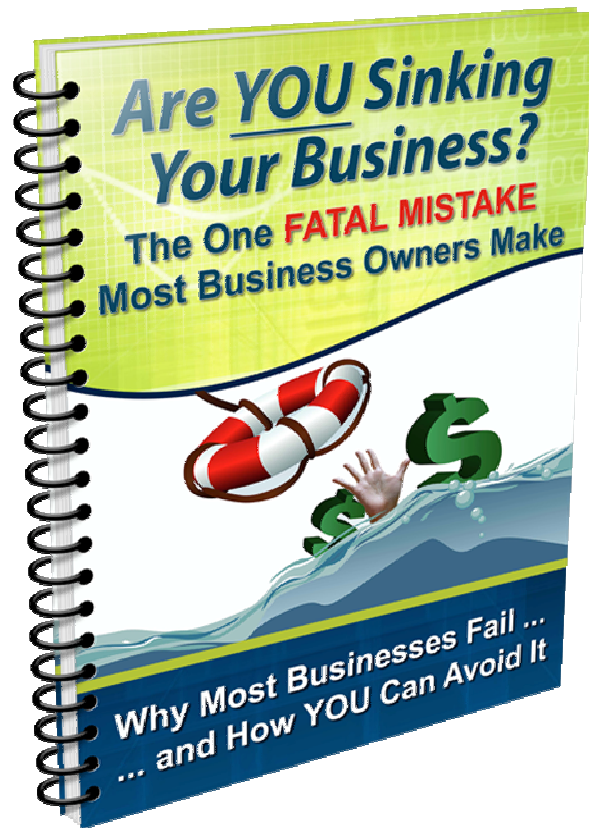


Are YOU Sinking Your Business?

The One **FATAL MISTAKE**
Most Business Owners Make



**Why Most Businesses Fail ...
... and How YOU Can Avoid It**



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Before you read any further, take just a moment and think about the last 24 hours of your life. Then, think about the last week. I'll bet that, like a lot of business owners, a large part of your day and your week was spent doing routine tasks that didn't produce any income for your business!

How much revenue did you produce paying bills? Replying to emails? Did you increase your bottom line when you spent four hours generating invoices?

Now think about this: What if every task you did during your day actually added value to your business? Imagine how much your business could grow if you could hire an assistant to do all of those mundane, non-revenue generating tasks that are eating up your valuable time?

I bet you're thinking, "Hey, I'm a small business (or individual) just starting out. I just don't have the money for something like that" ... am I right?

In this short book, we're going to show you that you CAN get the help you need, and at a MUCH lower cost than you would have thought possible!

Keep reading. You're going to learn how a small investment that nearly any business can afford will free you up to GROW your business ... instead of working your butt off day after day just to maintain it.

Meet Ben. After 15 years as an Entrepreneur, Ben began his 2nd career as a college professor and later took the same plunge as you. He became an entrepreneur again, and started yet another business from scratch. Ben worked hard to build his business all by himself and while he saw his latest business grow, two tough realities became clear:

First, he noticed that his business stopped growing despite all his hard work.



Second, he noticed that there was far too much work for any one person to handle and that he just couldn't do it all himself, and had to get some help.

Like any American businessman, he went on a search for a secretary.

In America, hiring a trustworthy employee to do a professional job means paying rates of \$20 or more per hour plus all of the other associated expenses. It also means health insurance, worker's compensation insurance, payroll taxes, a lot of IRS forms that begin with the letter, "W", and all of the other administrative functions that go along with labor law compliance.

This quickly became an unworkable option both in terms of money and the time it would take to be in compliance with American labor laws.

Ben talked to friends who had gone through the same growing pains as he was experiencing. They recommended a virtual assistant. As Ben learned, a VA is a person who can do any task that a traditional secretary can do if that task doesn't require a physical presence.

Ben learned that while there are plenty of virtual assistants in The United States, there are advantages to hiring an assistant from another country. Because of this wealth of knowledge Ben received, he hired a virtual assistant from Russia.

Ben later hired from other countries including Romania, China, Pakistan, and India.

We'll tell you more about Ben later, but there's little doubt that you can tell a story that begins and ends somewhere in Ben's timeline. Maybe you already have assistants, or maybe you're just starting out but see the inevitable future of needing help.

