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## CREATING AND MANAGING MULTIPLE PROFIT CENTERS

### Transcript

#### The Marketing Summer Teletour

Barbara Winter interviewed by Marty Marsh

Recorded on July 23, 2009

**MARTY:** Welcome to the 14th stop on The Marketing Summer Teletour. I'm Marty Marsh, The Soul Proprietor. I'm one of your cohosts and tour guides, and I'm very pleased to welcome all of you today as I'm joined by my special guest, Barbara Winter talking about creating and managing multiple profit centers. So, Barbara, I'm glad you're here.

**BARBARA:** I'm glad I'm here, too.

**MARTY:** And I thank you for coming. This week has just been an absolute delight, and I did email you this morning, I told you I had really been looking forward to our time together on the phone and that is the absolute truth. So, I'm looking forward to the next while we get to spend together.

So, for those of you who might not be familiar with Barbara, she is a Las Vegas-based entrepreneur. She's a writer and teacher who has spent the last 25 years pondering the question "Why [Aren't We All Self-employed?]" I wonder that, too, Barbara. As a result, she has created a business that helps others discover the joyfully jobless life.

Barbara publishes *Winning Ways* newsletter, the longest running self-employment publication of its kind. She's the author of *Making a Living Without a Job*, which is appearing in a new edition on September 1st. Barbara's seminar of the same name, along with others, including *Establish Yourself as an Expert* and *How to Support Your Wanderlust* are conducted throughout the U.S., Canada and the United Kingdom.

She also leads longer events that include compelling storytelling and Follow Through Camp to help small business owners bring creative thinking and fresh ideas into their work.

She's convinced that small is still beautiful and loves working with one person enterprises.

Barbara is an intrepid world traveler and curious life-long learner. When she isn't out exploring the world she can be found blogging at [www.joyfullyjobless.com](http://www.joyfullyjobless.com), connecting with other entrepreneurs on Twitter, or reading a really good book.

So, Barbara, again, welcome.

**BARBARA:** Thank you for inviting me today to talk about one of my favorite things.

**MARTY:** Well, I know, and I have always been attracted to you because of the *Making a Living Without a Job* book and I'm not sure if you remember — and I don't know if I ever told you the whole story on this — but I had read your book and I was living in Palm Springs at the time. And I was in the backyard sitting in the sun reading this book, and I was just loving it.

And you were the very first author that I ever wrote an email to or sent a note to to say, you know, I really enjoyed the book and appreciated it and all that stuff. And I don't know if you remember but on that day or the next day you actually called me on the phone —

**BARBARA:** I don't remember.

**MARTY:** (Laughter) — and we had a really nice chat. And I just thought, you know, it is really fun — because, you know, we always put authors up on pedestals, I think — and I certainly have you up there high on one — and, so, I was just so surprised that you were kind enough and willing enough to actually take the time to make a phone call and actually talk to me for a little while.

So, I just have thoroughly enjoyed our relationship back and forth as time has gone on. So, thank you for that, Barbara.

**BARBARA:** I know one of these days we might actually be in the same room at the same time.

**MARTY:** I'm hoping for that. I'm in Portland at the moment, and we keep thinking that we have got to put Las Vegas on the list and make sure we get there.

**BARBARA:** Not right now.

**MARTY:** Not right at the moment, it is too hot, right?

**BARBARA:** Right.

**MARTY:** I was on the call today with Jody when she was interviewing Elizabeth Hagen and Elizabeth had just come back from Phoenix and she said it was 112 degrees while she was there, so I bet you have similar.

**BARBARA:** Yes. We become very reclusive here in the summertime.

**MARTY:** Well, I understand that. I was raised in the east, I was raised in Florida, so it was hot and muggy there. And the first time that I went to Las Vegas it was for a work, business-related conference that I was sent to.

And I remember getting off the airplane outside and then taking in that first breath of air, and I just remember sucking in hot air. It is just incredible if people haven't experienced it.

**BARBARA:** Yes. Yep, like a wall of heat.

(Laughter.)

**MARTY:** Well, I know, Barbara, you didn't come here just to talk about the weather.

**BARBARA:** No.

**MARTY:** No, so, we better get going here. But, you know, I'm one of those people that I have more ideas than I seem to have time for. I think I share that with a lot of people and people always tell me — and this just annoys me to no end — they say “just focus on one thing” and, you know, so I'm wondering is having multiple profit centers the answer for me?

**BARBARA:** It is probably the answer for everybody and, you know, it is really interesting, Marty, because I have real diverse interests, too. And when I started my first business I really did create a couple of different profit centers, but I didn't know what I was doing, and I don't think I even had a name for it for years and years and years.

But it just made sense to me because my idea, way back then, was to start — was to create personal growth seminars for women at a time when all the personal growth material was written by men for men. So, that was pretty revolutionary at that time in the early 70s.

But I also knew in my own journey I needed a lot of backup and reinforcement. So, I got the idea to publish a newsletter. And to this day, I have no idea how I got this idea because I don't think I'd ever seen a newsletter, but it just seemed logical to me that a newsletter was the kind of tool that could keep coming and reinforcing the ideas I was talking about in my seminars.

So, I really created two different profit centers right at the beginning and then, you know, went on from there in my entrepreneur's journey and did a number of different things, some very diverse from what people know me for today.

But it wasn't until I started teaching, *Making a Living Without a Job* as a seminar that people started coming up to me at the end of the seminar and saying, “thank you for giving me permission to do more than one thing. I always wanted to, but I have been resisting it.”

