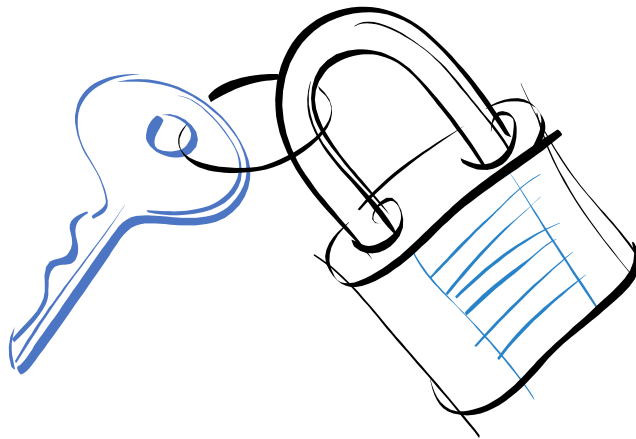


How Chicago Man Went From Broke, Overweight and Up To His Eye Balls In Debt To \$500 Million In Sales With An Invention That Turned The Fitness Industry On Its Head



***Michael Senoff interviews Infomercial
Marketing Expert John Abdo***

Dear Student,

I'm Michael Senoff, founder and CEO of HardToFindSeminars.com.

For the last five years, I've interviewed the world's best business and marketing minds.

And along the way, I've created a successful home-based publishing business all from my two-car garage.

When my first child was born, he was very sick, and it was then that I knew I had to have a business that I could operate from home.

Now, my challenge is to build the world's largest free resource for online, downloadable audio business interviews.

I knew that I needed a site that contained strategies, solutions, and inside information to help you operate more efficiently

I've learned a lot in the last five years, and today I'm going to show you the skills that you need to survive.

It is my mission, to assist those that are very busy with their careers

And to really make my site different from every other audio content site on the web, I have decided to give you access to this information in a downloadable format.

Now, let's get going.

Michael Senoff

Michael Senoff

Founder & CEO: www.hardtfindseminars.com

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How Chicago Man Went From Broke, Overweight and Up To His Eye Balls In Debt To \$500 Million In Sales With An Invention That Turned The Fitness Industry On Its Head

It's true that one good idea can make you millions. But it's not enough just to have a good idea for an invention. You also have to think about patenting it, creating a prototype, looking for financial backing and marketing the finished product. It can be a risky hassle, but if it's done right, it can be well worth the trouble.

So in this interview you'll meet John Abdo. John is a fitness trainer, motivational coach and former host of a health-and-fitness TV program that ran from 1985-1997. Toward the end of the show's run, it started losing money and so did John. He was almost bankrupt in 1999 when he had to liquidate his assets and sell his house. But because John was actively marketing a new invention, he quickly ended up back on top.

The revenue from that invention brought John from near-bankruptcy to millionaire. And in this three-hour, three-part audio you'll hear exactly how he did it. John had no idea what he was doing when he first started out. He was just a guy with a positive attitude and a great idea. And you'll get to hear all of the steps he took to bring his idea to fruition and all of the many lessons he learned along the way.

You'll also hear...

- What an "inventor's log" is and how keeping one can help you prove the rights to your product in court
- What a patent is and why you might want to think about applying for a provisional one rather than a traditional one
- When to go to a patent attorney and how to pick a good one
- Why you should think twice before using an invention submission company
- What an "angel investor" is and ways to find one
- What to look for in a production company and some important questions to ask to make sure they can handle the job

- How to ensure your contract negotiations include all of the roles you'll be contributing so that you make the most of your time and effort
- And much, much more

John also talks about the infomercial industry where, according to him, 97 percent of all infomercials fail. So he goes over ways to market your new product that will really get the phones ringing and ways to make sure your telemarketers aren't blowing those calls.

Unfortunately, most inventors don't get rich from just scribbling an idea on a napkin. There are many facets to the game, and John's story is a good example of how to make the most of every one of them. So, if you've got a great idea but you're not sure what your next step should be, this is the interview for you. It's both informational and inspirational. This super interview is in three parts each about one hour long. Enjoy.

John: My first royalty check was \$3,400. The second one was \$8,400. The third one was \$34,000. The fourth one was \$84,000. That was per month. It grew up to \$125,000 per week. It was just incredible. So, being \$100,000 in debt, I put a goal of my money. I needed to get that \$100,000 back, and I was earning well over \$100,000 per week. Ultimately, it became the number one product in the world.

Music

Hi there. It's Michael Senoff, with Michael Senoff's [HardToFindSeminars.com](http://www.HardToFindSeminars.com). I've got a three hour interview with a guy who sold over 400 million dollars worth of exercise equipment. This is an amazing journey, an amazing interview. Let me tell you a little bit more about him. I'm pleased to introduce to you John Abdo. John Abdo is regarded around the world as an authority on motivation, health, fitness and athletic conditioning. He was a former Olympic trainer. He's trained numerous Olympic and world class athletes including speed skater Bonnie Blair. She was a multiple gold medal recipient. He's recently introduced into the National Fitness Hall of Fame. From 1985-97, John produced and hosted his own weekly syndicated television series called Training and Nutrition where he interviewed geniuses and all the authorities in health and nutrition. He had an audience reaching over fifty million households. He established himself as one of the most visible motivational educators for legions of athletes, fitness enthusiasts, coaches nationwide. Many of John's programming and commercial advertising techniques for his own self-created marketing creations and they form

many branches in TV and educational programming. Today, John has over three million people in 120 countries using his products, training systems, or hearing his motivational principles. He's a highly in demand editorial consultant. He makes regular contributions for popular magazines like Men's Health, Details, Outside, Women's World, and even Muscle and Fitness. This is one of the most dedicated guys I've ever met to helping other inventors. He conducts seminars to educate and motivate inventors on both what to do and what not to do. In 1999, John was nearly bankrupt and about \$100,000 in debt. By the end of 2001, John's products and services had generated nearly \$400 million. If you watch television infomercials, you may even be familiar with his product called the Abdoer. With nearly \$75 million in media expenditure, his invention was voted number one product in 2001. It was outselling all the other top four products combined in his category. John has also been the recipient of the best fitness presenter award by the Electronic Retailing Association for generating the most revenue from his live and pre-recorded television appearances. On live shopping channel alone, John has generated over \$30 million in sales, and scored the single day record of \$2.5 million in sales. John's latest inventions include the Bun and Thigh Doer, Contour Weights, Waist to Waist Conditioning System and many more. What makes John so unique and valuable is that he's not only the product inventor, he's also the product's on-air spokesperson. He's the program developer. He's the strategic marketer, and much, much more. In the next three hours, you're going to hear in detail about how John got started, his humble beginnings, his challenges on the way to ultimate success. You're going to hear John reveal secrets that he's never revealed before about the insides of the television infomercial industry. You're going to gain knowledge and access to John's contacts through a unique conglomeration of contacts that he's built over the years, and he's going to show you how to use his contacts to give you a better chance in developing and creating and marketing your own invention through television. Get ready, let's get going.

John: Without inventors, you wouldn't be sitting on the chair that you're sitting on. I wouldn't be talking on the phone I'm talking on. I wouldn't be able to do my morning business. I wouldn't be able to do anything without inventors. Everything that you could see right now and for the rest of your day is a thought turned into a thing.

We need inventors. We need the ideas. The thing is the idea people aren't the marketing people most of the time. So, I have always seen and shared a commonality with all inventors. We don't know who to trust. We don't know where to go. We've been ripped off before. We don't know if we're going to get paid on all our units. We don't know if we're making the wrong decisions. It's fear, fear, fear, fear.

So, I'm here to protect inventors. I'm here to tell inventors I love them. They're my brothers and sisters. I'm encouraging that because I've tried as well as everyone tries an innovation. Without inventors, the

world would not be as fast, as safe, as productive, as happy as it could be, as it should be. Inventors are what makes the world tick.

Michael: That is so true. I'm sitting here in front of my computer. I'm looking at my computer. I'm looking at my lamp. I'm looking at a flash card, a pair of scissors, my video camera, label writer, label machine, my calculator, my stapler, Scotch tape and a pen. All of these things are inventions.

I think it's really important for the listeners here to get an idea where you came from and how this all started because all your learning was based on your journey from the humble beginnings and the struggles and all the way through. So, if the listeners will bare with and listen to your story from the beginning, I think it's really going to benefit them to see how you go there, and we're going to talk about this alliance you set up in detail towards the end of the interview.

But, let's take the listener on a journey. Let's start from the beginning. Is that okay?

John: Yes.

Michael: What sport were you training in for your Olympics?

John; My specific sport was Olympic weight-lifting. Olympic weight-lifting is not a very popular American sport, but it's a fascinating sport. A lot of people describe it as doing gymnastics with weights. The lifts are called the snaps and the clean and jerk, and you're actually flipping weights up overhead, and it takes a lot of technical skill not just strength. There's a lot strong guys that lose to the technical guys. So, it took strength. It took skill, a lot of training, a lot of precision.

The thing I loved about it in addition to the specific weight training techniques for Olympic weight lifting, and there's two other sports – bodybuilding, which you pose and show off your body that's not an Olympic sport, and that's very popular, but it's more cosmetic, and power lifting. Power lifting is the bench press, the squat and the dead lift. That's not an Olympic sport even though it does require a lot of technique. It's mostly known for it's brute strength.

