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Title: The Four-Hour Workweek: Cutting-Edge Productivity and Lifestyle Design

Speaker(s): Tim Ferriss

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## **The Four-Hour Workweek: Cutting-Edge Productivity and Lifestyle Design**

Tim Ferriss

W. Luther Pierce IV, CLU, Greensboro, NC, (moderator):

We chose this format because we just wanted to engage in a conversation and then share your thoughts. We're going to open this up for questions and answers. So, as we go through our dialog, please jot down some things that you're thinking and then feel comfortable coming up to the mikes, because we are going to do that.

I have to tell you there are many Monday mornings where before most of my friends are finishing their first cup of coffee, I've already completed my four-hour workweek. Tim, tell me about the genesis of your title, "The Four-Hour Workweek."

Tim Ferriss:

The Four-Hour Workweek is a title that was not my first choice. It was actually not anyone's first choice. The original title of the book was "Drug Dealing for Fun and Profit." It was sold as "Drug Dealing for Fun and Profit" to Random House, which was the 27<sup>th</sup> publisher we met with. It was turned down by 26 out of 27 publishers. Low and behold, after it was sold, Walmart, not finding it as amusing as I did, vetoed the title. So I found myself in the very unenviable position of sitting in New York across a big wooden table from executives from Random House, the largest publisher in the world, being told what the options were for my book title. It very quickly evolved into an emotional debate. They had 177 years of cumulative publishing experience and I was like, well I have no publishing experience. What I did I think is indicative of how I like to approach problems.

What I did was set up a Google ad words campaign. For those of you who may not know what that means: when you search for almost anything on Google, you will find sponsored search results on the right-hand side and also at the top. They're usually in gray or something like that. You can set up an ad words campaign to sell products. But I used it for testing.

Here's the example. I chose search terms that were related to the content in the book like world travel, retirement, 401(k), and then created advertisements that had the 12 perspective titles or so as the headlines. The perspective subtitles were the ad text underneath those. In less than a week, for about \$150, Google does all the mixing and matching itself. I was able to see what the most effective combination of title and subtitle was. Many standard deviations above number two and that result was "The Four-Hour Workweek, Escape 9-5, Live Anywhere and Join the New Rich."

So that's the genesis of the title. The genesis of the book is actually much easier. In 2004, I started my business career in high tech in storage area networks, massive data storage in Silicon Valley. Then, I started my own company in 2001 which focused at the time on looking at Alzheimer's and Parkinson's which I have on both sides of my family.

That spun off a sports nutrition business that ended up doing very well, going into 15 countries, which I sold earlier this year. But, in mid-2004, I was doing better financially than I ever had in my life. I was making more per month than I had been making per year prior to that. My

schedule was usually 7:00 a.m. to about 9:00 p.m. making phone calls, starting with the U.K., and ending up with Australia.

The closest I've come to getting engaged was the period of time which ended with my girlfriend breaking up with me and giving me a plaque, not a Dear John letter mind you, but a plaque. The plaque said business hours end at 5:00 p.m. She encouraged me to keep that on my desk for my own personal health, if nothing else. That was the end of that relationship. Needless to say, that was pretty hard to recover from.

At that point, I realized that income has no value without time. That is the dependent variable. I made the decision to go to London to take myself out of my current schedule and to either redesign the business so that I would be redundant, take myself out of the system, or to shut it down. Those were my two options. Those four weeks did work. My one hard and fast rule during that period of time was checking e-mail once per week as opposed to what I had been doing — so once per week, on Mondays, for no more than an hour.

What I had been doing, to give you an example and I'm sure there may be some of you in the audience who knows what this feels like, was hitting send/receive and outlook like a rat with a cocaine pellet dispenser all day long. So, it was a very, very difficult process. But, that four weeks turned into about 18 months of traveling around the world. I just extended the trip indefinitely, basically. I was teaching, a guest lecturer at Princeton twice a year in high tech entrepreneurship. And I have since 2003. In early 2005, I was in Argentina preparing for the world championships in tango (which is a whole separate story — one of the things I do with my free time) and I taught my lecture. It was the first time that I really proposed an alternative way of looking at career planning and retirement that involved this lifestyle design.