Because the advice has been, especially in the last 50 years, about pick one thing and stick with it. That single, lifetime career, which makes no sense today in a changing world that we live in, but on a human level it doesn't make such sense either.

And I always like to go back to the Renaissance when it was assumed that one person could do multiple things and master them. Not just dabble but become a merchant and a musician and write poetry and be an explorer, all those things is when it was assumed that a human being was capable of those things, many, many, people took up that challenge and did that.

And, so, in many ways when we start thinking of creating a business or we think of self-employment as creating multiple profit centers, not even in the old kind of conventional business model, we realize that, first of all, we are really harking back to kind of an old idea, but we are also tapping into what just makes sense for human possibility; that we are capable of so many things.

And it is interesting that you say you have too many ideas to ever do them all, you don't have enough time to do them all and that's really logical it seems to me because creativity begets creativity. So, when we start seeing the world as a place full of opportunity, we see opportunity where nobody else notices it.

And whether or not we think we are the right person to take advantage of that opportunity doesn't really matter so much as the fact that we are just keeping those creative muscles flexed.

And out of that pool of ideas there always emerges things that really captivate us and become kind of the major players in our life.

**MARTY:** I'm feeling better already.

**BARBARA:** You should. You should. But when you start even entertaining that concept of creating multiple profit centers kind of the first thing that we come up against are, you know, kind of two old paradigms; the idea of the single, lifetime career, the single work that we do; and the other old paradigm that, actually is really fun to throw away, and that's the idea of having a single income source, which we do when we work for a salary.

Suddenly — and this seems to happen with people who start down the road to becoming joyfully jobless — all of a sudden that kind of kicks in and they realize, “oh, my goodness, I can create several or many ways of generating income” and that can be wildly exciting and a little bit terrifying sometimes.

But today in this really rather short period of time that we have got, I want to take away some of the mystery of that and also talk about some practical ways of putting it all together.

And the thing I want to make really clear right at the beginning of this conversation is that creating and managing multiple profit centers is an evolutionary process. So, you don't start out creating ten new things all at the same time. It is an ongoing process that comes out of building your business. And every time you add another product or service to what you are doing, you have opened the door to another possible way of earning money.

So, multiple profit centers doesn't necessarily mean that you run six enterprises that are all unique and different. It might be one or two kind of general enterprises but within that you have a number of different ways that you earn money. And I'll give you some examples of different ways that people do this.

So, first of all, kind of a definition of multiple profit centers. I think of them as the skeleton of your business. So, it is kind of the framework that you build on. And as I said before, every time you add a product or service to your operation you have created another potential profit center.

The more common term that I hear is “income streams,” and I have really resisted that term because income stream sounds wimpy to me. It sounds like it kind of trickles through. And I think profit center has more gravitas, it sounds like something substantial.

So, it also, I think, is important before you can even focus on what it is you want to do and how you want to do this, is to understand why we need them and especially why we need them if we are small-time operators, if we are one-person operations.

First of all, this is the way we grow our business that we, you know, don't get stagnant, that we don't kind of get stuck in a rut with what we are doing. This is the way of bringing in new things, that in turn creates synergy. It doesn't just create synergy between us and our potential customers and clients, but it creates synergy within the entrepreneur.

And I think it is really interesting because I always say most people who start making a living without a job really love new ideas. And, so, those new ideas often are so exciting that there is

the temptation to abandon things that are more familiar. And when you have kind of a long vision with this, you realize that having some new things, projects going on keeps you excited and that kind of spills over to things that are a little more familiar.

Well, one of my comparisons is I came back from my first trip to Italy and my 90-year-old aunt — I was raving about how wonderful Italy was and she said, “you mean you like it better than England?” as if I had committed a crime by falling in love with Italy.

And I said — and I said it right in the moment, but this is also true of profit centers, “well, England is like a comfy old husband. Italy is like a dangerous new lover.”

And I think that’s also kind of true with our business ideas, you know, some things become kind of a comfy old spouse and we are familiar and we don’t have to work too hard, we just have to maintain them. But we don’t have that kind of excitement of discovery that goes on when we are building new ideas.

Another reason why we need multiple profit centers, and I have never heard it said more eloquently, but this comes from James Dickey, who I think is a writer, and he wrote this some place some time and I copied it down. He said, “there are so many selves in everybody and to explore and exploit just one is wrong, dead wrong, for the creative process.”

So, that notion that we have multiple gifts, all of us have multiple gifts, many of which lie dormant for lack of attention, is really what he’s addressing here. And that’s, you know, again, one of the gifts of multiple profit centers is that it is a call to develop more capacities within ourself as individuals.

And then the most pragmatic reason, I think, for having multiple profit centers is that we have heard, of course, in the last couple of years a great deal about the downward cycle in American business right now, but the businesses that are going to come through this time gracefully and elegantly are going to be businesses that have multiple income sources, that can adapt to changing cycles, and even in prosperous times every business in the world goes through cycles. There are times when sales are up, then they start to taper off, they bottom out, then they come back up again, that’s just the nature of business.

And when we have multiple profit centers, each of those will have their own cycle but they probably will not be simultaneous. So, when one part of your business has slowed down, there will be another one that’s picking up. And, so, even though that sounds complicated in just talking about it theoretically, in actual practice it is not that complicated at all. And that’s really how we kind of keep our cash flow evened out.

I also notice that a lot of people who are coming through the recession right now with a fair amount of ease are people who are running very lean, small operations who already have multiple profit centers in place and who are very flexible and kind of can, you know, make adjustments and change very quickly and easily without having to have approval from a board of directors.