Olympic weight lifting is an Olympic sport, and being an aspiring Olympic athlete, it exposed me to athletes and coaches and training principles around the world. It was just fantastic because the techniques with that allowed me to do what we call remedial or adjunct training, which took you outside of the weight training environment, but

we did plyometrics. We did field strength training, running bleachers, jumping, all types of flexibility exercises.

On our days of rest, we had what we call active rest. We played basketball or volleyball or things like that. As athletes, we were constantly active, and then when I decided to start coaching other athletes outside my specific sport, the great thing about it, I started learning that again a nine year old female figure skater was benefiting from these techniques because they're techniques that anybody could use, so you don't have to specifically compete at the sport I was competing in.

For instance, if I played football, I taught football techniques, those techniques may only be good for football players, but they may not be good for female figure skaters. The weight lifting techniques along with other strength training is prevention injury rehabilitation techniques which I also studied and applied again Michael were advantageous for all kinds of athletes.

Michael: John, tell me more about the television show that you had produced. TV Guide Magazine ranked that as one of the number one shows at that time.

John: It was ranked the number one educationally based fitness show. Other fitness shows are watch and participate. You turn on, and you do your aerobic dance to the guy or the gal or the team that was teaching it, or other fitness shows were fine certain competitions, like, "Hey, let's go and watch the competitors compete." My show was a sit down, listen, and learn.

This was behind the scenes, what the coaches, the trainers, the athletes, the therapists did in the training center before, during and after competitions to prepare for and recover the athletes from their competition. So, it was highly educational, and myself being a former Olympic athlete which this under developed kid turning into an Olympic athlete, I lived in training centers.

I was an athlete, but I always coupled up as an athlete coach. I always coached as I was competing. I just had a knack for it. I had a desire for it. I was good at it, and I couldn't hold back. Hey, if I know something, I'm going to want to share it with other people especially my fellow athletes.

So, one thing led to another to where I started strength coaching athletes, and the beautiful thing about the strength training and sports enhancement training techniques that I was learning over the years, it

was applicable to all athletes. I could train big, strong heavy professional football players, but at the same time at the same strength training center, I was working with nine year old female figure skaters.

So, I was able to learn and apply successfully the techniques that were advantageous to the improvement of any type of athlete no matter what sport they were in, and any age level and level of ability. They were healthy to make them even better. If they were injured, to make them recover from injury.

I work in conjunction with physical therapists and orthopedic surgeons because I'm not a doctor. So, we work well as a team.

Michael: Tell me the years the show ran, and tell me some of the big names that the listeners would recognize of some of the athletes that you had interviewed during those years.

John: The show started in 1985, and I remember producing my first show which proceeded me being a guest on shows. Being a guest, what you're doing right now, you ask me a question, and I answer it. I don't have notes here. It's like I know my business. I know my life, and I'm able to answer it.

One day, the host of the show calls me up on the phone and we became friendly over time. He says, "John, I'm quitting the show. I want to go back to school." I thought there was the end of my television career. I had aspired to be on TV to teach the masses health and fitness and strength training and all this other stuff.

The studio director and some of the other producers of the show – this was just a local cable show in the Chicagoland area – says, "John, you've got to continue on with the show." I told them I don't have any understanding of how to produce a TV show. This was back in 1985, and they says, "John, you've gotten really good in front of the camera. Our audience is liking you. We're getting letters. Let's turn your little segment," which I had like just ten to fifteen minutes in a half hour show, "into a full half hour show with John Abdo."

So, October 21st, 1985, I remember it specifically, I produced my first TV show and that show ran for twelve and a half years from that point forward. I think I had like a two week hiatus because that was back in the days when cable was just starting, and on TV and the sports channels and the prime networks.

My two week hiatus was one of the big networks bought another network, I think Time bought Sports Channel, and they had to turn

down the transponders which supplied their feed just to synch up their whole system. So, technically I was on the air straight for twelve and a half years, and it was just fantastic.

The guests I've had on my show – Corey Ebersson, all time female decorated body builder, the Olympic athletes that I've had like the teams, the Bonnie Blairs of the world. I did features with the Chicago Bulls because I was in Chicago at the time, the Chicago Bears, the Chicago Blackhawks, Lou Ferrigno. The list goes on and on.

It was really wonderful, and for me, it's almost like the position that you're in. You get to interview all these great people. I've been to your website. It's like, "Wow, Michael's got a great list of people that he's been able to interview." Myself, being so interested in this whole world of strength training and sports enhancement and ultimate physical peak performance, now I was able to interview all these people, and they were sharing their secrets with me. Obviously, there's so much to get into a half hour show, and I didn't just interview them for a half hour. We would do interviews much longer and edited down to a half hour.

So, it made me so much more educated and so much more of a better coach by the exposure and the experience that I've had from tapping into these other sources.

Michael: It's a great advantage. I mean, you've already done for all those years what I've been doing for the last four or five years, just in a different field – marketing and copywriting and advertising. It's great because you're never wasting time. You are training. You are picking the minds of some of the best in the world, and I'm doing the same thing.

It's a great use of your time even in the production aspect of it. When you're editing, you're always learning because you have to listen to some of these things two and three and four times, and you can still pull out valuable information.

John: That's exactly true, and that's an interesting observation. It could probably only come from somebody with your type of experience or career path because a lot of times when you hear somebody say something especially if they say it for the first time, a lot of people may be naysayers or yeah right or I'll believe it when I really see it, meaning that the techniques and the advice that people are giving, it's like I believe it when I see it.

If people pursue the principles of that method, that they're waiting to see the actual manifestations of the results or the goals. When you're

working with Olympic athletes and professionals athletes, these people are at the top of their game, the top on the globe on the whole planet earth. These are people that say that if you follow these principles, you will reach success.

I instantaneously had faith and belief and confidence in them, but what the barrier was back then, and the reason why I had a very large dedicated athletic viewership, people who were very interested in self help and improvement and were willing to apply the principles, was the fact that these were new principles, unlike if you go to a newsstand right now and you pick up one of those magazines with the muscle men on the cover. Those magazines are just telling you how to make your body bigger and more symmetrical, which is great, but it wasn't geared towards athletic performance, and most, if not all of those magazines are secretly hidden, even though right now it's been pretty blatant, that they're selling supplements.

So, here's this guy with all these muscles, and he's got two gorgeous women hanging off his biceps, and his neck is like, "Hey, if you use this supplement, you're going to look like this and you're going to be attractive in other areas of your life."

When I read these magazines, I see how they're misdirecting the audience. It's really not the way things are going, and obviously, there's a lot of these athletes, and I say a lot, a high percentage of them that are using anabolic steroids and they're promoting natural supplements you can buy over the counter, whether it's a protein tablet or a powder or some kind of a mixed drink.

They're promoting that you can get like that to look like that with that supplement, and it's simply not true. I talked about the good, the bad and the ugly because there are ugly sides to sports. There's a lot of drugs involved in sports. There's a lot of illegal tactics involved in sports.

A lot of people lives, the coaches and the athletes thrive on it, and a lot of careers are made as a result of them reaching a certain level or accomplishment like winning a gold medal at the Olympic games. So, it's the do or die type of attitude.

Michael: Did you place in the Olympics? What year Olympics were you at, and where were they held?

John: I competed in the Olympic trials in 1976, and unfortunately, I had a knee injury. I look back now and not just now but shortly thereafter, and that was like the turning point in my career. While I loved the sport

so much and I said, “Hey, I’m just concentrating on this guy called John Abdo. I’m working just for myself. Even though I have a team in Olympic weight lifting, it’s an individual sport.” You compete as a team, but you’re not out there with a bunch of other teammates.

What I decided to do after I got injured at the Olympic trials in ’76, and before that I had won a national championship. I competed internationally four times. I won numerous state championships and regional championships. I was definitely climbing the ladder.

What I took the focus off was me, and I went to my we attitude and that’s been my motto. It’s not about me, it’s about we. I started coaching other athletes. I found it so much fun because I was still training, but the competitive drive that it put on my body, my bones, my hormones, my recuperative system were taken off, and I was able to work with a group of athletes, which when I went to a competition, now all of a sudden I was in charge of a lot of athletes, and I found it far more enlightening for myself to be a coach than an actual athlete.

I had to obviously precede coaching with being an athlete myself because it taught me what you need to do as far as disciplining yourself to the principles of applying the result producing phases of just enduring the process.

So, sports taught me. Sports taught me how to stick to principle, how to stay committed to principle, how when you get knocked off of principle and when people fall off track, how to get yourself right back on track, if you get injured, how to get uninjured and how to recuperate. It was just fantastic, and I use that today in my business. I use it in my motivational speaking. I do a lot of consulting.

I’m not just working with athletes anymore. I’m working with inventors and business people and entrepreneurs and all types of people that are seeking self betterment, and these principles apply to everybody.

For instance, people say, “Well, how could an Olympic athlete’s principles apply to me? I’m just a housewife.” Well, if you follow a certain principle, even though it may not be an athletic principle, and you adhere to that principle, not just physically but emotionally and intellectually and spiritually, you will manifest great results, and that’s what people don’t understand and/or have the ability to stay committed to because they don’t have a coach. They don’t have a mentor.

So, when they have a coach or a mentor, and I’ve seen so many athletes who trained on their own, and were always getting injured. As soon as they came into the gym and they said, “Hey, John can you and

your assistant coaches train me?” All of a sudden, they never got injured after that, and they recovered from their previous injuries. They were probably training harder than they ever trained before, so it doesn't make sense. If they're training harder, how come they're not getting injured?