The students being very respectful of course, sent me an e-mail that basically said, "Dude, why don't you just write a book and be done with it? I don't understand why you're talking to a class of 60 students." And, that's where the seed was planted. Then, 26 rejections later, that's how we ended up here today.

Pierce:

One of the things that we all struggle with is finding a balance within our lives. We've got work, we've got our family. One of the comments you made in your book was work-life separation versus work-life balance. So we've got separation versus balance. Can you share with us your thoughts on that?

Ferriss:

I can. This is one of the most important concepts that really crystalized for me when I was doing interviews both for the book and in the last three years. When I've met with top executives (I've done work with Google and Microsoft, many of the startups that you'd recognize in Silicon Valley), the highest performing chief executives and the highest performing managers are very good at compartmentalizing. So, the problem with work -life balance, as such, is that the term "balance" is very nebulous. For most people, that ends up meaning *blending*. That's how you end up checking the BlackBerry at the dinner table or going to your child's play and sitting in the back row so you can step out if you need to take a phone call.

When you seek balance but end up blending, you end up not in a state of pure relaxation or recovery, not in a state of pure productivity but somewhere in between where you don't get either. The solution to that is to try to *separate* your work and your leisure activities or your family as much as possible. As an experiment if nothing else, try to do that for either 24 hours or a week and see how that works. What you find is that you're then able to get much more output from less time.

I think this is a good point to bring up that productivity gets bastardized in many time management approaches. It's not defined very well. Productivity is the ratio of input to output. It's what you get out for what you put in. That's it. It's a ratio. So your ratio will improve. And then you'll also be able to recover.

Speaking as a former workaholic, and having observed that type of behavior also in my family, don't think of time off as *time off*. This is where language becomes very important. Part of the reason the type A personalities and workaholics don't take time off is because of guilt. The way you get around that is by not looking at it as time off, but looking at it as *recovery* so that you can perform better when you do go back into the office. It's a very small, subtle switch of labels that then gives you the excuse if you need it to take that time. This is something that afflicts the top performers that I've encountered. One billionaire in Silicon Valley has had a number of multibillion-dollar exits. The most productive guy you've ever met in your life, and he sent me multiple e-mails about this guilt-driven activity. How do I remove this guilt-ridden activity? And the answer is: You change your labels.

But, the separation I think is extremely useful. As an experiment, I would propose to everyone here that this Saturday you go without any cell phone or any e-mail or computers for that 24-hour period and just see how you feel on Sunday and how you perform on Monday. If you're not accustomed to doing that, I guarantee you will probably accomplish more on Monday and Tuesday than you did in the entire week prior. That would be one suggestion I'll make.

Pierce:

That's a great challenge. How many people here are going to take that challenge and try it? If I can get Jennifer to raise her hand. Mark, you're welcome. That means Mark is not going to get any e-mails during that time period. That's great.

One of the most difficult pieces of information that you shared with me, that I quite frankly still am not fully grasping, is you suggest that when people ask me how I'm doing, particularly at work, that I don't relish the thought that I can tell them, "Oh, I'm swamped. We've got so much going on. We've got clients coming and going. We're creating all sorts of wonderful solutions to the problems that they have and so forth. We're so busy, I don't even have time to breathe." So, when I read this chapter in your book talking about that, I said maybe I shouldn't feel that being that busy is the way I should live my life.

Ferriss:

This is another crux issue, so I'm glad you brought it up. It's one that I think requires some explanation. Let me take a step back first and provide some context.

Two words that are also, I think, misused to great damage in many businesses and in relationships is the difference between being *efficient* and being *effective*.

Being efficient is doing something well, whether or not that thing happens to be important or impactful. So, let's just say creating a 747 folder structure within Outlook and applying rules to every one of those makes you a very efficient Outlook user. It may not be the best use of your time. So, you can be efficient at almost anything.

Being effective is doing the right things. Based on the case studies that I've done, looking at hard data and these are sales numbers, revenue per employee, etc., doing the right things, even at a mediocre level, will usually beat doing many things efficiently. So, what you find is you can be very, very efficient and be very busy, but you don't want to confuse being busy or active with being productive.

The way that you distinguish the two is through measurement. That's the only way. You have to measure your inputs and your outputs. A very easy way to do this (that can be sometimes painful to look at the facts in front of you when you do this) is to do an 80/20 analysis.