So, it is — we are seeing — we are seeing the, you know, this really playing out in kind of a big way right now.

**MARTY:** Yeah. Interesting.

**BARBARA:** So, when we think about putting together multiple profit centers there are really two different forms that this will take and this is very dependent on every individual's personality and interests and things that they want their business to include. And, so, the two forms that I kind of have identified are what I call eclectic and clustered.

And I'll talk about the eclectic ones first. There are some people who have very diverse interests that are kind of all over the place and they ultimately find a way to create profit centers that may be very separate one from another.

And I think the first person I ever really paid attention to who did this in a rather dramatic way was a guy I read about — I actually read about him in *Writer's Digest* magazine, although he and I both lived in Minneapolis at the same time, and then I learned more about him, kind of from local news sources later on.

But Peter Leschak is a writer and a poet and so about a third of his income came from his writing. Another third of his income came from his handyman business and both of those things, the writing and the handyman business, were things that he ran about ten months of the year. Then the other two months of the year — although I think that's expanded now to a little longer time — which also earned a third of his income, even though it was a much shorter time frame that he did this, he was a professional forest fire fighter. And, so, he would go out west during the summertime when there were forest fires and fight them.

And I saw an interview with him one time and the reporter asked him about — you know, because this was very dangerous and physically demanding work, and he said, "I just look at this as a paid adventure." And, you know, it was quite a contrast from, you know, fixing the leak in somebody's toilet and sitting in front of his computer writing, and I thought that was interesting.

And I think it is also interesting that people who have these kind of diverse needs and interests to do things that are maybe more mental, creative work and more physical kinds of things find a way to put them together in this kind of eclectic format.

Then there is my friend Blair who lives in Rochester, New York who is a really interesting guy who had kind of bounced around kind of trying to find out what his own right livelihood was. And I believe he was a chef at one time before I knew him. When I met him he was doing a lot of web design, he was starting a life coaching practice, so those were two very different things but the third thing that he was incredibly passionate about was African drumming.

And he started a program in Rochester, New York for kids teaching them African drumming and dance and they went on to not only have this really successful music program but then they added a performance component to it and, I think, were chosen as one of the top ten arts organizations in Rochester.

And, so, it was a real contrast from — I had been in Blair's office and in his home, which was just computer, computer, computer everywhere, but the drumming was just this, you know, kind of real diverse sort of thing that he did.

Then there is my friend John in Minneapolis who is primarily a writer but even in his writing it

is very eclectic. He's done catalog copy, he's done newsletters, he does a newsletter for his church. He's coauthored seven books. He also does a lot of freelance writing for his publisher, which is a religious publishing house and they hire him to write study guides to go with a lot of the other books that they are publishing.

But John's real passion is going to garage sales. And every weekend — he lives in Minneapolis — every week end in the summertime he's out running from garage sale to garage sale and estate sales and flea markets. And he's a collector himself, but he also buys a lot of things that he resells. So, he has his own sales several times in the summertime. If he decides his cash flow is a little squeaky, he'll go set up at the flea market. I think he did that last Sunday and, so, he's got that going on.

And then about five years ago he self-published a book called *Garage Sale Fever*, which was a book about how to have better garage sales, how to be a better buyer at garage sales and that brought him invitations to be interviewed in the media all over the place. He was interviewed locally on radio, on television, the newspaper. He was interviewed by *Newsweek* and this goes on, has continued on ever since. And I think one of the local papers named him Garage Sale Guru and it stuck.

And he's a very quiet, shy person that when he wrote this book he was so passionate about it that all of a sudden there he was — he just did an hour's interview with Wisconsin Public Radio, and I find that just an interesting and surprising anomaly.

Then, the other kind of business that incorporates multiple profit centers are ones that I call clustered. Clustered simply means that everything is very, very, connected. It all kind of fits together under one very concise umbrella.

I just wrote about a guy on my blog a couple of — I think last week — a guy I met a few years ago named Bruce Richardson who lives in Kentucky and he and his wife bought this old house that they thought they were going to run as a bed and breakfast, and they did for a while run it as a bed and breakfast.

But they also had a tea room there and discovered that that was their real passion and Bruce has gone on to just build this whole, his whole passion for tea into all sorts of different profit centers. Besides having regular teas at the Elmwood Inn, which they now do, he also started a mail-order business selling imported teas.

He also is a very enthusiastic photographer and wrote a book called *Tea Rooms of Great Britain*, I think is the title, and he did another one *Tea Rooms of America*. He did the photography for another book on *Tea Rooms of New York*. And so he has — you know, it is all about tea, but it is all very connected, but it is very diverse activity within that.

My business is the same way. I would think — I think of my business as very clustered. Even though there are a number of different profit centers, everything really is organized around spreading the entrepreneurial spirit, whatever that means and, you know, I'm always open to that taking a new form but the essence of it never changes very much.

So, those are the two essential forms and at the same time you could have a business that was primarily clustered and then maybe have some, something you did seasonally, let's say, that was

very different from the other things that you were doing.

The thing is there is no model for putting together profit centers, it is, you know, entirely self-selected.

**MARTY:** Yeah, I — I'm just sitting here with my mouth hanging open because I'm excited to hear what you are talking about and just resonating with so many of the different things that you have been talking about there, and I wanted to ask you a quick question about the one guy that's doing the tea. Does he also travel to go buy the tea and things like that?