They were training smarter and wiser, and they had a specific set of principles that they adhered to that allowed them to make that point A to point B tap straight as opposed to wiggling and squiggling which so many people experienced going through life.

Everyone is shooting towards a destination. Unfortunately, they're always veering off track.

Michael: Let me ask you this. What was your personal best on the clean and jerk overhead?

John: My personal best on a clean and jerk was 352 pounds. I did a snatch of 281 pounds, and I competed in two weight classes. I competed at 165, which I'm at my plane weight right now at 52 years of age. I actually look the same, so I've been able to keep these principles active in my life to at least look the same and actually feel a lot better because it's a lot easier to stay healthy when you take a lot of pressure off your body.

As far as getting strong, it was just such an interesting phenomenon and such an ego boost, if you want to call it that, but certainly a confidence boost. When you're able to accomplish something like I remember as a kid there's no way I'm ever going to lift 300 pounds over my head, or it was a goal where it's like, “Oh man, I would love to lift 300 pounds over my head.”

Then, I remember one day, I was doing it for repetitions, and I'm thinking to myself, “Wow.” I remember years ago when I had set this goal, and everyday, Michael, that goal never left my mind and never left my heart. It doesn't even leave your cellular physiology. It vibrates in your bed.

When you set a goal and you're determined to achieve it, you achieve it. It's just that some people, what I have found, people that come to me, “I have to lose weight. I've got to go on a diet. Oh, I've got to do this.”

I ask people, the first thing because being a coach, I want to know, number one, how committed are you? If you're just a little bit committed, and I'll give you just a little bit committed program that's

going to give you little types of results, but if you're really committed, I'll give you a really committed program that's going to deliver real results, but it's up to you.

Being the coach and the instructor and the motivator, a lot of people think that I'm the miracle worker. I'm not. I'm the one who designs the map, but they're the ones who are driving the course themselves. So, it's really what's in your heart.

I ask people, "Do you really want this?" They go, "Yeah, I really want this." I go, "Okay, let me ask you this again. Do you really, really want this?" Then, there's times I go, "Do you really, really, really, really, really want this?"

When people are driven towards a goal, they really, really, really, really want it. They don't just really want it. The more you say the word really, the more it goes deeper inside your body because it's not just what's between your ears, your brains, or what's beating in the center of your chest, your heart. It's every single cell in your body contains an intelligence that is thriving off of the energy that you're feeding it that will allow you to attain your goals.

Michael: Were you every offered or tempted to take anabolic steroids in your training and Olympic competitions or as an athlete?

John: Yes, actually, I did take anabolic steroids for a year, and I was very young, and this was another reason why I decided to retire myself because I didn't want to pursue it. I'm glad I experienced it. I'm fortunate enough to not have had the negative side effects that some people have had, but I believe that when you experience something, you're able to teach it better.

I actually experienced the underground anabolic world in sports, and it's amazing Michael. These drugs are powerful drugs. They do work. There are so many kinds of drugs out there that do different types of things from making you run faster to making you more muscular, to making you strong, to make you recuperate ten times faster. That's why these athletes can go into the gym and train six hours today literally because they'll have like two to three hour session, and then the next day, they're doing the same thing.

It's like, "Wait a minute. If I train six hours, I'm going to need two or three days or a week and some people a month to recover." So, there are recovering agents and things like that.

Yes, I got myself involved in that only it wasn't out of passion. It was given to me by coaches, and I won't mention any names or anything like that. But, coaches then knew it was illegal. It wasn't right, but it wasn't as bad as it is today because anabolic steroids are a controlled substance classified in the area of narcotics, and it is illegal to administer and sell them.

So, now I do a lot of coaching and consulting and even guest speaking for schools and organizations on drug cessation, not just on anabolic steroids, but all types of drugs. What I have found since I have taken anabolic steroids, which I just mentioned a little while ago, I look the same and I actually feel better today at 52 then what I did when I was 25 because I'm following healthy principles, not the quick way of, "Hey, let's take this drug, and let's see how it's going to improve my athletic performance."

Michael: Well, anyone who goes to your website, JohnAbdo.com, there's some pictures of you, and you are ripped. Are you still ripped like that right now?

John: I'm ripped like that right now. As you know, I invent exercise equipment and training programs. I'm on live TV all the time. I'll be on QVC TV later this month, and it's kind of interesting because a lot of time I go with a t-shirt on looking fit, I've got a tight t-shirt on so you can see I've got a good symmetry and stuff like that. The producers of the show say, "John, you've got to take your shirt off and show the audience."

I stay ripped Michael only because I follow the principles. I eat very good. I exercise very smart, and I think it. I think that I want to be healthy. I think that I want to be lean. I think that I want my body strong, and as a result of me thinking it, the body just develops automatically.

For more exclusive interviews on business, marketing, advertising and copywriting, go to Michael Senoff's HardToFindSeminars.com.

Michael: I wanted the listeners to learn a little bit more about you and your history, and I want the focus of this interview to be on your story and how you are now kind of a different point in your business career going from an athlete and a trainer and a coach within the sports industry to a businessman, an inventor, and a serious player in the infomercial business.

I want to kind of move into that. First off, did you have any kind of formal education?

John: No, sometimes people say, “Well, what’s your educational background, John?” It’s like, “Well, my TV show which I produced 600 episodes and I interviewed the best of the best of the coaches, the trainers, the doctors, the sports scientists from around the world for professional and Olympic athletes and the like, that was my institution.”

I went to school, yes. I studied chiropractics. I studied physical therapy. I studied nutrition. I studied human biology and physiology and anatomy. So, yes, I’m a master student of all the physical arts, but also the spiritual arts. What does it take to think properly and to use the unseen source to develop the same things in our lives as well as the intellectual?

Early in my career, I found out that whether I was teaching an athlete, “I want you to jump this way,” or a person who needed to cut fat over the abdominals, “I want you to twist your torso or your abdomen this way,” what I found is that they needed the mental intellectual and spiritual stimulus to allow their bodies to move in a way that would produce the best results.

For instance, a lot of people go into the gym, and you could see two people doing exactly the same exercise, same form, everything like that, but if you look inside their brain, one person has a has-to attitude. I have to be here. The doctor told me I have to lose weight. I’ve got to get my body in shape, blah, blah, blah. They have a have-to attitude, but they look the same as the other guy who has a want-to attitude.

This guy is there, I want to get better. I want to always improve. I love being here. This is good for my body. It’s good for me. It’s good for my family. It’s good for the people around me.

So, now I flip things around where I teach motivation first. It’s mind over matter and your body is the matter, and as a result of that, I’ve become so much more successful in my eyes and obviously in my business because I’m literally standing on top of the world right now. I’ve been voted number one fitness spokesperson in the world several times. I’ve had the number one fitness products on TV, and it’s not because I’m just selling product.

People are using the products and benefiting from the products. So, what I have is a huge platform via TV and now the internet to introduce people who have never exercised before, who have abandoned exercise for a long period of time, to say, “Hey, I’m John Abdo, let’s start working out together, and here’s the way to do it. Those of you who are already working out, but there’s a lot of great looking and successful people out there, which they all have a quality including

myself, we're never content. We could always get better. I can help people break thresholds or plateaus or sticking points and things like that.

So, I've been able to diversify myself, Michael, to where my career is dedicated to helping other people improve themselves. The one beautiful thing I've found out, and I mentioned earlier, it's not about me. It's about we. When you give to other people, you at the same time are giving to yourself.

The other thing that I found turning from athlete to coach is that when I started coaching people and started telling people what they do and teaching people and instructing people, I would go home at night saying, "I'm a smarter person."

You learn from coaching. You learn from teaching. So, I've always taught people to teach and mentor and coach and discipline themselves at the same time sharing that same advice with other people.

So, it's a cycle of give and you receive, and it's a wonderful principle to apply.

Michael: You may have already said it, so what's John Abdo's mission and purpose.

John: My mission and purpose is to help people become better. I believe because of my directive in seeking self betterment spiritually, intellectually, emotionally and physically, that I've been able to realize and will continue to realize I have the confidence to know that I will always improve.

These are universal principles that yield success. There's a lot of people out there who maybe and you may know a lot of people who are very spiritual, but they've got no money, or there's a lot of people who do have a lot of money, but they've got poor health or they're out of shape.

I try to balance people's lives to where everything works, and the goals that they say that they have, I want to make money. I want to lose weight. Do you really, really, really want this? If you do, here's some principles for you to achieve that.

John Abdo is a life motivator. I've turned from an athlete to an Olympic and professional coach to a life motivator by applying certain principles

you adapt to these principles, and the end result is sheer success and accomplishment.

Michael: It sounds like you're at the top right now, but things haven't always been so easy for you. In 1999, you nearly went bankrupt. After your show ended, where was your first efforts in marketing and selling products, and tell me a little bit about what happened with the near bankruptcy in 1999, some of your low points.

John: As I mentioned, I had a TV show for twelve years, from 1985 to 1997, and in 1995-1996, television advertisers just started weaning out. It was tough. I produced the show. I was the host of the show. I syndicated the show. I wore all the hats. The only thing I didn't do was I wasn't the cameraman and I didn't do the editing.

Michael: Let me ask you this. How big of a reach did that show get up to?

John: Fifty million households, and it started at like 12,000.