So the 80/20 rule or principle is also called Pareto's Principle. Vilfredo Pareto was a sociologist and economist based in Switzerland and Italy and what he realized was 20 percent of the population created 80 percent of the assets. Or 20 percent of the population owned 80 percent of the assets. But, he also noticed even, in his garden, that 20 percent of the peapods would produce 80% percent or more of the peas. This very unusual distribution could be seen almost everywhere.

To give you a personal example, when I was in London, one of the exercises that I performed that allowed me to extend that trip, and coincidentally enabled my profits to increase about 30 percent in the following quarter (and this is by removing myself), was doing an 80/20 analysis of my customer base. What I found was I had roughly 120 wholesale customers. This is not looking at direct sales, but wholesale customers, about 120 wholesale customers and five of them were contributing more than 90 percent of the profit. But, when I looked at my time investment, I was spending more than 90 percent of my time on the other 115 customers who were minimally productive, minimally profitable. Why? Because they needed the most management.

I realized that my objective had been to be busy. So I looked at my hours. I said my schedule is 7:00 a.m. to 9:00 p.m. If I have free space in that time, I will fill it by chasing customers who require a lot of management and a lot of follow-up. So I put those customers on autopilot — the minimally productive, high management group. By autopilot I mean if they had a problem or they had a product request or wanted to place an order, I was more than happy to interact with them. But I would not chase them. I would not send them Thanksgiving letters. I would not followup with them every month to see how they were doing (which is what I was doing).

With the other customers, the five, I did one other analysis. Of those five, I asked myself which of these customers are the 20 percent that are producing 80 percent of my negative emotional state? This is really important. A lot of people in the business world, on Wall Street for example,

will do 80/20 analysis of profits, but they usually don't look at the negatives. When I did that, in fact for my entire customer base, two of my most profitable customers were also the most abusive, the most difficult, the professional ball breakers to use a scientific term, that made my life miserable. I would take the abuse as a cost of doing business, and that anger at myself for accepting that type of treatment would bleed over into my personal life on the weekends. I know at least a few of you in this audience probably have had this experience.

What I did at that point then was twofold. Number one was I sent a letter to the two customers who had been exceptionally difficult to inform them of a number of corporate policies that were going into effect. They mostly related to process: how orders would be handled, the type of lead times, the type of ship times, the steps they needed to take in order for things to be handled properly. If any of these presented any problems, we were happy to discuss them with them and if that didn't solve the problem, we would be happy to refer them to another supplier.

One of them immediately did a 180 degree about face and changed all of their behavior. Problem solved.

The other one wanted to sit on the phone and rant and rave and scream and insult me for another hour. That was over in about 60 seconds, and that was the end of that customer.

With the other three customers I focused on more frequent orders, larger orders, and that is what enabled me to go from about 60 hours per week of managing these wholesale customers to less than two hours a week, and to increase profit more than 30 percent in one quarter. So the 80/20 analysis is very important.

Another way to implement that if you have difficulty performing that analysis is to make a study of something called Parkinson's law. Parkinson's law dictates that the perceived complexity of a given task and the time it consumes will swell to fill the time that you allot it. In other words, if you allow a lot of time for something, it will fill all of that time, and it will appear more complex than it should. So, by forcing short deadlines on certain mission critical tasks, that will also force you to focus on the critical few. In other words, 80/20 allows you to identify the critical few so you spend less time total on work.

Parkinson's law, if you spend less time total on work, forces you to focus on the critical few. This is the one-day-before-vacation phenomenon, where you just have to get all these things done that you've been putting off for weeks on end. That would be an example of Parkinson's law. So those would be two tools I would encourage you to take a close look at.

Pierce:

Well, in that vein, when we were engaging in conversation leading up to this, I attempted to, on a number of occasions, e-mail you and to telephone you. I would love for Tim to share with you what my response was back from him. So, Tim would you share with them, and I think we should take a page out of this playbook for sure. This is excellent.

