



JEFF WALKER'S PRODUCT LAUNCH FORMULA 2.0

Module 5: The Launch: It's Time To Hit "SEND" And Get The Big

Video 8: Getting Paid – one of the secrets of a successful launch is making sure you actually get the money!

Now I want to cover some of the launch details. These are the nitty-gritty things as you come into your launch. The first one I want to talk about is getting paid. Once you do one of these launches and you figure out how to use the mental triggers and the whole launch process, you will realize that making the sale is the easy part. If you follow the formula it is not hard to make the sales.

I want to talk about getting paid which sometimes can be the tougher part. For starters, whether you are dealing with merchant accounts or PayPal, you are dealing with a bank. I want to talk about what scares banks. Generally the thing that scares banks is risk. They don't understand us. They are not entrepreneurs.

We are entrepreneurs. We love building things. They like very steady slow growth. Even if they have to sacrifice growth, that is fine with them. They want things to be like clock-work, by the book, step by step. That is not necessarily the way we work, especially with product launches, where we are looking to bring in a bunch of money fast.

What scares banks are big inflows of cash. That tends to alarm them. If they are monitoring a merchant account and you are ticking along doing a couple thousand, two thousand, three thousand dollars a month, and all of a sudden you bring in \$50,000 in a week, that is going to raise their eyebrows. They are going to wonder what is going on.

What they are worried about is that you are going to do all those sales, take all the money out of the bank and then skip off to Acapulco, the South Pacific, or somewhere beautiful, and sit on an island and never deliver your product. That is their concern.

They are also concerned that after doing \$50,000 in sales, you take the money out of the bank and spend it. You spend the \$50,000 and buy some cars, or you buy some electronics and then if your customers don't like your product and they all return it, or worse yet, do charge-backs, they'll get stuck paying the money. You owe them money and you don't have it because you spent it. Those are the types of things they are concerned with.

Frankly, it is their job to protect themselves against that kind of stuff. You have to remember where they are coming from.

One thing that is very important as you go through this process is that communication always wins, especially when you are dealing with the bank. You have to let them know ahead of time what you think is coming. Talk to them about your upcoming launch. Talk to them about what numbers you think you could possibly do, and about what product you are going to be producing. Just know that they are going to be nervous.

The other thing that you need to know is that when you talk to them, (ahead of time,) they are not going to take you seriously. The bank will look at your business and say, "Okay, this person has been doing \$2,000 or \$3,000 per month. They say they are going to make a bunch of money. They say they are going to run a lot of charges. They think they might do \$40,000 or \$50,000, yeah, right. They haven't shown by their past performance that they can do those kinds of numbers."

So they are not going to believe you. Nevertheless, talk to them, put it in writing, and get them to put it in writing. That will carry more weight. Putting it in writing will count for a lot. If you are ticking along doing your \$2,000 or \$3,000 and then you tell them, "Hey, we're going to have a big launch. I'm not sure what we're going to do, but

we're going to make a lot of money. I think it will be at least \$20,000 but it could even be \$40,000 or \$50,000."

In the back of their head they'll think, "Yeah, right." If you get them to write it down and then you do \$50,000 in sales, the bank will look back and say, "Well, you know, they said that they were going to do \$50,000. We should have believed them."

It does count for something even if they don't believe you, if you sort of keep them in the loop. Communication always wins.

I did an interview with Judd Smith from PowerPay. You should go listen to that. It is a full length interview somewhere between 40 and 60 minutes. It has some amazing information about how to work with merchant accounts. The discussion covers what they see as red flags, what they see as really good behavior, and the kinds of activity that makes them very comfortable, ahead of the launch, during and after the launch.

That is truly a groundbreaking interview. We covered stuff there that has to my knowledge never been disclosed before in this market. I very highly recommend you go and listen to that interview with Judd Smith. We are going to put a link to that interview here in this module. It is great stuff and you are going to want to listen to learn how to work with merchant accounts and also, by corollary, how to work with PayPal.

I cannot stress how important it is for you to listen to that interview. First of all, this is PowerPay. My affiliate link for PowerPay is www.PowPay.biz. If you sign up for a merchant account with PowerPay at that link above, you'll be serviced by people who really understand product launches. It is Judd Smith's company. I will probably make a quarter of a cent for every ten dollars you sell.

My affiliate commission is pretty much insignificant with these guys, but the reason I give you this link is that if you use www.PowPay.biz, then when you put in your application, it will go straight to Judd Smith's desk. He is the VP of Risk Management at PowerPay. It's not like there are a bazillion VPs. I mean the guy is a serious player. Judd understands our market. He understands internet marketing.

He understands Product Launch Formula. He has seen a lots of launches.