This ebook is going to help you in your journey by preparing you for the **next big, and very CRUCIAL step** in the evolution of your business.

Knowledge is not power.
Action is Power

60% of what you do can be outsourced!

Statistics show that 20% of your work results in 80% of your income.

This should be both alarming and exciting to every small business owner.

On one hand, this illustrates that a shocking **80% of what you're doing isn't producing any income** for your business.

On the other hand, this is exciting because it shows that you don't have to work nearly as hard as you are now in order to produce growth.

90% of all entrepreneurs work more hours than those who work for somebody else ... but it just IS NOT NECESSARY!

Just because everybody does it doesn't mean it's right and it doesn't mean that you have to follow the pack. If 50% of all small businesses fail, maybe it's time to try something new.



60% of what you do can be outsourced

9 out of 10 Entrepreneurs work too much

You sacrifice personal time for work

20% of your activities result in
80% return

?? So why not delegate the 80% of
work that does not provide value ?

You're the Problem!

I know that's not very nice to say, but for the sake of your business, it's important that you hear it. Please, bear with me here.

To show you why, think about an hourglass. When you turn an hourglass over, all of the sand is on one side. There's enough sand to flow for exactly one hour. But what's keeping the sand from rapidly flowing to the other side?

The container that is the hourglass drastically reduces in width in the center creating a bottleneck effect.

This restricts the flow of sand. If there were only a few grains of sand, the fact that this bottleneck is present would be a non-issue.

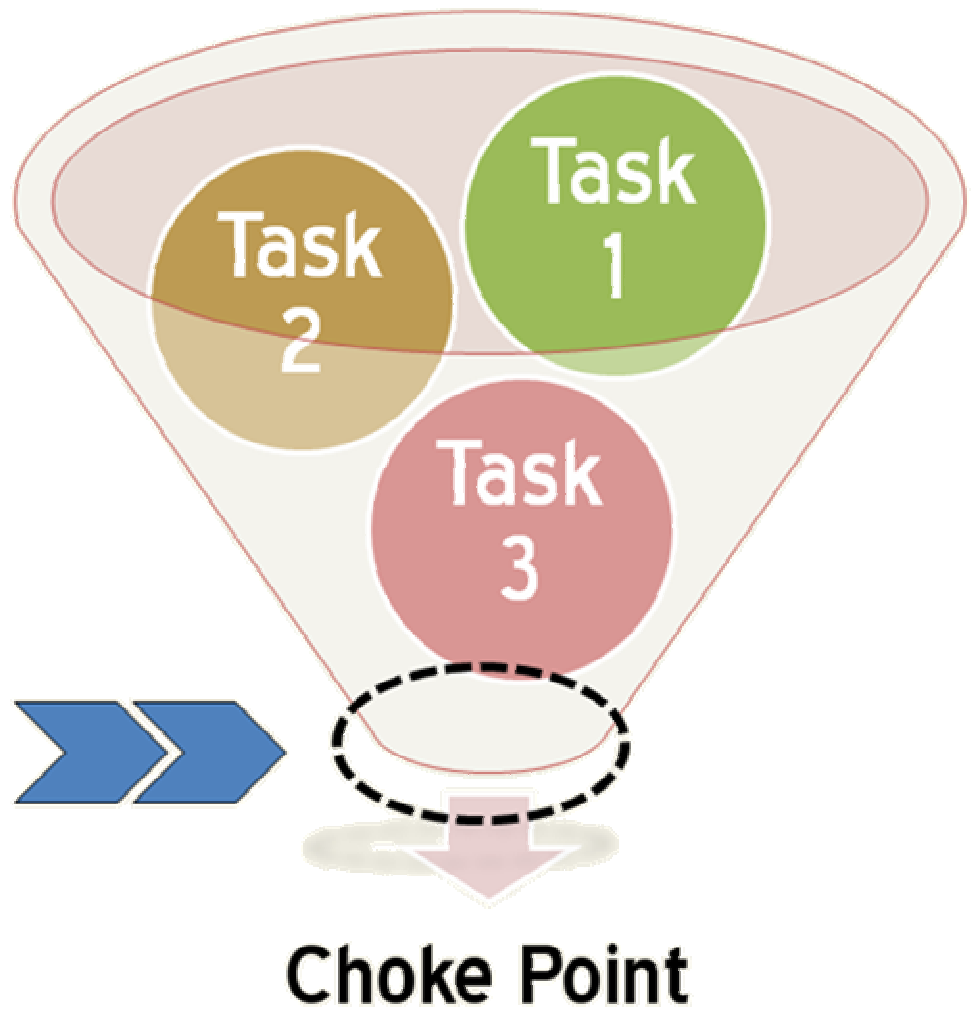
Now think of each grain of sand as a task in your business that has to be completed. Maybe you're young and haven't figured it out yet, but sooner or later you'll come to the realization that you can only do so much in one day.