**BARBARA:** I'm not sure about that, that's a good question. I don't know exactly how he contacts his sources and where they come from, but he does do a fair amount of travel with the research for his books and he also does a lot of speaking, now, at tea conferences, which is how I met him. We both were speakers at a tea conference.

And, originally, he was an ordained minister and he became a choir director — I mean, he's really an interesting man who was also the mayor of his small town in Kentucky. He said they just came to him and said, it is your turn now, so — and he is a choral director of, you know, a local choral group.

**MARTY:** Wow.

**BARBARA:** This is just a man who is really clear about his passions and has just found a way to put them at the center of his life.

**MARTY:** Well, one of the things that we talked about a number of times with different of the experts that have been on these calls is precisely that, is about passion. And, you know, if you want to get out and make a speech, it is real, real easy to get out and make a speech if you are passionate about what you are talking about and if it is something you know about.

And, so, we've talked a lot about how that works into your business and to your advantage and, so, I'm really fascinated here to really hear about that it is okay to have all these multiple passions. I think sometimes —

**BARBARA:** Exactly.

**MARTY:** — we really get the idea that we can only be passionate about one thing and then if there is anything else, that's okay, but, so, I'm thrilled to hear all of this.

**BARBARA:** And I think it is such a shame, you know, that we have had that as our kind of conventional wisdom that we are supposed to be these one-dimensional creatures that everyone can only do one thing, that's just utter nonsense. And it really isn't until we test ourselves that we discover what we really can do.

My friend John, the garage sale guy, went through his life as a freelance writer with what he proudly called his no marketing, marketing plan, which meant if somebody called and offered him an assignment, he'd take it; but he did absolutely nothing to generate business.

And, so, to see him turn into this marketing madman when *Garage Sale Fever* came out was a sight to behold. And I thought he was such a, you know, brilliant example of what happens when we are truly passionate. It is like it just dissolved all the fear, his self-doubt, his reluc-

tance to have the spotlight shining on him because he had something that he really cared about and wanted to tell other people about. You know, it wasn't about selling books it was about sharing something that he was seriously passionate about.

**MARTY:** Can I raise another question here from someone?

**BARBARA:** Sure.

**MARTY:** About this — I don't know if this is the appropriate time to do this or not but, you know, "the problem is that a lot of us have lots of ideas and we start things and then don't finish them." That's not really what you are talking about here, I don't think, is it?

**BARBARA:** No, that's not.

**MARTY:** You know, I'm not sure exactly what the question is here.

**BARBARA:** No. But that's a, you know, that's a danger. I personally think that one of the gifts of self-employment, one of the personal growth gifts of self-employment is that it teaches us self-discipline.

And the always starting, never finishing is really a form of resistance. Never starting is another form of resistance. And, so there are certainly lots of ways around it. I think one of the best ways around that is to find an accountability partner. And I have been seeing that happen more and more out of the long seminars I do where people will just kind of pair up with each other on a, you know, just kind of a casual basis and say, "okay, let's check in with each other every other Sunday night or something and, you know, make sure that we are doing what we said we were going to do."

That's also why I started the new seminar Follow Through Camp came out of my frustration seeing so many wonderful ideas that were just sitting. And weren't being brought into the world and put to work.

And sometimes people just don't have tools to understand that whole process of how you bring something into being. So, they have the idea but then they don't know what to do next and so that's really what Follow Through Camp is about, "oh okay, so you got a great idea, so what?"

**MARTY:** Yeah, yeah. And maybe that — I hadn't thought about that and maybe that is the issue oftentimes that people just don't know what to do next.

**BARBARA:** They don't know —

**MARTY:** They'd like to.

**BARBARA:** Yeah, they don't know what to do next.

**MARTY:** Yeah.

**BARBARA:** And you also have to — you know, I think to be an entrepreneur is that you have to at some point sign a blood oath that you will be willing to experiment and that all experiments will not succeed.

**MARTY:** Right.

**BARBARA:** That you know you are going to make mistakes and you are going to do things badly and sometimes you are going to feel like the biggest klutz in the world and you are going to laugh and go on.

And you also have to realize when it comes to ideas, all ideas are not created equal. So, the fact that you generate a lot of ideas, some of them don't see the light of day because they weren't that great an idea to begin with. They don't have enough umph in them to keep you going to bring it to maturity and that's okay, you know, that's just the way it is.

But if you never bring anything into being then that's an indicator of a whole 'nother thing. And I recommend buying a copy of *The War of Art* and reading it and memorizing it and using — keeping it at your bedside table.

**MARTY:** Yeah, that's an excellent book.

**BARBARA:** It is amazing.

**MARTY:** Yes, it is. And I want people to really understand the name of that book is *The War of Art*.

**BARBARA:** By Steven Pressfield.

**MARTY:** It is not that other one.

**BARBARA:** Yeah, by Steven Pressfield. Yeah, that is just an eye opener and you just come to understand resistance, which often manifests as procrastination, in a whole different way. But I think the big, the big lesson of that book is coming to realize that everyone has it and as he says really eloquently, “if resistance couldn't be overcome there would be no Beethoven's Fifth Symphony.”

You know, that all the great, you know, all the great, creative things that have come about in this world have come about not because the person creating them had no resistance but because they knew how to act in the face of resistance.

**MARTY:** Wow. Yeah, big lesson.

**BARBARA:** So, shall we talk a little about structure?

**MARTY:** Sure.

(Laughter.)