He will actually call me up if he sees something happening in the market to find out what's happening with big launches. He'll call me up and say, "What's the word with this guy? Do you know anything about him?" He knows all the players in the market. He knows about product launches. He knows my whole model of doing launches. I have worked with him extensively.

What I'm saying is he is a good person to work with. When you say, "Hey, Judd, I'm a Product Launch Formula owner, I've gone through Jeff's stuff. I'm not in the internet marketing space. I'm in the making wine space or the learning guitar space. I'm about to do a launch. I know I've only been doing \$2,000 a month, but I've put this thing together. I think I'm going to do \$50,000 with my launch," he'll know what you are talking about. He understands that you can see those kinds of numbers.

For total disclosure, the deal with PowPay is that I get a very small commission. I don't even know what it is to tell you the truth. The real deal for you is that when you go through that link, he'll know it came from a Product Launch Formula owner. You'll be that much closer and you'll get a little bit of a leg up, in that he knows that you've been working with PLF.

In addition, PowerPay is a great merchant account company to work with. They have low rates. They haven't given me any problems like other accounts have.

Once you are established and you're running some bigger numbers, then you can consider setting up multiple merchant accounts. But, I wouldn't set up multiple merchant accounts right away. If you are doing launches that do more than \$100,000 and you are in the two, three, four, five hundred thousand dollar range,, at that point I would consider getting multiple merchant accounts.

You don't want to tell your merchant account provider that you have multiple merchant accounts. It is not that it is illegal, but I think they might get a little jealous, so I don't go around advertising the fact that

I have multiple merchant accounts. I guess I just did, since I just told you about it, but I like to split up orders. I've actually had Paul Galloway build in some custom functionality with my Synergyx Software so orders alternate between my merchant accounts.

Order A comes in and goes to merchant account #1. Order B comes in and goes to merchant account #2. Let's just say I do that hypothetically. That's not a bad way to go, that way if you run into problems with one merchant account you have a fallback.

There are costs to having more than one account and there are complexities to having more than one account. Once you get big, before you start getting really big you need to figure out the logistics. The adjustments are not overly complex. You just have to figure out if you have orders coming in with questions or refunds coming in, you have to figure out which merchant account it went to. You have to figure out how to do this technically.

I'm just saying for the bigger players, once you get into these multiple six figure launches, it is not a bad idea to have multiple merchant accounts. Another thing you should do is consistently ask for increases. In other words, when you get a merchant account, they will say that they can process X number of dollars for you per month or X number of dollars for you per year.

I know that when I started out I had an initial limit of \$4,000 per month with my initial merchant account. That limit was gradually raised higher and higher until by the time I closed that account, it was \$70,000 per month that they would allow.

You do that by building a track record over time where you continue to be a good risk for them. Continue to be a good client for them by not having lots of charge-backs. I know a couple people that every single year, at the beginning of the year, they go back to their merchant account provider and ask, "Can you increase my limit?"

It is not a bad idea to consistently ask for a bigger limit. Put it on your calendar and then every year or maybe every six months, go back and ask them if they can increase your limit. Generally they are going

to want to know why. You can say that business is increasing and give them a justification for that.

If you get into a launch and things just go crazy for you and you have a fantastic success, then it is possible that you might get frozen. There are many different levels of this. I don't want you to be too scared off. You really have to do some serious numbers. You are going to have to do \$100,000 in sales for this to happen, at least for me that is when it has kicked in.

It could happen to you at a lower level, and if you have a \$4,000 limit and you do a \$30,000 launch, then you are probably going to run into getting frozen or some hold back. There are different levels here.

Generally, it is very, very unusual for them to actually shut down your merchant account. That has never happened to me. It has never even been threatened. It has never been in play. I don't really know if I'm even familiar with people who actually did get completely shut down. I know people have been shut down because they've had too many charge-backs, that type of thing, but I don't know anyone who has been shut down for a launch, but you might get frozen.

This is what happens when you get frozen. Let's say you have a \$20,000 limit and you do a \$30,000 launch. They might get back to you and say, "You've now done \$10,000 over your monthly limit. We are going to hold this money." The typical holding period is 60 to 90 days. They say, "We're going to hold this money for this period of time, 60 to 90 days, and make sure there aren't any extra refunds or anything."

What they do is take that money and set it aside in a separate account. They generally do not pay you interest on it. Generally, you have to go back to them and remind them after that amount of time and say, "Hey, the 60 days is up. Give me my money." Then they will give you your money. This has happened to me, two or maybe three different times. It is generally not a big deal unless you really, really need that money because you have a cash flow problem.

In general, you have some negotiation power. In reality you just ran a bunch of sales through them, so they are making money off of you.