Ferriss:

So, I have a number of auto responses. The auto response I'm using right now says something to the effect of dear friends and colleagues, I'm taking time to focus on writing deadlines at the moment, therefore I am not available via e-mail for anything urgent. I do not have a handheld or a BlackBerry. If you need anything with a fast turnaround time, call me on my cell phone. I don't offer my cell phone in the e-mail because I get so many inquiries. You may or may not, I don't. Call me on my cell phone if you have it, or contact Amy at [amy@4hourworkweek.com](mailto:amy@4hourworkweek.com). Then I have an 800 number for her as well. And then I say here's to life outside the inbox. Thank you for your understanding, Tim.

A few details here. Amy is one of my assistants. I don't have that many, right now. She is basically my personal COO. She lives on an island off of Vancouver and I've never met her. We've worked for three years together. She handles almost all of my e-mail. I have two e-mail addresses, one is amy@4hourworkweek and then I have my personal e-mail address. Almost everything goes through Amy first. She handles at least 90 percent of my e-mail.

To put that in perspective, she probably gets about 3,000 e-mails a week. It would not be productive for me to be in the kitchen so to speak with that. She sends me an action items e-mail, or voicemail, depending on where I am everyday, with bullet points of the things I need to respond to or she thinks I should have some awareness of at least. This takes four minutes a day.

Amy also has an 800 number as do I. Well, actually I have a 415 number that is a Google voice number. Amy has an 800 number that is I think a ring central number. This allows you to do some very sophisticated caller ID and it also allows you to block individual callers, which I think is extremely valuable. It will also take your voicemail and then send them to you as an SMS.

I don't want to get them as e-mail because I don't have a BlackBerry or an iPhone, for a reason. I don't trust myself with e-mail in my pocket. I don't trust myself with dark chocolate in my house either. I'll eat it all. I'll say, "Oh I'm just going to have one little nub." No, I'm not going to. It's like most of the women I know with peanut butter. "I'm just going to have a little peanut butter." No, no you're not. So, I don't want e-mail in my pocket. As a result I get it as an SMS.

And that response can be changed many different ways. That is one of the ways that you control your information intake and the number of interruptions, and the amount of self-interruptions. This is an example of batching. So the checking e-mail once per week on Mondays for most people that's not going to be a viable first step. It wasn't my first step. But checking e-mail twice per day, three times per day, that is a viable experiment.

I remember talking about this using the auto responder at South by Southwest, which is a conference in Austin, Texas. A manager came up to me after the presentation who was a manager of one of the top radio stations in Austin. He said I would love to do this, but this is our busiest time of year. I have a hundred different irons in the fire that I need to deal with. My boss would fire me if I used an auto responder. I said, well, number one as any good scientist would suggest, and I'm not saying I'm a good scientist, but in this context that's an assumption that you need to test. Until you test it, you don't know if that's accurate.

Number two, you are the manager of one of the most popular radio stations in Austin during the busiest time of year. Your boss is not going to fire you, at least not for a few weeks. He doesn't want to do your job either.

I said why don't you try it for 48 hours, even 24 hours. You can take down the auto responder in 10 seconds, and get back to me with the outcome. He sent me a response and he said, "I thought you'd enjoy the e-mail from my boss below." So of course I'm like, "Oh, God, this is going to be good." The response was: Dear Tim (the manager's name was Tim as well), this is an AWESOME time-management approach. I wish more people would use this. And then his boss had copied all the other managers at the other radio stations that he was involved with, because the boss doesn't want to get copied either. Most clients don't want to get copied on everything either. So, test those assumptions.

What batching allows you to do is to prevent the task switching that can cost up to 30 to 35 percent of your time during the week. That's not a fake number. That's from Morgan Stanley. Every time you are interrupted there is at least a one out of four chance, also from data, that you will never pick up that task in that same day and complete it. So, you want to minimize the number of interruptions whenever possible.

The way you do that is by taking repetitive tasks, whether that's paperwork or e-mail or checking voicemail, and scheduling them for set times, so you minimize the set-up time that's required for each.

Pierce:

Within the book there are so many good pieces of information having to do with technology and time management. I wish we could go through them all, but we can't. When W.J. was talking earlier, I thought to myself if I were a country and western singer, his comment about the kitchen would be perfect. "How can I ever spend time in the kitchen when I constantly find myself in the doghouse?"

Having said the doghouse, I did want to ask you a question. There was another item in here and I really liked how you phrase this. You talk about excitement and happiness. Then what is the opposite of being happy? Is it sad?