Your work load is FINITE. You are limited in your capacity. Because of that, **YOU** are the bottleneck. **YOU** are the reason that the work isn't getting done. All of those grains of sand have to flow through **YOU!** ... and you can only handle one or two grains of sand at a time.

When there were only one or two tasks a day, you, the bottleneck, weren't an issue. But now that your business has grown, there are too many grains of sand. So in order to grow, **you HAVE to remove the bottleneck!**

The only way to remove the bottleneck - **YOU** - is to hire help.





YOU

What is Leverage?

LEVERAGE



Leverage is the concept of achieving more while at the same time working less, or working on only high-payoff ROIs



The freedom of less work and more time on your hands, to do the things YOU want and love doing,... to do whatever the heck it is that you get a 'feel good' kick out of doing!



Have you ever changed a tire? Maybe not, but you have undoubtedly watched somebody do it or seen it done on TV. With a handheld piece of machinery that weighs less than 10 pounds, it's possible to lift a multi ton automobile off the ground.

By yourself, you couldn't lift that car, but with the use of a simple machine your efforts are amplified many, many times. In physics, you most likely learned about levers which serve to multiply force. In business, leverage works the same way.

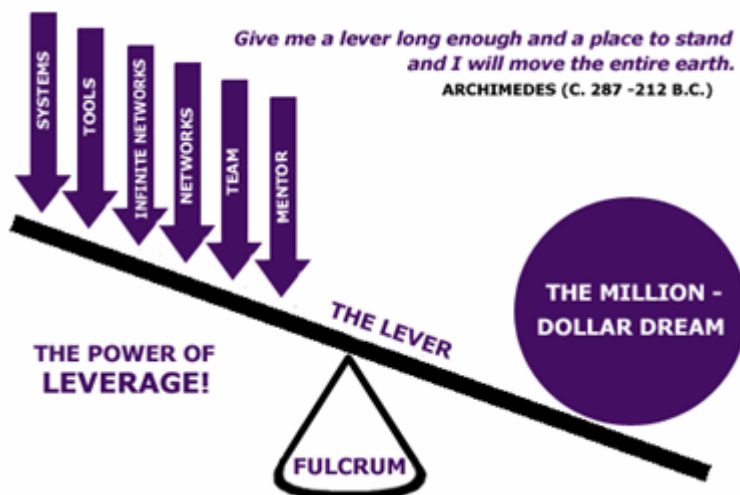
There are three types of leverage in business: You can leverage other people's money, other peoples' time, and other peoples' work.

First, let's look at how to leverage other peoples' money.

If you own a home, you're leveraging somebody else's money. You didn't have a spare \$150,000 or more to buy your home, so you put a small amount of money down and used the bank's money to purchase the rest of the home.

Assuming your home is an investment, the 6% interest you are paying on your home mortgage will hopefully result in much more appreciation in the value of your home.

Investors also do this by using margin accounts. Their stock broker loans them the money needed to invest in a stock they believe will make them money. The investor pays the broker a small interest rate and when that stock rises in value, the investor makes far more money than the interest they paid to borrow the money.



Banks also leverage your money when you put money into a savings account or CD. They invest your money with the expectation of earning more on their investment than the interest they are paying you to use your money.

Next, what Ben did in our earlier example is to leverage people's time. He hired somebody to do a series of tasks because the value of his time is worth more than the hourly rate he paid the virtual assistant.

Learning to leverage peoples' time is CRUCIAL to growing your business! If you're trying to do everything yourself, the amount of work will quickly outweigh the amount of time you have each day.