You do have some negotiating power. You've shown yourself to be a real business person who can generate real results. There is generally some negotiation room in terms of how much they are going to freeze. A lot of times they will say 90 days or even 120 days, and usually you can get them to negotiate that down. I can usually get that negotiated down to 60 days.

Listen to that interview with Judd Smith to learn how to talk to these people because they are bankers. As bankers, you will talk to them a little differently than you'll talk to other entrepreneurs. You have to be professional. You have to treat them with respect and be courteous.

Getting mad and screaming; this is not the time to do that. At the same time, you don't want to be intimidated by them. You are the customer. They are making money off of you. Go listen to that interview with Judd Smith that I did because it has very critical information about how to talk to them and what the magic words are you have to say to them.

They may call you up. You'll probably be in the middle of your launch, your second or third day of the launch, and it is going to be busy. Maybe you haven't gotten a lot of sleep but they are going to call you. Sleep or no sleep, this is going to be a very important discussion. You want to be very professional and you want to be sharp and on your game. You need to know how to handle that discussion and know what to do when you get the call. So go listen to that interview with Judd.

Another thing, some merchant accounts will have hold-backs. They'll say, "We're going to hold back four percent of your money, or ten percent of your money, on a rolling basis and give that to you 60 or 90 days later." I have actually never had this situation with my merchant accounts, but I know a lot of people that have had it. Just be aware that sometimes you will have that experience.

Another thing that sometimes happens when you have a big launch is that they will want to contact some of your clients. Generally, they will not have their contact details, so they'll come to you and say, "We want to talk to some of your clients." Then they'll ask you for the contact information.

Most of the time in your launches you'll have your A list clients. These are the clients that love you, you actually know their names, and know a little bit of their stories. Maybe they've given you case studies and testimonials. Obviously, those are the people that you give to the merchant account to talk to.

In other words, they are going to say, "Give us the contact information for ten, twenty, or thirty of your customers." Obviously you cherry pick them. Don't just give them the first ten orders you see. Give them the ten orders from the people that love you. If you don't have ten people that you know love you, then you'll just have to give them a random sample of customers. Obviously, if you do have A list clients, this is the time to give them your A list clients.

Let's talk about PayPal now. PayPal is great to use. Testing has shown that it will increase your sales. In other words, maybe your launch did \$20,000. If you went with a merchant account and offered PayPal, you would probably have seen a ten or twenty percent increase in sales, up to \$22,000 to \$24,000 in sales instead of only \$20,000. It's great to have a PayPal option.

Just like merchant accounts, you want to give PayPal advanced notice. This is really critical. When you call PayPal, the first level person you get is just that, they are the first level customer service person. They are not terribly sophisticated, so don't expect to get the greatest service from those people.

You'll tell them, "Hey, I'm about to do this product launch. We are going to make a lot of money. I think it is at least going to do \$20,000. It might even do \$40,000 or \$50,000."

They'll say, "Okay, we'll make a note of that," or make sure to ask them to make a note of that in your account. Again, they are not going to believe you if this number is a lot bigger than what you've done in the past, but they will write it down. Trust me on this, it is very important. After the fact, when you get a call from PayPal and they say, "Hey, you've been doing a lot of sales. What's going on?" you can say, "You know what? I called you guys and I told you about this."

And they'll look and say, "Yes, you did. You warned us; thanks for that."

I've just been through this with my launch for Product Launch Formula 2.0. Again, I called them up and said, "We are going to do some big, big numbers."

They said, "Okay, we'll note that." It completely sounded like they didn't believe me, but after the fact, it was very significant when I had a higher level rep call me up. It was very significant to him that we had warned them ahead of time. So give them advanced notice.

PayPal can, and will at times, freeze you. When they do, you are still going to be able to get money into your account. I should mention, generally when you are frozen, they will still allow you to process money and put money into your account.

If you have a \$20,000 limit and you do \$30,000 in sales, they will call you up and say, "Okay, we have a little problem here. You are over your limit. We are going to have to freeze you. We are going to have to start holding back the amount over \$20,000."

In general, when they do that, they will not stop your sales. You can continue to make sales. I think this is a good thing. Say you are at the \$20,000 limit and you do \$30,000 in sales. When they call and say, "You've gone over your limit," basically they will say that they will allow you to keep on processing, but they aren't going to give you that money for 60 or 90 days. They will let you go from that \$30,000 up to \$34,000.

This is important because if you are in a launch, you don't want to be stopped from taking orders. It is better to get the money 60 or 90 days from now than having to turn people down and say, "We can't take your orders."

In any case, PayPal is generally the same way. They will let you log into your account and see your money, but you won't be able to withdraw it.