**BARBARA:** Are you sure, Marty?

**MARTY:** I'm sure because I'm just sitting here, and I'm hoping that other people are relating with me because I just can so resonate with everything here, so, this is really good for me, Barbara. So, yes, structure would probably be a —

**BARBARA:** We'll talk about structure a little bit.

**MARTY:** All right.

**BARBARA:** Okay. So, I have just got — these are actually kind of some random things I

want to say about structure. But the first thing — and I mentioned this earlier, but it is important to keep this in mind. Multiple profit centers evolve over time. This isn't something that you sit down and put in your business plan at the inception of your business.

This is something that is an ongoing, evolutionary process. And I think it is really interesting because the Buddhists talk about Right Livelihood and they say that this is the test for Right Livelihood: The work becomes more, not less interesting the longer you do it.

And I think that's what multiple profit centers allows us to find, things that keep us engaged as we grow and get confidence and, you know, it is kind of like a video game, we get to go to the next level and the next level and the next level.

So, um, over time things can evolve in ways that at the beginning, or even where you are right now, today, in the development of your business, that you cannot foresee. It just happens as you are paying attention.

I'll give you an example of this. Alice Berry is a woman that I first met when she came to one of my seminars in Las Vegas quite a few years ago, before I lived here. And at that time Alice was pretty new, maybe in the first year of having her own business, and her idea was that she was going to be a meeting and events planner.

And she had some projects she was working on, and it was going really well for her but during the course of the seminar she was struck by inspiration. And the last night of the seminar we all — in my seminars here we always have dinner at this Moroccan restaurant at the end of the event. And she was sitting next to me at dinner and after everyone else left she kind of quietly said, "I got an idea during the seminar and this is my idea. I want to start doing events for inspired entrepreneurs" — she lives in Minneapolis. So, she wanted to do them locally and she said, "my idea is to call these Eat, Drink, Dream. And I want them to be more than just a networking night out" and she had already, you know, some great ideas for that.

So, she went back to Minneapolis and started organizing her first Eat, Drink, Dream event. And then she realized that the other thing she was wildly passionate about was dogs. And so she got this idea to plan an event for dog owners. And the first event she planned was an Oscar night party for dog owners, only they couldn't bring their dogs.

But that went on to evolve into something that became really big for her. And she started organizing events for dog owners and their dogs. She also started almost a campaign for — to get more businesses to become dog friendly.

And, so, she had started this newsletter that went out in the Twin Cities and, you know, businesses that said, "yeah, you can bring your dog to our" — one of them was actually a butcher shop, if you can believe it — you can bring your dog when you come here to buy meat — would get attention from her, so they started, you know, giving a lot of publicity to that.

And it just kind of went from — I think her first event she said she had 20 people to over a thousand.

**MARTY:** Wow.

**BARBARA:** I mean, they were huge, like, they were filling up the parks with people with their dogs and, you know, these kind of special events.

All just kind of evolved and Alice is really clear that at the heart of everything she does is her love for community and creating community. And, so, whether it is working with inspired entrepreneurs or whether it is working with, you know, other specific kind of niche groups of people, finding ways to bring them together is really what her business is all about.

Along the way she also discovered that she just had this natural aptitude for helping people take their ideas and expand them. And, so, she does some one-on-one coaching and — over the telephone with people from all over the place that just are at the point where they need to go to the next step, but they aren't sure what it is. And she just can break right through and is brilliant.

So, um, Alice started working with me — I asked her, first of all, to help me out on the planning side, like, working with the hotel and stuff for an event I was doing and then just kind of gradually, because she has so much to share and so is so eloquent, she started presenting as well. And, so, now she does a lot with *Follow Through Camp* and *Compelling Storytelling* and the longer events I do.

**MARTY:** Cool.

**BARBARA:** The metaphor that I always have used for what it is like to run multiple profit centers is jugglers that spin plates. And I would say, you know, those jugglers don't come out on the stage with ten poles and ten plates and have them all spinning at once. They get the first one up and get it going and then the next one and the next one and the next one.

And our goal in creating multiple profit centers is to ultimately have what I like to call plates that spin by themselves so that you have some things that once they are up and launched don't require a lot of your time and attention.

You just kind of have to keep them on maintenance, keep them going, then you move on to the next thing, create the next thing and the next thing and the next thing.

So, for instance, in my seminar repertoire I have seminars that I have done hundreds of times and all I have to do to get ready to do a *Establish Yourself as an Expert* seminar is print new handouts. That's all the time — and get on an airplane and get to wherever I'm teaching it. So, it doesn't require any of my creative time.

And another, you know, another one that's one of my favorite plates that spins by itself is royalties. You know, I — *Making a Living Without a Job* has been in print since 1993 — which I can hardly believe — and you know, I get paid twice a year for that. So, you know, that's another plate that spins by itself.

And, so, ultimately that's — as our profit centers evolve, we have those things that don't require our time and attention, but they still continue to generate income. We can't just neglect them and walk away from them, but they aren't all consuming as things often are when we are just launching them.

Another kind of model I like to use when people are starting to think about what this looks like for their business is the mall model. And, you know, for the last 30 years or so malls in our country have all been built on kind of the same model.

I used to be a walker at the Mall of America in Minneapolis and that, of course, is built exactly like smaller malls have been with an anchor store on each corner. So, at the Mall of America there is Macy's and Nordstrom and Sears and Bloomingdale's. And then in between there are a bunch of little shops. And then out in the walkway there were kiosks, so those were people who were selling things that might be, you know, gimmicks or gadgets or artists that were drawing caricatures, just a whole wide range of things like that.

And I think this is a good model when we think about ourselves as a small business operator that we are probably going to have a couple of anchor stores. We are going to have a couple of profit centers that are going to generate the bulk of your income, but then we are going to have little shops in between.