Michael: So, you were syndicating nationally?

John: I was syndicating internationally. It was up on transponder, which throws it up on satellite dish. So, I was getting calls from United Kingdom. I was getting calls from Canada. I was getting calls from the Virgin Islands, but most of these straight line distribution was here in the United States. I had a very large and dedicated viewership, but I sold commercial time on the show, so like Muscle and Fitness Magazine and General Nutrition Centers and companies like that because not only where they in the commercial time of the show, but the packages that I sold them, and I became a marketing expert at this, Michael.

I never went to school for it. I said, "Hey, if they're going to be in the commercials, let me put them in the body of the show. Muscle and Fitness has got athletes. They've got doctors and writers, and they've got nutritional products." Now, I was able to bring their expert resources into the body of the show.

When it was in the body of the show, it wasn't a commercial. We were talking specifically to principles of success and nutrition and health and sports performance, and at the same time, I sold them what I called a splash advertising package where they got a billboard on the show and commercial time on the show.

Michael: So, this show was the foundation. You didn't know it, but the years of experience in operating the show and producing the show and selling

advertising and doing marketing with your advertisers, this is all foundational for what you've been doing recently, right?

John: When I was given the opportunity to produce my own TV show which proceeded me just being a guest on the show, I didn't know how to produce a show, but I had other people producing it at the time for me – the cameramen, the studio, they had the distribution, the syndication, things like that albeit it was 12,000 households.

As I wanted to grow the show and bring it into other homes and networks across the country, I needed funding. I just couldn't do it on my shoestring budget as I was doing in the past, and or relying on the studio who produced it with their funding dollars.

So, I had to assume other roles and responsibilities. I started selling sponsorships for the show, and I got creative with the sponsorships for the show. I would wear t-shirts of the companies that were sponsoring the show. I would have their guest, like Muscle and Fitness Magazine, Lou Ferrigno was on the cover of Muscle and Fitness Magazine. So, I had Lou Ferrigno come on the show, and we'd talk about the Incredible Hulk and his body building career and when he competed against Arnold, and things like that, but also Muscle and Fitness had a commercial on the show.

So, I became entrepreneurial in the fact that I was learning as I was going, but because my business and my life and sustenance thrived on it, I learned very quick. So, now as an inventor, I'm able to put together packages that not only supply the product, but the marketing behind the product which is so essential in a product's success in the marketplace, whether it's on TV, at retail, on internet. There's a lot more than meets the eye, and that is part of the value of me as a consultant or as a teacher of other inventors and business owners and entrepreneurs because there's more to that than what meets the eye.

The example I give, I give the Barbie doll analogy. Barbie doll is just a Barbie doll, but what made Barbie doll so successful was all the clothes and the jewelry and the little purses and the little shoes that these little kids were able to buy after they bought the Barbie. Then, what did they come up with? They came up with Kens, and then they came up with the little Corvette.

Now, all of a sudden, most kids just buy one Barbie doll, and if you were in the Barbie doll business, after you've exhausted that audience, all of a sudden, you've got to go find another business. Because of the after market add on accessories, it made that a multi-billion dollar business. That's what I do with a lot of companies that I work with. I

say, “Hey, let’s think about what your main product is and let’s talk about the after market and let’s see how we can integrate in between.” That’s just one of the many principles that allows people to become successful in direct marketing.

Michael: When you were doing your TV show and you were selling sponsorships to GNC and Muscle and Fitness, I’m sure your eyes opened. You saw that these guys were making big money with what they were doing, selling I guess nutritional and weight loss products. Did this influence you through your experiencing what some of your sponsors were doing and how they were doing that? Was that some of the driving force that got you into developing and marketing and selling your own products?

John: Absolutely, it’s the energy that you put yourself in that influences you. So, as a personal trainer at the time making \$27,000 a year and meeting Joe Weeder who was making hundreds of millions of dollars a year, I said, “Hey, I’ve got something that I know can benefit them, and they have something I know could benefit me. It’s a win-win proposition, and at the same time, I and my company and the people involved with my company, I want to levitate them to higher levels of accomplishment albeit a higher income as well as all the other residual opportunities and benefits.”

So, I was inspired by the people who had started their careers before me, but had developed them into multi-million dollar operations. So, I fed off their energy, but at the same time, I knew I had the same type of energy. I just had not matured to that level yet, but I was climbing the ladder and they seen in me my drive, my determination, my passion and ambition, which is very important attributes that impresses people whoa re going to get involved with you.

At the same time, again, it was a win-win scenario. It wasn’t like, “Hey, give me money. I need the money to support my show.” It was more like, “I have a show that I know can benefit you,” and when you show people that even if they say they’re not, the what’s in it for me type of proposal. They say, “Hey, this is going to benefit me and my company.”

What I have found, Michael, is that these companies, it’s not just Joe Weeder. Joe Weeder has got thousands of people working for him. His company is his family. So, when you help another person’s company, you’re helping the families that work for those companies and the children and everything else. The economic impact of a great business is phenomenal, and that’s the driving force that I have in building my business. I have thousands of people working for me right now, and as

a result of the economic impact of my business, you're not just helping me pay my rent and put food on my table and take care of my immediate family.

When my business succeeds, thousands of people are being benefited from it. So, it's a responsibility and a responsibility factor is something that really is a great driving force.

Michael: Who were some of your real business mentors? Was Joe Weeder a business mentor to you? Did you have any giants in the industry that you really looked up to and kind of took you under their wing and directed you? Or, did you do it all on your own?

John: I would say I did it all on my own and it's something I'm probably regretting now only because there was a part of me back then, not now, there was a part of me back then that did not want me to disclose to people that, "Hey, I'm only making \$27,000 a year and you guys are making hundreds of millions a year." I didn't want to show that.

When I went to these companies, because I was going to them for the intent of securing funding and sponsorship in a win-win scenario, I was thinking and acting literally and even believing that I was on their level. As a result of it, it manifested, but in all honesty, Michael, I did feed off their energy and I did watch the way that they handled me and the situation, the decisions that they made, their diplomacy, the way they articulated things, how they paid and sent me the checks when the checks were due, things like that.

I said, "Hey, successful people are honorable people." So, I definitely learned from that, but outside of that, my mentors have been people like Napoleon Hill and U.S. Anderson and James Allen and all these great people that have written all these great books over the years. Avatars like Jesus Christ and all these people who have done great miraculous things by following the principles, so I delve into books and audio cassette tapes and things like that in my time that I wasn't presenting myself to other people, I was feeding off of the energy of the past that is ongoing. So, I would say that that was my mentorship pursuit.

Michael: What happened in 1999? You were near bankruptcy. Where were you at that point of your career?

John: First off, let me tell everybody that struggle is probably the best thing that anybody can experience. We started this conversation out talking about athletes and how athletes train and they have to work real hard,

and they succumb to very rigorous training principles hours and hours a day and things like that.

The end result is a highly conditioned organism, albeit the human organism. Without the struggle, the pain or the challenge, there is no way somebody can condition themselves up.

Michael: It's mental training, that's all.

John: It's a mental training, and it's scratching for the truth. In my time of financial turmoil, sponsors were pulling out of my show because it was actually after eight to ten years. My show being a unique show, there's a lot of copycat shows out there. There were dozens of aerobic shows and fitness shows. A lot of these main sponsors considered, "Hey, they had the same audience as John Abdo, or similar audience, let's buy time on their show."

So, what I was commanding was like \$2,500 for thirty second commercial dwindled down to like \$250. The show was poor. It wasn't making any money.

So, I was near bankruptcy. I was very close to it right at \$100,000 in debt. I had a beautiful three bedroom home on a river in upstate Illinois and a boat in the water and a dock that I had in my back yard so the boat was always in the water.

Michael: Were you married at the time?

John: I was not married at the time.

Michael: How about now?

John: I'm not married now. I'm a single guy. I was married once. I have a beautiful daughter who is 26 years old. She was born on my birthday. So, I've gone through the typical adversarial situations like most people go through, certainly a lot of entrepreneurs.

What I experienced in the near bankruptcy, I sold everything that I owned. I had to. I had to liquidate. I had enough money to pay off some debts, which bought me some time.

Michael, I had six months to live literally. I moved out to California. I figured if I'm going to be homeless, I'm going to go where it's warm. I'm going to go where it's warm.

So, I went out to California, and because of the TV show that I had produced up to about two years before that, there is a hotel that I used to credit on the show, "Accommodations provided by." It was in Venice, California. They're very sweet. They said, "If you ever come out to California, we'll put you up." I didn't know how long they'd put me up, but they put me up for three months.

It was six months to the day that I started earning royalties from my first invention. It was one of those things where I only had six months, and it was six months to the day that I earned my first royalty check. From that point, it was just unbelievable. I became a millionaire within five months of that point, completely turned my life around, and all I do is look back and say, "Those principles that I followed and committed to with a want-to attitude not a have-to attitude finally came to fruition in spite of all this adversarial situation."

I sold my big three bedroom beautiful home, my boat, my cars. I sold everything. All that was, the way I look at it, a test by the universe of my faith and patience, but to show that there was a big change in my life and that big change included changing everything including my residency, my location and everything like that.

Michael: So, you stayed in this hotel. Where was the hotel?

John: In Venice California. It was right on the beach in Venice.

Michael: Perfect, so you're right on the beach in Venice, and they put you up for three months. So, when you first came out, what was the idea? What was this invention? Tell me where this idea started.

