



Guide to Building Residual Income in the Promo Business

By Josh Frey, a.k.a The Swag Coach™

I do not like being told I can't do something. It's not in my DNA.

It especially pisses me off when those words come from someone in our industry who is quick to share with me "how the industry works" and "the correct way things are done" vs being open-minded and creative to even consider a different approach to doing business.

"You cannot get contracts in this business"

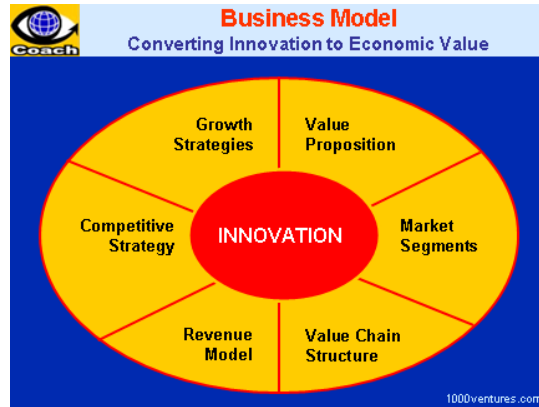
"You cannot get clients to buy online"

"You cannot make money from other people's sales other than having them as your sales reps".

The naysayers have only fueled my passion to build my model, The Swag Coach™ model, which I would like to share with you. And in doing so, teach you how I have leveraged my experience and lessons learned over the past 20+ years in this business to build out a network of distributor owners that all do business online, and from whom I earn over 6 figures a year of residual income (aside from the income I earn on my own client sales).

So, if YOU are the type of person that is open-minded and looking for a new approach to doing business in the promotional products industry, then listen up!

If you are the type of person who believes there's only one way to do business in this industry – by selling more and more and more, one transaction at a time, then do yourself a favor, and stop reading!



A Little Story about How I Got Here ...

In 2008 the writing was on the wall. I had 10 sales reps, all employees of mine, to whom I was paying a base salary, commission and health insurance. It cost me \$50K per month to run my business, regardless of the sales my team made. And when the economy took a hit, I KNEW that sales in industry would be the first to get cut by our marketing-oriented clients.

SO I made a change to my business model ...

#1: I “fired” all of my reps (letting them I could no longer carry them with a salary and health insurance”.

#2: I drastically reduced (and eventually got rid of) my office space.

While this was a difficult decision, I knew if I didn’t make these cuts I would be out of business and money within 6 months.

BUT I also knew there were assets here and tried to figure out a way to leverage those. These assets included:

#1: Trained pros - my people were well trained (at the time I recruited mostly recent college grads and taught them the business so I developed a pretty thorough training curriculum to teach them the business).

#2: A ton of clients to service – over the years I had built long-term, meaningful client relationships, and business relationships in the community. This meant lead flow and people (existing clients, new clients and prospects) coming to me with needs. I needed to be able to service these buyers.

#3: Systems – my model was already predicated on outsourcing the admin and back office work. I had a systematic way to keep my “finger on the pulse” as it related to organizing the sales and marketing side of the business, and with the back office handled, I had most of the pieces to run a virtual business.

The day I became The Swag Coach™



Here's what I did. I didn't just let my sales people go, I gave them the option to spin off their own businesses and become an entrepreneur.

I offered them the chance to work the clients and leads I gave them (and would continue to give them), earn more commission off each sale (vs get a base salary and smaller commission) and I agreed to hold their hand and coach them through the whole thing.

Of the 10 sales reps I fired, 7 agreed to this new model and the following year I earned over 6 figures of residual income off their sales.

And THAT's when I realized I was on to something!

You see ... I am a huge proponent of entrepreneurship and owning your own business. I have been an entrepreneur since 22 years old, starting my own business straight after college ... with no resources. No money. No connections, No business experience.

I understand what it takes to roll your sleeves up to launch your own business and grow it.

This business model is a culmination of all of my years of hard knocks learning, and experience. Taking the best parts (generating sales, revenues, leads and selling) and handing off the rest.

To automate this process, we developed and now use a patent-process pending technology platform that allows us to place orders for our clients online in less than 3 minutes. AND is eCommerce capable so our clients can order online themselves.