We are going to have things that we maybe do seasonally, maybe we do them during down time for our major business, maybe there are, you know, it is an eBook that we publish and get it up and it just kind of becomes one of those plates that spins by itself. It is not a big part of our business, but it is not an insignificant part of our business, either.

And when you think about it like this, when you think about yourself as running this mall, you realize that all the income matters. You know, the little bits all add up; that it is all part of a bigger whole. And, you know, as far as I'm concerned, from my point of view as an entrepreneur, one isn't better than the other. The big one isn't necessary better than the other but it — because it all works together and it all matters.

I also think that sometimes when we generate lots of different ideas we aren't sure how, how long you should devote to something before you decide if it is going to stay in the portfolio or not.

So, I just want to share with the class something I read years and years ago from a little book called *Money is My Friend* by Phil Laut, and I still think this is one of the most brilliant ideas I have ever, ever heard.

And he said “every time you start a new project, make a commitment to yourself that you will stick with it until you've earned your first hundred dollars from it. Once you have done that, then it is time to evaluate whether you want to keep it in the portfolio or if it took too long, if it was too hard, if it turned out not to be something you were really passionate about doing.”

Um, and he said, you know, sometimes you'll start something and it'll take a long time to make that first hundred dollars but by the time you have done that, you'll know how to do it more quickly the next time.

And I have always thought that was such a brilliant way to assess ideas because sometimes people give up way too soon before an idea really has had an opportunity to be tested and tried and we found the best way of using it.

So, the other — only other thing I want to say about structure is to keep in mind that all profit centers are not going to be the same size; that each will have its own size.

I have a kind of criteria in my own business that I use, but it is not something that I ever suggest to other people. It is as a model to copy, but I set this up years ago, and I have never changed my mind about it. And I decided that I wanted to run ten profit centers that each earned \$10,000 each or more.

And the reason why this is really helpful to me in designing my business is that every time I have a new idea, my — you know, when I'm in just the evaluating stage of it, I look and say, "does this have the potential of becoming one of my \$10,000 profit centers?" and sometimes the answer is "yes, but I would have to hire employees to help make it happen," in which case it would be discarded since that violates my principle of not having employees myself.

Sometimes I'm looking at an idea and I'll say, "yeah, this is a \$10,000 idea but it is going to take more time than I've got to work on it right now" so it goes back into the idea file.

Sometimes I'm look at an idea and I'll say, "no, this is a \$2,000 idea, but I have got some time and my cash flow is good, so, I'm going to do it any way."

So, we make those decisions differently based on the maturity of our business and what's going on. And as our businesses grow and become more prosperous we can devote more time to working on things that aren't going to generate cash flow quickly because we have other sources of income.

Have I just totally confused you completely with that?

**MARTY:** No, not at all. And I just think it sounds like a wonderful way of — a wonderful way of doing things because I think we all get caught up in this idea that, sure, I'd love to make a \$100,000 but what can I do to do that and, you know, it might not occur to any of us to do ten different things that would generate that kind of money, so —

**BARBARA:** Then when you break it down even further it gets easier, Marty, because if you are going to earn \$10,000 a year from something, that's a little over \$800 a month or \$200 a week.

And that's where I focus my attention on Sunday night when I plan out my week, I look at the projects I'm working on. And that's all I — that's all the bigger I think. How can I move this ahead \$200?

**MARTY:** Wow.

**BARBARA:** Well, anything you are doing you know the answer to that. You know, if you are consulting and you get 50 bucks an hour, you got to book four hours. Or if you are selling a product and you make \$20 every time you sell one, you got to sell ten. That's all you have to do. And you know the answer to that. You may not know the answer to \$10,000.

Now, if you are selling yachts and you make \$10,000 every time you sell one, you know, you might go a long ways between sales but, you know, it depends on, of course, what the nature of your business is.

But breaking it down to that weekly \$200 thing — and the other thing — and this is something that I just find works really well for me and for anybody that thinks "okay, my, gosh, I'm going to be, you know, fragmented by this," I really set aside every day of the week as a different focus for me.

So, Tuesday, for instance is always working on my newsletter day, whatever that means. Sometimes that means, you know, sending out renewal postcards and sometimes it means updating

my subscription list. Most of the time, though, it means working on articles for the next issue of the newsletter.

So, every day has a focus and whatever it is I'm doing on Tuesday or Thursday, I'm not thinking about the things I'm doing the other days of the week. I do not, you know, I don't teach a seminar and write articles in my head while I'm doing that.

**MARTY:** Good advice. Good advice.

**BARBARA:** Thank you.

**MARTY:** You know, this applies to me so much because one of my big challenges has been how do I maintain a business, keep the business going and, I call it, being a tourist.

**BARBARA:** Uh-huh.

**MARTY:** Because, you know, the way we travel around we are always in some place new and there is always fun and something fun and exciting to do.

**BARBARA:** Right.

**MARTY:** We want to do that and yet I'm torn that I need to be working and I want to do this and now we are not going to be here long enough and all this kind of stuff. And I can just see where this could be a huge help to me in just planning out that, that I can do certain things on certain days and I don't have to do something on every single thing. You know, it is like getting permission.

**BARBARA:** Yeah. Yeah. I know. And, you know, it takes a while to figure that all out and figure out what works best for us. But, again, you always have to go back to that bigger question, "what do I want my life to look like?"