To understand work leverage, think of that new home you purchased earlier. You moved into that home and found that the furnace didn't work. You don't know how to install a new furnace so you hire a heating and air conditioning company to install one for you.

This is an example of leveraging peoples' work. They do something for you that you may otherwise not be able to do; at least not at a professional level.

At some point, every business owner has to learn how to leverage in each of these three ways. You may be trying to be the accountant, sales rep, manufacturer, distributor, and customer support professional all in one day. This quickly becomes impossible. Even if it's possible in your business, it's nevertheless, a BAD idea ... and here's why.



What's your hourly rate?



Why must you leverage? Because if you're to have any hope of growing your business, your unique skills **MUST** be used for more than what they're being used for right now.

But before we go on, take a second to **pat yourself on the back**. You've done something that most people don't, won't, or can't do: you started a business!

While it may not seem like a big feat to you, most people don't have the intelligence, the drive, the money, or the personality that allows for such a big risk. You have something special and that has value far above the normal laborer.

Along with that, you may be a father, mother, care giver, husband, wife, daughter, or son. You have personal goals, and a right to enjoy your life and do those things that are important and enjoyable to you.

All of these factors give your time a value and it would be unrealistic and unhealthy for you to work every hour that you're awake.

Now, how much would you like to earn in a year? How does \$100,000 sound? You may want more, but for the sake of simplicity, we're going to use the \$100,000 figure.

Go to our website and click on "What are you worth" or look in the back of this ebook for a worksheet to see how we came up with this number.

**Your time has value
and it's much higher
than you think!**

But in order to make \$100,000 per year, working an average of 40 hours per week and taking 2 weeks of vacation, the value of your time is \$50 per hour. (Of course we're talking about gross income)

YOUR HOURLY WORTH

How much money do you want to make a year?

ASSUMPTIONS:

\$100,000

**40 hour
weeks**

2 weeks vacation

52 weeks - 2 weeks vacation = 50 weeks

50 weeks x 40 hours = 2000 hours

\$100,000 / 2000 hrs = \$50 per hour

"You're Hired!"

You do like "you", don't you? Well, you should!

You have a great skillset for your business. You have the specialized knowledge needed to run your business; you have the drive to work harder than your competitors, and you have the management skills to help your business grow.

So let's take the plunge and hire **"You"** for your business.

After much negotiation, we settle on a pay rate of \$50 per hour. If we're going to pay you that kind of money, we're going to **LEVERAGE** your talents to their fullest extent ... right?

So let's put together a job description for you, our brand new \$50 per hour employee:

- ✓ Update the Facebook page each day
- ✓ Fire off a few "tweets"
- ✓ Answer the phone
- ✓ Update the blog
- ✓ Internet research.
- ✓ Update the calendar
- ✓ Billing
- ✓ Low Level Customer Support
- ✓ Analyze survey results
- ✓ General data entry
- ✓ Bookkeeping
- ✓ Play "VoiceMail tag"
- ✓ Create Spreadsheets
- ✓etc.....



How does that sound for a \$50 per hour employee? For the \$50 per hour that you spent on you, how much return on investment do these activities generate?

Can you write a blog article that will generate \$50 per hour in sales? How many tweets will it take to grow the company by \$50 in the next hour?

Are you getting the picture yet? You would NEVER pay someone else \$50 per hour to do these kinds of tasks!

So WHY are YOU doing it?

Why are you, somebody who is worth \$50 per hour, spending your day tending to these tasks when you could pay somebody else a fraction of that amount?

80% of your day is spent completing low ... or NO ... return on investment tasks instead of growing your business.

No wonder your business isn't growing at the rate you would like! You're spending all your time doing Internet research, reading emails, sorting data, or similar time-consuming "grunt work" instead of truly using your talents!

All of those tasks that aren't growing your business but are nevertheless necessary for maintaining it, should NOT be costing you \$50 per hour! If you could find somebody who is college educated, has a great work ethic, is eager to work for you, and who showed up and offered their services for a mere FRACTION of what you're paying yourself ... wouldn't you hire them?

You may argue that you don't have the money to pay somebody to do these tasks for you. We would argue that you're already paying YOURSELF to do them!