Say you get frozen or you are having issues, when you call in you are going to get a first line tech. One of the differences between merchant accounts and PayPal is that you are going to be talking to a different rep every single time you call PayPal. You are going to call in and you are going to get that first line rep.

I don't know how many they have sitting in the room, but they probably have 500 people there. You are going to talk to a different person each time and you are going to have to give them your big sob story each time. What is important is to get them to take notes and put the notes in your record, that way the next time you call the rep can see the entire record of your conversation. Make sure they take written notes and put it in your record.

Another thing you do is push for them to escalate it to a supervisor. Once you get up to a supervisor, then you are talking to someone who can make decisions, who has more business experience, who can make better judgments, and you will get a lot further. In addition, at that level, they will often give you their direct number.

Once you get up to that next level rep, the supervisor, they will give you an extension. "Call me direct at 4388," or whatever. Now you can start to build a relationship. When you are calling in and getting a different rep each time, you can't build a relationship with them. When you start talking to someone at the supervisor level or an account management level, you are going to be able to build a relationship.

This story will play out over time. Generally it is not one phone call if you are frozen. It is going to take several phone calls and checking back in and calling them everyday and staying on it. That's what it is going to take.

Another thing is if you are ticking along making a few thousand dollars and then all of a sudden your sales have a huge jump, you are going to get the same call, the call I was talking about when they ask you what's up. You are going to get that same call from PayPal. It is just like dealing with a merchant account.

They are going to call you up and they are going to want to know things like, “What kind of an offer it is? What are you selling? When are you going to deliver it? Is it a widget or is it something you are shipping? How long is it taking you to ship it out the door? How much do you have in stock? How are you shipping it and do you have tracking on your shipping? How much of what has been ordered has already been sent? How much of it is still to be sent and when is that going to be sent?”

We covered all that stuff in the interview with Judd Smith, so even if you are just using PayPal, go back and listen to that interview with Judd Smith. It is very, very important.

One of the nice things about PayPal is that you can run huge numbers through them. With merchant accounts, you might have a \$20,000 limit. With PayPal, they probably have a limit somewhere, but they don't tell you what it is. They can deal with huge sums of money.

Another thing with PayPal is that they are going to judge you based on your longevity of your account with them. If you don't have a PayPal account right now, it is good to go get one, even if you just buy some stuff off of eBay. Get one and start aging that account. Go through the process of getting your account verified which is a very simple thing to do.

You don't even have to be selling stuff right now. You can just be a verified buyer and that will help you. So go ahead and get a PayPal account and start using it even if you are not selling anything. Start using it as a buyer right now because the longer your account is there, the more transactions you've had, the better as far as they are concerned.

Briefly, I want to mention a few other alternatives. If you are selling very high-priced items, you might offer to let people wire money to you. Use a bank wire. If you are doing high-end coaching, people can wire directly to you. We are talking about other ways to get money into your business without it depending on merchant accounts or PayPal.

Next is bank wires and checks. I think there might be some security vulnerability with bank wires. You have to tell them what your bank account is. I'm not very sure. The only time we've done this is with real high-end coaching clients, where we had a prior existing relationship with them. Then we allowed them to send a wire.

When people paid me \$18,000 for my Platinum Club and I had a pre-existing relationship with them, I allowed them to wire the money.

The beautiful thing about wired funds is that it doesn't cost you anything. If you are using PayPal or merchant accounts, you are paying two to three percent of the money as a fee to the merchant or PayPal. On an \$18,000 ticket item like my Platinum Club, it would have cost \$540 in transaction fees at 3%.

With a bank wire you don't pay any fees whatsoever. It's the same thing with checks. Of course, checks have to clear so there are some complications there. In general, it is not bad to have other ways to receive money into your business other than with merchant accounts and PayPal.

One thing you have to worry about if you have a merchant account, is to make sure that your partners or affiliates are getting credited for orders. With checks or with bank wires, you are going to have to ask the person for the link that they wanted to buy from or where they heard about your offer. It is a little messier to make sure affiliates get taken care of.

Obviously you want to take care of your affiliates because the more money they make, the more money you end up making in the long run.

That is what I wanted to cover on getting paid. I don't want this stuff to intimidate you. It shouldn't intimidate you. The worst case scenario is that you have a home run launch, and it might take you a little bit longer to get your money.

I know that when I was frozen with PayPal, it took ten or twelve days of going back and forth with them and talking to them. It was a bit of a pain in the neck, but in the end we got all our money. If you just

stay on top of this and deal with these people the way I've told you here, and the way we covered it in the Judd Smith interview, you are going to get your money. The worst case scenario is you might have to wait a little bit. But it is important that you are ready for all of this stuff before you go into your launch.