John: I had been working on the idea for a couple of years before that, and that was another reason why I got into financial trouble is because the money I was making from the TV show, which as I mentioned was weaning down, I was funding my invention.

Michael: What was it?

John: The Abdoer.

Michael: So, your Abdoer was your very first invention?

John: Yes, the Abdoer was my very first invention, and I had to fund the patent and the attorney and a lot of the upstart marketing materials. I had to travel to trade shows to do presentations and things like that. So, I was ten, fifteen, maybe twenty, twenty-five thousand dollars into it just raw dollars without time factored in out of my own money.

So, the Abdoer was draining me, but like most inventors, it's like, "Hey, this is do or die." I believed in this product. I've got to make this thing work no matter what, and again, with the TV shows declining sponsorship funds coming in, and I wasn't profiting. I was paying everybody that was working for me, which was only two people at the time with all the outsourcers that I have. I had a fulfillment company, a telemarketing company. I was paying all my bills, but I wasn't paying John Abdo, and I became that deeply in dept.

Like I mentioned, I made several presentations for the Abdoer, and sometimes people don't act like, "We'll take your invention. We'll be the licensee for your product." It didn't happen until six months later. I got a call six months later.

Now, mind you, I sold everything that I owned. I sent forty boxes of clothes and computer equipment, and I had my little stereo and stuff like that, I sent forty boxes to the hotel. That was all I had. So, there was times when I was obviously packing up to leave, in transit, when I left, and then once I got to California to get set up, there was times when I wasn't really that much focusing on my adversarial financial situation. I was just focusing on reestablishing myself.

Like I said, I only had enough money literally based on what my expenses were at the time, and I got three months free rent, but three months thereafter and my gas expenses, my auto expenses because I leased new cars, I had six months to the day, Michael, and within five months, I got a call from a marketing company saying that they were going to take on my product. Six months I got my first royalty check.

It was a miracle. Miracles happen when people expect the miracles to happen. I expected this to happen. Even though I was going through selling everything that I owned, changing locations, having to lose my first big baby and my big baby, the one I loved the most was my TV show. I loved that show. That was my baby. It brought me around the world. It put me in contact with people in all areas that I was interested in. It was my promotion, and it was my dedication, but I lost that.

I didn't have the funds to support it anymore, so I had to get rid of it, but when the Abdoer hit, it just opened up a whole new world for me, and it was just fantastic.

You're listening to an interview on Michael Senoff's [HardToFindSeminars.com](http://www.hardtfindseminars.com).

Michael: So, I want to bring you back, and I want you to try and remember the very first germination of you wanting to be an inventor, this idea of the

Abdoer. Where did it germinate? Where did it start? How far into your TV show career were you? Tell me where the idea started, you said in your head, "I'm going to invent something. I want a product of my own that I can control and sell." Where did it all start?

John: When I first had the idea for the Abdoer, it was in the midst of financial turmoil with my TV show. This was like 1994-1995, and I'm laying in bed thinking, "God, I need something. I need to get out of this situation. I need to make money to support my family, and I want to have something that drives me passionately for my career and my professional life."

At that time I was maybe \$70,000 in debt, and it was just like one of those things where I'm laying in bed just asking, praying, wondering, all this other stuff, and boom! Michael, it just like fell out of the ceiling right into my head. It hit me so profoundly that I seen it now, and I seen the future.

I seen everything with this idea. Now, it was me putting all those time periods past, current, and future into a tangible presentation because at the time and even more now, I knew that this product would help everybody, not just athletes, but it would also help people who needed to lose body fat.

Michael: Explain for the listeners who don't know what the Abdoer is, what this idea was, what problem it was going to solve, what market it was going to potentially go, what was unique about this idea based on all your experience.

John: When it comes to abdominal training, back then and even today, aside from John Abdo Technology, there's a major flaw in the industry. Everybody was on this crunch craze. It was an abdominal crunch craze. Lay on the floor and lift your chest and head just a few inches of the ground, and you're contracting your upper abdominals.

Everyone was doing crunch, crunch, crunch, well concurrent with my fitness career, I was also working in rehabilitation and physical therapy and things like that and we seen a rise in back injuries from people whether they were athletes or not athletes, and we'd ask them, "Hey, what kind of training are you doing?" Of course, crunches were part of the training.

They were overdeveloping the abdominals, but if you look at the torso from a full circumference, 360 degree parameter, the spinal column sits in the back. They were ignoring training the mid to lower back. So,

the spinal vertebrae lacked muscular support of that very vulnerable skeletal region.

So, by overdeveloping the abdominals which everyone was focusing on a six pack, they were underdeveloping their lower backs. Back then, a lot of doctors, professional fitness trainers, even physical therapist said, "Don't train the back. This is the worst part of your body for injury," which it was.

Was saying, you need to train the back. The reason the people have lower back problems is because they're out of balance or out of condition or too weak. So, I invented the Abdoer to mobilize all of the muscles surrounding the spinal column from the back, from the sides, which we can call love handles, and you have fat obliques on the side and certainly the abdomen region.

So, here's a product that allows your torso to have this complete natural anatomical functionality in every position, forward extension, backward extension, rotation, twisting, circumvection which is round circular motions, just like if you were in a seated position doing a dance or figure skating or shadow boxing and if you're looking at the skeleton of that person watching the spinal column and the torso rotate.

The Abdoer has several patents on there. One of them is a spinal decompression chamber, so as you're moving your torso in all these different positions, you are not compressing the intervertebral disc, the intervertebral disc is that cartilage in your nose, and if you squeeze your nose right between your nostrils you'll feel a little piece of cartilage in there. It's like a guitar pick, and that's exactly the same type of cartilage that is in between each of the 24 vertebrae that goes from the bottom of your skull to the top of your pelvis.

Michael: Did you see any machines out there that provided the benefits of your Abdoer? Was there anything in the gyms?

John: There was nothing anywhere, Michael whether it was at professional sports facilities, orthopedic medical, rehab clinics, fitness centers. There was nothing. The Abdoer was a total original idea. Part of me is saying, "Hey, there's other experts out there in anatomical science and human biomechanics. Why hasn't anybody else had this idea?" That's the beautiful thing about inventions.

When you have an idea, that's a viable idea, it is really profoundly different and profoundly beneficial. So, that's why I pursued it, and it ultimately became the number one product in the world, which took time, obviously, but it was definitely something that I believed in.

The Abdoer number one is a feel good machine. It strengthens the inner core of your body from the spinal column number one, which houses your central nervous system, but it not only works the abs, the Abdoer, I tell people quit thinking about just the abs because the Abdoer will get your abs, but start thinking about the entire midsection. People are doing crunches and crunches and crunches. Me, too. I was doing 500 crunches a night, and the front part of my midsection got strong and a little bit leaner, but I still had fatty sides, love handles, and my lower back. I was suffering lower back.

I actually had a back injury for many, many years, and when it came time to put on my bathing suit or tighten the belt around my pants, I'm thinking, "Hey, these pants or this belt wraps around my entire midsection, so why am I only working on part of it," which is just like four inches to each side of my navel and four inches up and down my navel. I need to work the entire midsection.

As a result of that, it's almost like if you took a balloon and you just pressed one side of the balloon. When you press one side of the balloon where your hand is pressing, that becomes flat, but the other sides protrude out.

Now, take that same balloon and tie a ribbon around the whole balloon and tighten that ribbon. Now, all of a sudden everything that the ribbon is touching becomes tapered so now you have that symmetrical taper.

The Abdoer is just a beautiful machine as far now with its bonus effect of having that look good benefits after being a feel good machine. It develops the inner strength and integrity of your body, the skeletal, nervous and muscular system, but because it's fat burning and muscle shaping effects with the system, it body shapes and loses body fat around the entire middle region of the body.

Michael: So, there's your big idea. I understand your unique selling proposition. I understand your positioning in the marketplace. There was nothing out on the market like this. So, you had this idea. What was your first step that you did to pursue your idea?

Now, you've got to think, we've got a lot of impacts people who are inventors, who have ideas. They've got their big idea, and I want to take the listeners through the process of how you pursued it, and let's talk about any of the mistakes and some of the pitfalls and some of the warnings, some things that you personally experienced from the first germination of your idea to a successful product through infomercials.

You laid in bed. You had that idea. You had tremendous financial stress. What did you do to act on the idea first? What was your first instinct to do? Get a patent?

John: There's a multitude of things that you have to think about because pursuing the maturation or the tangibility of an idea, of an intangible or an unseen. What I had to do was make a list of all the things that I had to do and were necessary to do in order for me to develop and protect and market my idea, which was a vast list. I definitely kept an inventors log, which many, many years later helped me win a lawsuit having that inventors log because I had things documented in that log that my opponent who was trying to sue me for a frivolous claim. They were just opportunistic trying to get me to settle. They could not back off. They couldn't believe that I had this log as detailed as I had it.

Michael: Tell the listener why it's important for them when they have an idea to document.

John: It's important to document everything to do, for yourself, number one because you want to make sure if you're making phone calls or contacting people, it's a good ticker file to say, "Okay, I called Michael today. I left a message," or "I spoke with Michael today and he told me he's going to get this done for me by next Thursday." So, in your log, you put next Thursday expecting a call from Michael, things like that.