And, you know, you've got, like, three quarters of the answer to that question; you want to be very mobile, you want to be able to explore, and you also have a lot of creative activity that has to be part of it as well as generating income. So, you know, once you know those boundaries and parameters then it starts to get really interesting and you figure out, you know, what's the most effective way to do it.

And also knowing your own right livelihood themes, you know, there are people who really like to work real intensely for nine months of the year and then sit on the beach for three months.

I don't like that. I like to — I like it all kind of flowing together, so, um, I like to, you know, have some of both going on at all times. But, you know, I can't do it perfectly and like the seminar business is a seasonal business so I have months of the year where I don't do any seminar work at all.

And if I could balance it out perfectly I'd be gone two weekends every month and then I'd be writing so much of the time and, you know, like that and, you know, sometimes the business won't allow it, but, you know, working it as closely as we can carries us a long, long way.

**MARTY:** Yeah.

**BARBARA:** I see we're almost out of time.

**MARTY:** Yeah, we've got about five minutes left. Do you have more you want to —

**BARBARA:** Are you kidding?

(Laughter.)

**MARTY:** Well, let me look here. I don't see any questions sitting here, so I'm sure everybody is as dazzled as I am. So, if you have got a little bit more you want to share with us, I'm certainly all ears.

**BARBARA:** Okay. Well, one of the things that I think is a really interesting discovery that each of us makes when we are willing to follow up on our ideas and test things is to discover which of our ideas are our passion and which are a passing fancy?

And I think that it is very important for us to be able to distinguish between those, and we can't know the answer until we engage. It is very, very — we can surmise that this would be a blissful life for us but until we actually put it into practice we can't know for sure.

I have recently been reading a book and I have been hearing about Brian Kurth for several years now because he's gotten so much media publicity. He's the guy that started the business called Vocation Vacations where you can go for three days and hang out in a bed and breakfast inn and see if you really want to be an innkeeper, which is an absolutely brilliant idea that people really get to test-drive their dreams. And he has a book called *Test-Drive Your Dream Job*, which I have been reading and liking a lot.

And, so, we can do this on an individual level, too, but we have to be alert and say, "you know, is this really it?" and I'll give you an example from my own experience.

When I started going to London on a regular basis I discovered that I was absolutely fascinated by the ritual of afternoon tea. And, so, that became one of my hobbies on the road. If I was in a city that had a hotel that had a teatime, I would always go. So, I had some friends who also decided that this was a lovely thing and we started doing tea parties and *Victoria* magazine was kind of the hot new thing in the mid '80s and, you know, we were all into that.

And so, I was coming into a down time for my business — well, the first thing that happened was Open U. where I taught in Minneapolis knew that I was really passionate about tea and they asked me if I would teach a class on how to do afternoon tea and I said, "yeah, I'd love to do that."

Well, taught two classes — and they didn't even have a kitchen, so, I don't even remember how we got the water hot for the tea, like, we had an electric coffee pot or something like that. But I did two classes on two different Sunday afternoons, and I would spend all Sunday morning baking scones and cutting the bread crusts off of little sandwiches, and I absolutely loathed it.

And, so, you know, instead of having this charming, restful experience, I would be, like, in knots by the time I got to the class. But that did not deter me. I got this idea to start a tea catering business —

**MARTY:** Oh, my goodness.

**BARBARA:** — during my down time. And I ran a little ad in *Minnesota Public Radio* magazine and promptly got hired to do some tea parties, which actually turned out to be more fun.

But I realized after this kind of, probably, six months of intense involvement in making cucumber sandwiches that this was something that I enjoyed being served, not something I wanted to be producing myself.

And so, fortunately, I had a student who was in one of my tea classes who was just, I mean, obsessed with tea and so I just gave her the business. I said, “just take this.” And, so, off she went and built it into something huge.

I mean, she was doing classes all over the place. She started publishing a newsletter. She started organizing and escorting tea tours to London every year. I mean, she really built it into something wonderful, and it was a perfect fit for her, but it wasn’t a perfect fit for me.

And I don’t even like tea. I mean, that’s the irony of it. I liked all the other stuff, you know, I like lemon curd and I like tea cakes and I like little sandwiches. But, um, it was not my passion, it was a passing fancy.

And I never would have known that any other way, you know. And it never felt like failure to me. It wasn’t a financial failure. All along the way when I ran it, you know, as a catering business and as a class I was making money doing that, but it wasn’t engaging me at the level I need to be engaged.

**MARTY:** Wow. Great story.

**BARBARA:** So, you know, this is also, I think multiple profit centers is also — I hear people all the time, I see this so much on the Internet people talking about finding balance. I think this is really a key to finding balance in our business. It is a way to balance your own time, it is a way to balance your income, it is a way to balance the cycles that are inevitable in business, it is a way to prevent, you know, one of the things that — it is the biggest cause of business failure is that business owners have all their eggs in one basket. And if for some reason that basket goes away they are left with nothing.

This is a way to, you know, really prevent that sort of thing from happening because you’ve got seeds of all sorts of — you know, and right now, if I needed to generate income in a hurry, I have all sorts of things that I could just pump up really quickly to make that happen.

So, it is also a place of what I think is a lot closer to security than what most of the world identifies and defines as that.

**MARTY:** Yeah, I think you are exactly right about that.

Well, Barbara, we are at the top of the hour, and I would love to spend two or three hours with you on the phone just hearing stories, hearing stories about all these different people because it is interesting to hear what other people are doing because not only does it give you hope that it is okay to do what you want to do as well, but I’m just sitting here brimming with more ideas after hearing what you were saying.