Ferriss:

No. So you can probably tell I'm a language learning fanatic so I end up obsessing somewhat on English as well. Precise language equals precise thinking. Unclear language equals unclear thinking. Unclear thinking equals a lot of wasted time and effort. People say I just want to be happy. I used to say the same thing and then I realized I don't really know what I mean by happy. Is that a bottle of wine in 20 minutes? Could be. That doesn't last very long. Is it some type of fulfillment? It became very clear that that was a word that had been so overused to have become almost meaningless. I happen to think that success is also one of those words. It has to be qualified.

In looking at it very closely, I realized that looking at love, what's the opposite of love. Anybody who's in a relationship here knows it's not hatred. Those are pretty close, two sides of the same coin. They tend to flip back and forth pretty often. It is apathy.

If we look at success the same way and we try to determine a better substitute for that word that is actionable. We can look to the opposite of happiness and I would say the opposite is not sadness. Certainly any entrepreneur understands the manic depression that comes along with that. We all signed up for it, that's just the way it is. It's not sadness, it's boredom. So therefore, if you can follow my rather pedantic monologue here, the actionable substitute for happiness is excitement. You need to chase and plan for and schedule what excites you.

I was having a conversation last night with a number of people who basically said that by the time you're in your 50s you can't just turn off the workaholic component of your personality. And I agreed. I said that's why it's important to crowd out that behavior. You can't turn it off. Just like if you tell someone to stop smoking, that's not good instruction. You want to crowd out that behavior by introducing new behaviors.

The way that you prevent yourself, the way you start reversing the damage of workaholism, is by scheduling the things that excite you. I'll give another suggestion for people. I want you to put in your calendars today for next Tuesday, "Plan and schedule weekend." So, no later than Tuesday, I want you to have Saturday and Sunday booked with things that you've wanted to do and have just not found the time to do.

This is extremely important because (and I suffered from this as much as anyone else here) if you wait until Saturday morning or Saturday afternoon, whenever you wake up after a hard workweek, this is what will usually happen: You'll wake up. You'll go, "I earned that, I'm glad I slept in." You don't have anything in particular planned so you say something like, "I'm going to check e-mail for a second. Just do a quick scan of the inbox." So what happens? Well, one of two things is going to happen. Either that quick scan is going to turn into two hours, three hours, at which point you realize your blood glucose is so low that you need to go eat something. That's option number one. Option number two is that you'll scan the inbox for 10 minutes and you'll find a problem that you can't fix or address until Monday.

It is the second I'm going to focus on for a second. You have time to check e-mail. The question is, can you afford the interruption of checking email? And, I would say no, because if you find a problem that you can't address until Monday, the next 48 hours are rendered useless by preoccupation. You end up in that middle ground again between relaxation and productivity where you get absolutely neither. You don't get the benefit of either one of those states. So, if income has no value without time, then time has no value without attention. So, rather than thinking about protecting and firewalling your time, think about your attention.

There is a very good article I would recommend all of you read, it's online. It's a gentleman named Paul Graham. Paul Graham is one of the founders of a start-up incubator called Y-Combinator. If you just search Paul Graham's blog and then search "the maker's schedule," you'll find this article — takes five minutes to read.

What he talks about is the *manager's schedule* which can accommodate interruption versus the *maker's schedule*. The maker is the planner, the writer, the creative, the programmer, where you need a good solid three to four hours to get anything done. I know this is true for me. It takes me a good hour just to get warmed up to even think of writing anything even remotely interesting, and usually it's not. But it takes me that long. And, if I have a meeting, if I have a phone call, if I check my e-mail in that time, the clock resets and I have to start again.

There is an excellent book also called "The Effective Executive," by Peter Drucker, and he comes to the exact same conclusion. You need large blocks of time. Another conclusion that Drucker comes to, and it's in a specific chapter, so you just want to walk into the book store and spend 10 minutes reading the one chapter you need to read in that book. It's called "Know Thy Time." In "Know Thy Time," one of the conclusions that Drucker draws is that good decision-makers don't make many decisions. What does that mean? Well, what he means is that good decision-makers will look at a decision and they will ask themselves, is this a one-time decision? Is this a hole-in-one, freak-of-nature event? Or, is this a recurring problem? Is this a recurring situation? If it's a recurring situation, I am going to make a rule. I'm going to make a policy for dealing with this in the future so that I don't have to deliberate. The good decision-makers form rules and policies as soon as they see something that they know they're going to see twice, or that they have seen twice. And, when you do that, most of the stress, the distress I should say, in your life will go away.