It keeps you inline with that because if you don't have a secretary or secretaries and assistants and things like that, you're basically a one man band. So, you really need that, plus from a legal standpoint, you need to document the development of that intellectual property because from a legal standpoint, you really need to have the heart of the process documented should you have to go into some litigious situation, which I've been in, and fortunately I've been able to win because of the fact that I've had valid documentation.

I pursued developing a prototype after contemplating the idea in my head. I'm thinking, 'Okay, this is how the human body moves. Can I invent a machine that compliments that?' It was quite challenging at the beginning, but I went over to one of those Dover Square type of places, one of those big gigantic places. I'm over there and I'm looking for just some PVC pipe. I'm a handy guy so I know how to get plumbing and constructing materials and things like that.

I remember walking out of there Michael with like \$4.89 worth of pipe and elbow brackets and things like that. The funny thing is that when I was in there, the gentleman that was working there in the store, I say, "Hey, where can I find these elbow brackets? Where can I find PVC

pipe, and all this other stuff?” The guy was very, very helpful, but after a while because I needed like about ten or twelve different parts which were all glued together ultimately. He’s scratching the back of his head. He goes, “Wait a minute. This isn’t your typical plumbing job. What are you trying to build here buddy?”

I told him. I said, “It’s an invention. I can’t tell you.” That was like my first funny story with the development of the Abdoer.

Michael: Before you did that, you just mentioned you wanted to keep it to yourself, which I think is important for inventors, not to tell everyone about their inventions until it’s documented and protected. Did you make any steps to protect or file a patent or call one of those supposed patent companies off TV? Anything before you got to the process of building your prototype or was that your next step?

John: Oh, yes, there was multiple things occurring concurrent with one another.

Michael: Let’s talk about some of those because other inventors who hear this are probably going to be doing the same thing, and I want to give them advice on experiences that were good and bad in that process.

John: You had to put together drawings, and you don’t have to be a great artist, just start drawing it. As you’re drawing it, you’re learning from it, and you have to date it. That’s one very important thing. Put dates on there.

Michael: Did you have professional help helping you with this?

John: Not in the beginning stages. No, I was just a solo team. It was just John Abdo and Associates, and I was the associate. You put together drawings. I went to the hardware store. I built a prototype and even though it was a funky what we called the duct taped glued together prototype, it actually was like, “Wow, this thing is going to work.”

So, I was documenting things like that. I was looking through directories. I went to the library. The internet wasn’t big at the time.

Michael: What were you looking for in directories?

John: Patent attorneys, marketing companies. I was familiar with TV because I was involved with TV with so many years, ten years at that time, but these weren’t infomercial companies, but they were companies that did advertise on TV. I used to go to all the sporting good shows, and the sporting good shows would have companies that did TV advertising.

Michael: Did you proceed to get a patent on your intellectual idea?

John: No. What I advise inventors is not to get a patent on their idea at the beginning.

Michael: Why?

John: Because if you apply for a patent and the product isn't even developed, once that patent is released, now all of a sudden at the time that you file that patent especially in my duct tape stages, by the time I actually was ready myself to file for a patent which is about a year and a half later, the product had changed so much.

So, you really need to have your ducks in a row to file for the patent. The best thing to do is to file for a provisional patent application.

Michael: What is a provisional patent application?

John: A provisional patent application is a broad understanding of the spirit of the idea or the invention, and from there, you could add on different descriptive elements, and the provisional patent application secures your idea for one year. So, the clock starts ticking once you file the PPA.

Once that provisional patent application is filed, now I could bring it to anybody. I could bring it to ABC Marketing Corporation and say, "Sign this non-disclosure agreement. I have a patent pending on this particular product." Now, you can legally and hopefully securely disclose your idea to another company with the fact that this is just a rough prototype. This is the spirit of the idea, but it's certainly not market ready. So, there's a lot of changes that can be made to make it look better, but certainly function better, maybe even ship better and assemble better and cost less and things like that.

So, to come up with a patent right away, unless you fully know everything about that product is not the best way to go, and it's also the expensive way.

Michael: Who helped you with the provisional patent?

John: I had an attorney do that.

Michael: How did you find your attorney?

John: Through a phone directory. Here's how I selected my attorney. I call people up through a directory and I bought books on inventing and things like that. I just found different books in the library and bookstores and stuff. I called people up, and Michael, the one who had the patience to listen to what I had to say was the one I felt the most comfortable with.

The other ones, "Yeah, right, okay, just come on in. I charge \$400 an hour, blah, blah." The people who were fast, impatient, didn't give a hoot on who I was or, "Hey, I've heard this story a thousand times before," because I told them, "Hey, I've got this great idea, and I'm John Abdo, and I've got my own TV show, and I've got a big audience already and I know fitness."

I needed to work with somebody I felt comfortable with because I needed to talk about my product, and when you have intellectual property, one of the things the attorneys ask you is who did you tell? If you say, "I told my girlfriend," or, "I told my father," they go, "Oh, it's public domain. You can't do it. It's not patentable anymore."

Some patent attorneys will tell you that, and I want to throw in another disclaimer here. I'm not a patent attorney, and what I'm telling your listeners right now or telling you, it's different for other inventors and what other invention counselors and or patent attorneys would advise. This is the route that I went, and it ultimately was the right and safe route.

However, securing the patent for myself which I ultimately obtained in 1999, and my second patent was issued in 2001, doesn't prevent you from getting knocked off. I had over 33 people infringing on my patents, and certainly doesn't prevent you from going into a lawsuit. It just gives you offensive rights to protect yourself. I just want people to be aware of that.

Michael: Okay, so you hired this attorney. You did your provisional patent. Did he have to do a patent search? Can you describe what that is to the listeners?

John: Yes, that was really enlightening because all of a sudden, he goes, "John, I've done so many patent searches for inventors before who come to me saying, 'Okay, I've got this original idea. I've never seen anything like this before.'" Michael, if you've never gone and done a patent search, at the time, I went to the Chicago library because I was living in Illinois, and we do a patent search, they've got that microfilm. There's millions and millions of bits of information.

Michael: What's the purpose of a patent search?

John: To see if somebody else has got a product out there similar or exact or that your product infringes on that because you could spend all the time, money, and effort to develop, to build, to capitalize the product, to pay for patents and trademarks and all that other stuff, and then as soon as you release all of a sudden you get a letter in the mail, "Dear Mr. So-and-So, you're infringing on my product. I have the same patent, or I have something that you're infringing upon."

You don't know that. I mean, everything is secret until it becomes public domain or it's released. So, you're just really keeping your fingers crossed, and a good patent attorney can do a great search, but they'll always tell you this is their waiver and their disclaimer. We can't search everything that's out there.

My product fell into the fitness category. It fell into the sports category. It fell into the medical category, physical therapy category, and there's no way they can search that.

But, the good thing is that when they did come back with a search, I believe they came back with like twenty or twenty-five products that when they came up with a search, these were items that the search came up with similar. You looked at them, and I go, "None of these are similar. None of these even come close." Then, you ask your patent attorney, "Am I infringing on anybody?" He says, "No, but they do come up." It's what they call other arts or other inventions that are currently in the marketplace that would be within a category or close proximity of similarity to what you're inventing.

Michael: For the listeners, we're doing a patent search because we want to make sure that our idea is novel and original. So, give the listeners the best John Abdo definition based on from your understanding what a patent is, and why would someone even want one? What criteria do you need to be awarded a patent by the US government?

John: The broad term that I use, in layman's terms, as an inventor, and obviously, there's professional definitions of this – a patent is the grant of ownership to that idea, which allows you to have that ownership for a specific period of time, which is usually about seventeen to twenty years depending on when the patent is released.

So, now you own that patent. You own that idea, and nobody can produce something similar or exact, and you could obviously go after them for cease and desist or for royalties or suing them for blatant

infringement or blocking them from coming into the marketplace into stores or putting it on TV.

So, the patent is your way of protecting your idea. The law here in the United States is not the first to file for a patent, and this is a real touchy area, and there's some patent holders and inventors that say don't ever file a patent. You don't need to file a patent. There's some truth to that, but again, I'm not an attorney, and I'm not giving the advice. I'm just giving the scenario that if you could prove that you were the first to invent this which is by a log, show documentation and on computers they have date created, date modified and all the documents and things like that.

Somebody could come up with an invention. You could say, 'Hey, you're infringing on my invention. We did an examination and your product never came up in the patent search.' I never filed for a patent, but this is my idea that I kept to myself and my date pre-dates your dates. So, I was the first to invent it.

According to some patent attorneys, legally, you have the right to sell that idea.

Michael: Even if you didn't file for a patent with your idea.

John: Even if you didn't file for a patent. I recently listened to an interview that I had listened to a long time ago, and let me listen to this guy again. He suggest to inventors not to file for a patent.

Now, let me explain this Michael. When I went to marketing companies to market my product, they have to invest millions of dollars, literally in inventory, in the infomercial, which infomercials today cost on the low side \$200,000 on the high side \$600,000. Some infomercials that you're seeing on TV are cost a million dollars. That's just for a thirty minute infomercial. It has nothing to do with the instructional DVDs, the user group, the university tests. There's literally one to two million dollars invested in the project.

They want to make sure that the project that they are investing in, your idea, your invention is patented so in the event that somebody comes after them later on like, "Hey, you're selling my product on TV through your infomercials," that they have legal rights to stand their ground and to obviously protect their investment and their property.

So, you as the inventor are the licensor of that technology to the licensee which is the marketing company, who most likely, in every situation that I've been in, demands a unique original and patented

idea in order for them to risk the high risk investment from that particular project.