And another great thing for me today is in feeling that part of the fun can be figuring out how

to make this work — for me — and I’m hoping that the people on the call as well can look at this and say, “okay, how can I make this fun for me to make this work?”

So, I think I’m also making this very hard, and it doesn’t have to be.

**BARBARA:** It doesn’t have to be hard. And, you know, also just start paying attention to how many people do it. For instance, I think last year sometime I became aware of a singer who I had never heard of before, and I don’t even know how I found out about Jason Marantz, but I became a real big fan of his record that was out last year. And then I became an even bigger fan when I found out that he’s also an avocado farmer. I just love the juxtaposition of that.

And I have a sister who started two businesses in the last year. She had been a corporate employee for years and years and her first business she started was a handywoman service because she adores power tools. And then she started a second business at the beginning of this year making hair ornaments and fascinators, which are, — and her website is overthetop-fascinators, and I just wrote about her, in fact, on my blog this week.

But she has, you know, these two very different things and she — I was visiting her in California and she took me to the airport and then on the way home she had all her tools because she had a handywoman call to stop and fix something on the way home. But then she stopped and bought feathers on the way home for her hair ornaments. And I just love that, you know, that she’s got her tool chest and her feathers in the car at the same time.

**MARTY:** Yeah, really.

**BARBARA:** And they both, you know, satisfy different parts of herself. I also want to mention to people on the call — and I didn’t even realize this until I was looking for something on my website just before the call. And if you go to [joyfullyjobless.com](http://joyfullyjobless.com) and click on “business ideas” there is kind of a tip sheet called “Multiple Passions, Multiple Profits” that’s on that part of my website that’s got some more ideas and insights into this.

**MARTY:** Well, that’s good because I’ll be going there. I’ll be going there next.

**BARBARA:** Go there and visit my blog as well, which is full of good stuff.

**MARTY:** Yeah, I do pay attention to that. And I had been reading about your sister and I thought that was fun.

One of the things that I just want to emphasize that is a big takeaway for me on this today, Barbara, is when you were back talking about Alice. And you said that what she realized was that the important thing to her is community.

**BARBARA:** Right.

**MARTY:** And I think that for many of us, we don’t really know what that big picture thing is, what drives us — or we know it and yet we have resisted somehow or another bringing that into our business or letting that be the guide for our business, so that’s a huge takeaway for me today.

**BARBARA:** I think that — and I talk about this quite a bit that, you know, if we identify the essence of what we want to do, then the form suddenly — we realize we have many possibilities.

But if we can't get to the essence of what it is we love to do, then we pretty much, you know, kind of are shooting out in all different directions and we're looking for what's a hot opportunity, that sort of thing.

But if we know, if we can identify that, the essence of what makes us happiest when we are doing it and can kind of — and that sounds kind of airy-fairy but, honestly, once you know the essence then the form suddenly, you know, can be filled with possibility.

**MARTY:** Yeah.

**BARBARA:** Like, I had a student who was a handyman and he said he discovered that he really loved to do projects that had a beginning, a middle, and an end, which I thought was a huge insight, you know.

**MARTY:** It is, yeah.

**BARBARA:** And then, you know, from there it was like, a hop, skip and a jump to “oh, this is what I want to do.”

**MARTY:** That is, that's cool. Well, Barbara, I have just loved this. And I will encourage everyone that's on the call to go and start paying attention to what Barbara's doing — if you haven't been already — online and subscribe to her print newsletter.

And I was going to say, Barbara, that I hope that you will always — as long as you can, I hope you'll print your newsletter because it is one of the things that I look forward to getting — I only get my mail about, I don't know, sometimes two weeks, sometimes just once a month. And it is always fun when there is one of your newsletters in there.

And it is one of the few things that I get that I devour from beginning to end and then sometimes — I save them all and sometimes I go back and reread them but — because there is so much good stuff in there to think about and just one reading doesn't get it.

But this is just one of those things that I really aspire to in my business, and I think everybody does, is in creating such value; that people love what we do so much that they could say the same thing, you know, please don't stop what you are doing. And, so, I just get that much value out of what you present to us. So, thank you.

**BARBARA:** Well, let me calm you on that. I have already told my daughter that I have this vision of me on my death bed putting the last labels on, and she'll have to get them to the mailbox.

So, I have no vision of ever stopping because it is so — you know, that's something that's just natural to me. If I'm excited about something, I got to tell people. So, a newsletter is such a perfect format. And you'll be getting a new one pretty soon.

**MARTY:** Great.

**BARBARA:** It is at the print shop right now and it is about — the theme of this one is Let's Start the Revelation.

**MARTY:** Yeah.

**BARBARA:** So, um, it is about the entrepreneur revolution. So, sign up.

**MARTY:** Yeah, absolutely.

**BARBARA:** Sign up for the revolution, Marty.

**MARTY:** Yes. Absolutely. Well, anything else before we part company today?

**BARBARA:** I think that's it, but it's been a pleasure. Thank you for inviting me.

**MARTY:** Oh, you're welcome. And thank you for coming. And thanks to everybody that's on the call listening and everybody that's on the webcast that's listening, I appreciate you being here.

And I'll just say that this was the 14th stop on The Marketing Summer Teletour. Join us at our next stop at 7:00 p.m. Eastern today when Jody and I will be talking to Adam Urbanski about How to Make a Lot of Money With Your Own High-impact, High-profit Coaching Program.

So, I'll look forward to seeing you then. So, thank you, again, Barbara, and good-bye.

**BARBARA:** Bye bye.