It also allows me to track the sales my other licensees make so I can see how much residual commission I earn from their sales.

Now I don't know about you, but the idea of making "residual income" – money in my pocket – while I am working on a completely different sale – or better yet, while I not even working while hanging with my kids or wife, is well, AWESOME!

There's nothing more satisfying that seeing an order come through on my phone from one of my Swag Coach™ licensees.

How YOU can Build Residual Income in this Business



Below is a 10 step guide to building residual income the way I did it. I realize you may run your own sales and distributorship differently than I do, so take from this what you want, and apply whatever tools you currently use. Hope you find this helpful and will start building out your own residual income model from it!

Step by Step Process for Building Residual Income:

Step #1: Free Up Your Schedule - do what you need to do to get the non-revenue making tasks and admin off your plate so you can focus your time exclusively on selling, recruiting and coaching. Outsource it (which I do), hire an assistant (not a fan of this but it's an option) and create way more time in the day for yourself. You can do it but you have to be diligent and focused on the tasks and time spent which will generate revenues for yourself and your business.

Step #2: Document Your Daily Routine for Selling - if you know how to sell in this business and build long-term client relationships, you need to document this process so you can teach it to whomever you bring on to your team. The more detailed your training documents and process for onboarding are, the quicker you can onboard a sales rep (or in my case a Swag Coach™ MVP) and start helping them to sell.

Step #3: Set Up a Training Program - take the documented processes from Step #2 and roll out your own training program. Don't worry – you don't have to have everything figured out. Just document what you learned to get started in the business and as you go through the training with your first recruit, add additional documents. Organize it in a way that it flows easily and can then be used again and again and again as you take on more recruits.

Step #4: Set Up a Sales, Order, Lead and Commission Tracking System - set up a way to be able to track whatever client relationships you hand off, as well as those any of your recruits will bring to the table. You HAVE to set up a central location through which you can track business activity - records of past and current orders, activity for sales and pipeline activity that your reps are working on, and a way to “keep your finger on the pulse”.

Step #5: Take the Business Online - buyers are getting younger and most have grown up with the internet. It's only a matter of time (which I would argue is now!) where buyers EXPECT to be able to search AND buy swag online. You have to have an online presences for your promotional business so buyers can find you and ideally, a platform through which they can place their orders.

Step #6: Start Recruiting - make a profile of the type of person you think would be a good fit for this industry. Someone you can bring on as your "guinea pig" and put through the training program you have now documented. Think about where this person is and how you can market to them? When I started out, I went for people with business experience and a network they could leverage. My feeling has always been I can teach them the business if they can bring the network and work ethic.

Step #7: Help Them Launch Their Business - once your recruit is trained up, let the business community know they are open for business. Leverage social media to announce their new business (or role depending on how you set them up), let your clients you plan on handing off know who they are, and get them building lead flow.

Step #8: Coach Them Up Every Week - I am a big fan of sharing best practices. I also realize if you are good at sales, you are always learning and always improving your skills. So I set up a weekly coaching call (same time and day, scheduled out for at least 3 months) and agenda to help them stay organized and make it productive. Whether in person or a call, so long as you are helping them with ideas for opening doors and closing deals, they will grow their sales and you will earn money from their sales.

Step #9: Feed Them Leads! - Newbies to the industry are not going to sell huge volume overnight. Regardless of their networks. It takes time. Feed them and keep them motivated by handing off accounts they can work, make money from, learn from and help grow. Trust me ... you may think it's like giving away money (which it may be initially), but the return on that "investment" will be well worth it especially if you find an A player to work and grow your client accounts, along with their own.

Step #10: Check Your Bank Account! - like I said, there is nothing more fun for me than watching my bank account grow from other people's sales! We have a system where I can see every time an order comes through from one of my Swag Coach™ licensees and sometimes I need to actually "turn it off" because it distracts me from the other things I need to do. Once you have the system set up and working, and you are making money while you are sleeping, you will know the feeling I am talking about!

Good luck and if I can be a resource for any of this, or if you'd like to schedule a call to discuss this approach with me in more detail, I am always available at josh@swagcoach.com

Josh Frey

a.k.a The Swag Coach™