Because of that, how does Amy, who checks my e-mail, check my e-mail? Well, I sent her a Word document which was "Tim Ferriss e-mail processing rules." I realized that checking e-mail doesn't require some mythical ability. It's not like Michael Jordan's ability to slam basketballs. Everybody does e-mail, but they're convinced that no one else can do it for them. I realized, in my case, it was just a simple matter of asking a few questions. Who's this from? What are they asking? What's the deadline? Who else is involved? And, then, based on those answers, it led to some type of action or follow-up. I wrote all of those down and then just sent them to Amy. Now she can check my e-mail and I don't have to check 3,000 e-mails a day.

So, think about one-time situations versus recurring situations, and what rules or policies you can set so that other people can act on your behalf. One of the most powerful that you can use is setting a threshold for independent decision-making. This was another one of the defining decisions in my four-

week period in London. There was the 80/20 analysis of the customer base and then, at one point, I realized I was spending tons of hours on customer service-related issues but not with customers. There were the people who were supposed to be handling customer service for me. I had 16 call centers. I had a fulfillment center that shipped a lot of Dell components, and they were asking questions like, this person needs the product in two days, they're in Germany, what should we do, how should we ship, if so, how much should it cost? Things like that. I was responding to these types of situations. Some of them were one-time situations. The way I dealt with that is I sent an e-mail to all of the managers which stated very simply: I am no longer your customer. The customer is your customer. If it can be solved for less than \$100 fix it yourself. Send me the decision and we'll adjust from there.

What I did was look at the profit and loss every week and adjusted. And I didn't need to adjust. That \$100 went to \$250, went to \$500, went to \$1,000 and that enabled the company to earn hundreds of thousands of dollars in profit that it would not have earned otherwise, because of faster turn-around to clients, happier employees and reduced workload. So, setting those independent decision-making thresholds can be very important.

Another challenge that I would offer is, you have today and tomorrow before the weekend, so Saturday if you're going to take that, leave your phone in the hotel room. Turn it off. Today and tomorrow when you encounter problems, when you encounter e-mail, time-consuming people, time-consuming requests, ask yourself what type of policy, what type of rule can I set to deal with this so I never have to make a decision about this again.

Pierce:

Come up to the mike, state your name and ask the question.

Question:

I've learned about the Pareto Principle and Parkinson's Law, but let me make an analogy from football, the two-minute drill. We see so many teams able to execute and march down the field 80 or 90 yards in 40 seconds, 70 seconds. Then, I think, when watching the game, it seems like they could have done that throughout the entire game. However, can you sustain such a pace for the entire game? How does that fit into your work plan?

Ferriss:

That's a very good question. There are a few things I would encourage you to do. This is a very good question, I'm glad you brought it up. Of course you could take the 80/20 principle to the point of absurdity where you're doing the most important but you manage to fill all the rest of your time with that type of very concentrated effort. There are limits to what the body can do. You need that recovery, so that is not sustainable.

What's very important to do for purposes of lifestyle design is to determine what your target monthly income is for you personally. The target monthly income is a cash flow figure that allows you to do the things you want to do and have the things that you want to have in order to feel fulfilled, excited. That's it.

Take whatever it is that you might be postponing for retirement, if there are any things that you're postponing for retirement, and do the research to determine how much those cost on a monthly basis. If they can be financed, if they can be paid up front, what is the cost? What you find is very often there is absolutely need to postpone enjoying some of those things for retirement. I would encourage you don't postpone. That figure will generally end up being somewhere between surprisingly \$3,000 and \$7,000 a month. So, recognize when your goal is accomplished so that you can also focus your goal-setting abilities, which everyone here has, on things like relationships, children, family life. You want to have a firm grasp in numbers of what your objective is, and that is the target monthly income.

Question:

Amy receives your e-mails and rates them, but how do you deal with replying to important customers who may be put off by the idea of somebody else allegedly reading your e-mails and replying to them on your behalf.