Michael: John, what kind of patent did you have, a utility patent or a design patent, and can you explain if you know the difference?

You're listening to Michael Senoff interview John Abdo on HardToFindSeminars.com.

Michael: John, what kind of patent did you have – a utility patent or a design patent, and can you explain if you know the difference?

John: A utility patent is what I have, and it's basically a function. The Abdoer as I mentioned earlier allows you to function by moving the spinal column or the torso or your whole waistline abdominal region in a specific function. So, that's the utility of that.

A design patent is like the best example, if you go on the internet and you look up design patent, usually an icon of the Coca-Cola bottle comes up, that symmetrical Coca-Cola bottle. That bottle's design, that symmetrical design, is a design patent. It has basically no function to it, and some people may argue, well the gripping of it where it narrows it, you can get your hands in there and it won't slip out of your hands – things like that. These are all part of the descriptive process in putting together intellectual property. It's something as simple as a bottle design could have thirty pages of descriptions to it.

I encourage all the inventors out there, people interested in this, to go to the US patent and trademark office, and click on either trademarks, and particularly patents, and start reading some of these descriptions. You'll be blown away at how deep and detailed these descriptions get.

That's why I mentioned earlier, you don't get a patent right away because you need to learn to describe not only the product you're going to bring into the marketplace, you need to be able to describe if somebody wants to knock it off, what would they do to get around your patent that would allow them to have something that is not infringing to your product, but was inspired by your product.

For instance, if you look at the old glasses for instance that you drink out of, you just put your hand around the glass. Somebody says, "Hey, if I put hot liquid in that glass, I grab the glass, I'm going to burn my hands. Let me put a handle on there."

So the guy who invented the mug and put the handle on the glass doesn't infringe on the guy who invented the glass so to say. I'm just

giving an example here because the handle makes it different enough that it was inspired from the original invention, but in and of itself, it's a totally different function.

However, if the guy who invented the glass only marketed the glass, but in his patent description he says, "Well, we could put handles to it. We could put different bases to it," this that and the other, whatever he put in his patent description, even though it may not be seen in the marketplace, he still has it protected in his patent description. So, you go beyond the scope of what's originally being patented, and that's where like with the Abdoer, I had engineers look at my product, and say, "Hey, what would you do different?"

Look at my product, and if you wanted to knock me off, what would you do to knock me off. It's like, "Okay, put that in the patent description," and it's so helpful because I've read patent descriptions like I mentioned before, twenty or thirty plus pages long for what we would think to be one little simple idea. These ideas aren't simple. Michael, they're very complex especially when you need to protect it.

It's almost like you have a baby, and you're trying to envision that baby when that baby is a full adult. Here's this baby breast feeding, and it looks one way, and then when it gets older and it's got different color eyes, different color hair, a different body shape, all this other stuff. What will that baby or that brain child of yours, that invention, what kind of forms will it take on as it matures and how could we dress it up later on, and all that is considered and or should be implemented into your patent.

Michael: So, advice to the listeners. Don't skimp on a patent attorney.

John: Don't skimp on a patent attorney. I consult with inventors all the time. I consulted with three of them yesterday alone. All of them say, "I don't have the money. I don't have the money." I say, "Well, you need to find the funds to get a good patent attorney to do a search and to put together a good description for you."

The description is also in the provisional patent application. Your provisional patent application may be the same application of the patent, if you don't change the product, but it's a lot cheaper. I think it's \$1,500 compared to over \$5,000. Each patent attorney is different, and the fees that the US Patent and Trademark office keep escalating, but to have the security of a legal, licensed counselor is imperative for your future.

A lot of people are out of the gates with no money. Now, here's what happens to a lot of inventors. A lot of inventors come to me and say, "Hey, John, I've got this idea, but I've got no money. Would you be interested in marketing my idea?"

Now, when somebody comes to you with just an idea and it's scribbled out on paper. They've got no prototype. They haven't put one penny into it. It is the highest risk for me or a marketing company or an investor to get involved. So, that inventor is going to get paid very, very small because we have to incur not only the cost, but it's going to take us over a year to develop this project. Projects don't come on the air at least on TV within two or three months. It takes a long time, especially if it's a tangible project and we're shipping goods in from out of the country.

The more an inventor can do – an inventor comes to me and says, "Hey, I've got a patent. It's already secured." Now, all of a sudden, I'm thinking, "Hey, I've got anywhere from fifteen to 25 maybe \$50,000 in legal fees that I don't have to pay. This guy already paid. Okay, he deserves a little more." Or if he says, "Hey, guess what? I got manufacturing secured. I've got my prototypes already done. Just bring it to the factory, and they'll replicate those." Hey I don't have to pay my engineers, and do prototyping which is a huge cost because you have to pay your engineers and or take your engineers off current projects to work on this new project.

The more an inventor can bring to the company that he or she wants to manufacture, market or distribute and or advertise, the more leverage the inventor has in getting paid. So, a lot of inventors say, "Oh, I got ripped off. I got ripped off." They really didn't get ripped off when they understand the complexity and the risk and the cost and the energies involved in taking your idea to fruition and having it being sold in the marketplace.

Michael: What about the commercials I see with the cavemen and some of these services? Is that something that you'd recommend people give a try to?

John: I'm going to say no, and the reason why I say no is because I know a lot of people who have been ripped off by these people. The other reason why I say no is I'm kind of partial because I formed an organization called NICA, which is the National Inventors Coaching Alliance, and what NICA is it's real people like myself who you see on TV all the time, then it's like, "Hey, this is a real person who is just like me, an inventor many years ago, who made it, and I'm making million

of dollars right now with my technologies. I'm a real person doing real business, generating real results."

Now, when you watch those cavemen ads on TV, who are these people? I don't know who that person is. When you go to their website, you look at their products, I've never seen these products in the marketplace. They may be good people. They may be legitimate people, but I would feel far more comfortable in dealing with somebody who I have a familiarity with because we all have better business bureau track records. We're under investigation constantly with the FTC, so we're FTC privy. We stay aligned with the FTC.

In fact, everything that we do, we consult with FTC attorneys saying, "Hey, here's the project we want to get ourselves involved in. What are the guidelines for us to do this?"

A lot of companies who don't get themselves involved with an alliance like mine, the National Inventors Coaching Alliance, embark on producing an infomercial or any type of marketing campaign. They put it on TV, and then all of a sudden, they're hit with lawsuits and fines that they can substantiate their claims, this, that and the other, because what they're doing in their show, even if they're doing it honestly is not abiding to FTC principles.

So, that's one of the guidelines, but I've heard so many inventors, and I haven't really heard one success story that has gone to those invention submission companies and have succeeded. What they want is huge upfront fees which they entice you into paying, and they get it. That's how these companies stay in business.

Again, I can't speak for everybody, Michael. I'm sure there's some good companies out there. NICA, the organization I've formed, we are not an invention submission company, although we have companies that are always looking for inventions.

The company that says, "Come on in. Let's see your idea, and pay me \$12,000, and I'll help you with this thing." I raise red flags when people try to go that route. The commonality I see with a lot of inventors, and I speak one on one and in groups, I do keynote speaking. As you know, I'll be at the IMPEX convention in June, if this is going to be airing before June. The response magazine EXPO convention, I have a great relationship with Response Magazine.

Every inventor, there's not one that I haven't spoken to that hasn't been ripped off or doesn't know who to trust. There's some negative emotion, which is a legitimate negative emotion, so my alliance with

the National Inventors Coaching Alliance is there to act as a buffer and a security blanket to inventors so we can connect you to the right professionals.

Michael: Were you ripped off in your patent process at all, tell me you filed your first patent. Was it only a US patent? When did you expand to international patents or additional patents?

John: I originally filed in two countries, and basically when you file for a patent, at least what I was counseled at the time is that you file in the place of origin or where it's being manufactured, which mine was in China, and then your major distribution which was here in the US. The Abdoer took off. We sold a million units in five and a half months. It was the biggest, fastest, most revenue generating product sales fitness product of all time.

Michael: Once it took off, did you have to file another patent to protect?

John: Once the product took off, and it took off very fast and very big, some big, big numbers, other countries were interested. So, now all of a sudden, we had to file in other countries.

Now, the fortunate thing I had licensed it to a marketing company who had now seen the potential, and although I and or my partnership or my company who I had an angel investor, who is a great guy, and he was more than an angel just giving me money. He was involved in the daily operators. He was a very astute businessman.

We had funded the Chinese and US patents. The marketing company says, "Hey, this thing is flying. We have other countries that want this product." They incurred all the expenses, and our deal didn't change. I got the same royalties and everything like that, which is a beautiful thing.

So, if you could prove your product, especially in that type of scenario where sales are thriving, it lowers their risk, and they'll definitely stick their hands deeper in their pockets to invest more into it.

Michael: Ballpark, what did it cost for those first patents?

John: Patents for China and the United States, I'm thinking it was about \$25-\$30,000 with everything. We had patents. We had trademarks. I produced instructional videotapes that I wanted to copyright and trademark all those. There's several patents on the Abdoer.

As I mentioned before, there's a lot more versions of the Abdoer than what meets the eye, than what people have seen on TV. I had lower priced versions. I've got higher priced versions. I've got medical versions. I've got rehabilitation sports-training versions.