By NOT growing your business while your competitors are growing, you **ARE paying for it.**

Just because you're
doing all of the work
doesn't mean that you
aren't paying for it

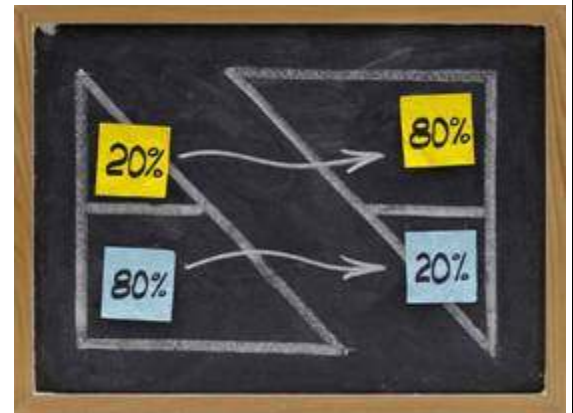
80/20 Rule

Understanding the "Pareto Principle" (The 80/20 Rule)

Originally, the Pareto Principle referred to the observation that 80% of Italy's wealth belonged to only 20% of the population.

More generally, the Pareto Principle is the observation that **most things in life are not distributed evenly**. It can mean all of the following:

- 20% of the input creates 80% of the result
- 20% of the workers produce 80% of the result
- 20% of the customers create 80% of the revenue
- 20% of the "bugs" cause 80% of the crashes
- 20% of the features cause 80% of the usage
- And most importantly in the context of our discussion - **20% of your efforts creates 80% of your income!**



So if, on average, 20% of your efforts creates 80% of the results, what are you doing with the remaining 80% of your time/efforts?

Are you:

- Working 15 hour/7 days for no reason?
- Spending time at the office instead of spending it with family?
- Burning the candle on both ends ... and **burning out?**
- Foregoing vacations and social outings?
- Neglecting your passions and hobbies?

PS: *"I KNOW – I've been there!"*

Globalization

Now that we've looked at leveraging let's put it to work growing your business. As we have found, the way to grow your business is to leverage peoples' money, time, and work.

If you have ever had a small business loan from a bank or a business credit card, you've leveraged other peoples' money ... but how do you leverage people?

If your business has a logo, you probably leveraged somebody's work to have a professional and eye catching logo designed, but let's look at how to leverage peoples' time.

Only a few decades ago, the world was realistically divided by regions.



Sure, the telephone existed and because of that executives could easily communicate but as far as having an employee, your pool of available applicants could only come from those in your area. If they couldn't drive to your office, they couldn't work for you in an efficient way. This limited the talent pool you had to pull from.

But in the 21st century, things have changed drastically. Thomas Friedman, in his book, *"The World Is Flat: A Brief History of the Twenty-First Century"*, chronicles the fact that technology has torn down the practical walls of business.

American companies no longer compete only with American companies. Because of the internet and other 21st century technology, American companies now compete with companies all over the world.

As a small business owner, you might think you're immune from what Friedman calls "globalization"... but you're not. If you're a freelance writer, you compete with writers all over the world. Writers around the world may be willing to do the same job you do for a fraction of the cost.

If you're not a writer, the same is true for whatever industry you're in. If you own a business that sells merchandise, you're aware that by simply going online, your customers can buy the same merchandise you sell from retailers worldwide.

While globalization makes it more difficult for American businesses to compete, there's a bright side. You can leverage globalization!

Read this carefully because this may be **THE single piece of information** that you have, and that your competitors do not.

This may be what rapidly and drastically pushes you ahead of the pack. Your competitors won't know how you did it... but leveraging globalization is the **SECRET!**

Here's how it works. As we said, in other countries people are willing to work for less money. There are a lot of reasons for this. **First**, the exchange rate. Dollars are worth more than many other countries' currency. **Next**, other countries don't have the same labor laws.

Workers in other countries don't expect healthcare, retirement, insurance, or the many other perks that come with working in America. As you know, those American perks are certainly deserved but they cost employers a lot of money and that's money that doesn't have to be spent when hiring international labor.



Finally, the cost of living in some countries is often drastically lower than in the USA, so the wages are proportionately lower as well. All of this translates into one important fact: If you leverage globalization, you can get help with the 80% of your day that doesn't grow your business, and at very little cost.

Leveraging is what can
put you ahead of your
competitors and allow
your business to grow
rapidly

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