Ferriss:

There are a few ways to do that. The first is you don't call them an assistant or you have them act effectively as a COO, and that doesn't need to be deceitful, it can be absolutely truthful. If I were to call Amy my COO it would be very accurate and I think that doesn't rub people the wrong way. If they feel they should be greeted by the czar himself, then it's pretty easy to get around that issue with a change in labeling.

Secondly, if you do the 80/20 analysis (and it doesn't have to add up to 100 by the way, 80/20 is just a convenient way to name the principle, but it could be two percent of your customers create 98 percent of your profit) you find that so few are mission-critical and contribute the vast bulk of your profit or have the potential to do so, that even you can respond personally to those people. In my case, it came down to three distributors. What I found is that the highest profit customers generally required the least hand-holding. I've seen that over and over and over again, and they tend to be underutilized specifically because they're so quiet.

I would say: focusing on the few, the critical few instead of the trivial many; relabeling the assistant if need be; and also recognizing just because Amy acts as a primary contact for most things, it doesn't mean you can't be in contact with them on a semi-regular basis, let's say a monthly or quarterly basis. I've seen that used very effectively. There are a few people here who have done that within their practices after reading the book and looking at the blog and I've certainly seen it in the legal profession and other areas where in most cases you have people who are very good salespeople who start the company and then end up being unable to scale their business. I encourage you to experiment with it. It takes tweaks along the way.

Just a quick side note, there is one blog post because I don't have enough time to talk about it today, that I encourage everyone to read. It's on my blog, it takes about two minutes to read. The blog is [fourhourblog.com](http://fourhourblog.com) and the post is called "The Art of Letting Bad Things Happen." It just talks about how it's impossible to make everyone happy and you have to get comfortable with very small transient, uncomfortable things happening if you want to get very big, positive things done, and that includes double, tripling, quadrupling income.

Pierce:

We have time for one more question, but Tim says he will stick around afterward. He's going to be around until surfing starts.

Ferriss:

I'll stick around, I'm here until Sunday.

Question:

My name is Mark C. Seebeck, CFP, Hurst, Texas. Mine is actually more of an observation. In 2006, 2007 and 2008 I worked full time, ran my business, transitioned out. My mother was my business partner, she retired. It was double the workload on me. I managed to maintain the same

income but at the same time I was trying to train a junior person and also do the CFP stuff. That just about burned me out, but I recovered from all of that and, last year was my first year where I could just build in time to focus on myself again and my personal life. Last year, I moved to a brand new home which is twice the size, twice the value, which I never even imagined I could, and took four very extensive international vacations, and that was my first time for Top of the Table. So everything you are preaching or saying is really real and can happen. This year I've had no vacations except for this one and I've been feeling incredibly burned out, but I've also let my personal life suffer again because I've just been 24/7 at the business and I think if you let your business run you, it runs you right into the ground. I appreciate everything you're saying.

Ferriss:

Thank you for lending your story. A point you bring up also that's very critical is the ability to fear set just as much as you might goal set. Fear setting is extremely important. If you're thinking about putting up an auto responder, taking your first ever six-week vacation to try to reset (mini retirement as I call them), identify what is the absolute worst that can happen. Take a piece of paper, three columns, all of the worst things that could happen, really get down and dirty in detail with it — like “stray dog with rabies bites me when I'm in Ireland.” Really just list out all the worst things that could possibly happen.

Column two is what are the things I could do before I leave to minimize the likelihood of those things happening. Column three is, if those things happen, what could I do to get back to where I am right now. Once you do that analysis, you realize that whatever you're considering trying, experimenting usually has a very transient potential pain for potential permanent outcome. Thank you for the story.

Pierce:

Thank you, Tim.

Ferriss:

Thanks everybody.

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**Timothy Ferriss**, nominated as one of *Fast Company's* most innovative business people of 2007, is an angel investor and author of the bestseller “The 4-Hour Workweek.” He has been featured by more than 100 media outlets, including *The New York Times*, *The Economist*, *TIME*, *Forbes*, *Fortune*, CNN and CBS. He runs a multinational firm from wireless locations worldwide and has been a popular guest lecturer at Princeton University since 2003, presenting entrepreneurship as a tool for ideal lifestyle design and world change.

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