So, there's a lot of different versions, and as a result of that, was obviously the patent attorney says, 'Okay, I'm going to try this description. I'm going to spend X amount of hours more describing this,' so you obviously pay more.

So, we were willing to fund as much as we needed to fund to protect what we felt was a viable idea, and albeit Michael this was before we sold unit number one. We just believed in our technology like most inventors do, so it was certainly risk, but that risk certainly paid off big time.

Michael: What is a trademark? Did that same patent attorney assist you in trademarking the name of the product? If not, when did you handle your trademark issues?

John: Trademark really happens concurrent, and a lot of patent attorneys, again I'm not one, will tell you that as long as your name is out there, it's trademarkable. It's out there, and I have like a sales receipt, or certainly like a sales brochure, if the box that the Abdoer is sold in, the Abdoer is out there, and if I could prove the date, that will secure the trademark.

A trademark is really securing the sign or the indicator of that particular product. In my case, the Abdoer, that name is a trademark.

Michael: Now you've got this product. You've got it patented. You've got a prototype and you need money. What was your thinking at that point? You needed a private investor. You needed money to fund this project. How did you go about finding your angel investor, and explain to the listener what is an angel investor?

John: I went about it just like anybody else would go about it. It's like, "Who do I know that's got money, and or, who can I reach out to that would fund this project?"

Michael: How much did you think you needed to get it going?

John: I can't remember if I had it figured out. I didn't go into saying I need X amount of dollars. I went into it saying I need somebody to take over my cost of doing this process, and you would enjoy a percentage of the profits. I went into that.

Some people say I need to raise a million dollars. I need to raise ten million dollars. I need to raise \$250,000. I didn't have an exact number place only because I didn't know. I had no idea. I had no way to do projections or any of that other stuff. I would just pull them out of the air, and I see a lot of inventors who come to me with projections. I go, "Where did you get these numbers? Did you just pull them out of the air?"

It's like, okay I'm going to sell a million units, a million times five dollars royalty is five dollars. Projections are just that. They're projections. They're not tangible figures. They're ideas.

So, I went to my financial advisor, my accountant. I went to the bank. I just started telling people I have an invention, I'm looking for investors. I got the energy going, man. It's the power of networking.

One of my financial advisors who had set up my insurances and stuff, he obviously was financial advisor for other people. He says, "Hey, I know a guy who knows you. He sees you on TV all the time because of my TV show. He'd love to meet you."

So, we set up a meeting. From day one, I mean, it was almost like that meeting, it was like the easiest thing for me, but granted I went in there being a household celebrity. My TV show was airing all the time. So, when John Abdo came walking into your house, it's like, "Hey, I've seen this guy before. He's got something good going for him."

Michael: Were you back in Chicago or in California?

John: No, I was in Chicago at the time. So, I already had credibility and name and image awareness already branded. I had brand equity to myself. So, other inventors don't have that advantage, but that doesn't mean that they're at a disadvantage. There's ways around it.

So, he decided to invest, and he had resources, people who could help me with prototypes and accounting and all that other stuff. So, Michael, I wasn't just looking for money. If somebody would've just thrown a million dollars on the table and said, "Here, take the money and go and produce." Now, all of a sudden, I would be in charge of having to spend that money and finding the people I would spend that money to. That's a huge operation.

I wanted to develop a product, and I wanted to be the spokesperson of the product, and I wanted to have an association of people who did what they were supposed to do. So, my angel investor wasn't just an

angel who just threw me money. He gave me resources and his expertise, and he was just a great, great guy.

Michael: He knew how to take it to market?

John: Basically, he helped other people develop businesses and or build businesses and sell businesses for profit. That was his forte and his claim to fame, and he was a very, very wealthy man. So, we had a great relationship there.

So, when you're looking for something that you desire to find, you'll find it. I tell people just get that energy going. Get the ball rolling, and you will find what you're looking for.

Michael: What's realistic? You've had to think how much of my company do I have to give away. Was there negotiating back and forth? What was your thinking before you went in for that meeting? I'm sure you had some concerns or questions of how much this guy is going to want, and what advice would you give someone else who's looking for money, how much to give away or how much to keep for yourself?

John: Today, when I go into presentations, it's a whole lot different. I'm twelve years as an inventor, not just a guy who had an invention. I'm an inventor now. I operate under inventing and business principles. So, when I go into a presentation, I pretty much know if it's not pinpoint what the range of my high and low acceptance would be.

Back then, especially having admiration with the gentleman that ultimately invested in me, I entrusted him in giving me a proposal because he knew start-up businesses and what it would take and what would be fair and stuff like that.

So, I told him, "Give me an offer that you feel is fair but is in both of our best interests, but more importantly it's in the best interest of the project because there's a lot of people involved with this." He gave me a very, very fair offer.

Michael: So, who was in control? Did you lose control because you handed it?

John: No, in fact, when I say he gave me a very fair offer, he made sure. He says, "John, you need to retain control and ownership of your property. I'll come in. I'll invest my money. I'm going to get a percentage of the profit, but you own the intellectual property. You have all rights to the project. If we license it away to somebody else, they are licensee of that project as long as they're producing." It was a very, very fair offer.

I learned so much from this guy, and I hit a grand slam home run almost my first time up at bat with this guy because not only was he astute and very professional, but part of being astute and very professional was that he was honest and looking literally at the entire project. He was making decisions as if it was his project, which is the only way to really look at a deal. It has to be win-win.

You can't do a deal of a what's in it for me type of attitude, because even if he would've given me 99% of the business, which I'm not going to disclose what he gave me because that's confidential, and each project has it's own dynamics, but even if he gave me like super doper control of the business, ultimately it would've failed because it was lopsided. It would've been totally in my favor, but in disfavor for other elements, other parties and associates and resources within that project.

So, it has to be for the project in totality. I only tell people never only think about me. Always think about we, because that's the only way a project is going to thrive.

Michael: Don't be greedy. The other parties will be resentful.

John: Yes, people, especially inventors, and I'm an inventor and I know the personality traits. We go into these things very desperate, and we are easily manipulated. We regret it later on, but the thing is being desperate, it's like, "Oh, bankrupt," which I was, losing my house, losing my cars. I had to move. I had to liquidate everything I owned. I lost my business, my TV show. Everything was going.

I needed money. The first thing you would think of is take care of John here. Take care of John, but I knew the long term would not be the best picture if I only looked at John. I had to look at what's best for the project. John was part of the project, but being a part didn't mean that I was going to take everything up front, and it worked the best.

Michael: So, it sounds like you really were blessed. You got lucky with this guy, and you got an honest partner. Other people aren't so lucky. What about somebody who goes to a venture capital? Are there warnings that other people who have great ideas, patented products, people that they should stay away from?

John: Well, first of all, I really don't want to say that I was lucky, although luck certainly plays into it. I did have a lot of skill sets going into it with my marketing knowledge in the fitness business particular fitness television. I was producing a TV show. I produced 600 shows, commercials or instructional videotapes.

I knew how to produce. I knew how to advertise on TV. I knew how to produce commercials. I knew how to market and syndicate. So, I went into there with several skill sets, but now I was starting a whole new business, albeit a different type of business, and I entrusted that decision to somebody else.

If he would've given me an offer that I said, "Hey, even though this guy is giving me money, I don't like the offer," I would've walked away from the deal even if he would've given me a lot of money because I wasn't only looking for money.

So, I did have a certain degree of expectation, which was filled beyond my expectations which is a really great deal. Now, when you talk about other investors and venture capitalists and things like that, obviously, each proposal or project has its own dynamics, but as I mentioned, I consult a lot of inventors, and inventors come to me. They go, "John, I got this great contract. It's unbelievable. I've got this great attorney. He read it and he wants me to sign it. Would you mind reading it John, and just giving me your input on this?"

Okay, this guy told me he got a great proposal from a great company who does great things. His patent attorney who is obviously on his side is a great patent attorney, and has approved this so-called great contract. I read this contract and knowing what I know now on how loopholes are created, and how you could blow wholes in these contracts, I read this contract. I go, "There's no way in this or any other lifetime I would ever sign that contract."

So, there are things that people need to know, even great attorneys, if they don't specifically know infomercial businesses and or direct response businesses or internet business or paying royalties and things like that, cost of goods, if they don't know all the different schematics, it could look like a good deal, but I'm telling you when it comes time to sit down in court, even though you know what you were expecting and what you were verbally promised, there's ways that that contract would fall in disfavor to yourself.

Michael: Okay, you've got your big idea. You've got it patented and protected. You've got an angel investor. So, you've got money. You've got your prototype. How did you know that your product was a product that would do well in television, and did you consider or make an efforts to sell the product in any other distribution channels first to prove salability?

John: Back then, there wasn't any other distribution channels other than retail. Internet was just starting out at the time, so that was not a consideration. Retail, if you remember back in 1997, and two, three, four, five years after that, when you seen a product on TV, it would say, "only available on TV. This is the only place you can order this product. Call this number now. Not available in stores."

So, TV was the only route. I truly knew that this product would be successful once I got it in front of anybody because the Abdoer which works the spinal column, everybody owns a spinal column. So, I knew it was going to be a benefit to anybody and everybody, even people in wheelchairs and handicapped people.

I tested it on that crowd. I tested it on professional athletes. I tested it on obese people. I use it myself. There's so many applications to this product. I knew it was something somebody needed plus the abs is the number one selling fitness product ever on TV. So, the abdominal region was one of the main focuses although it was the entire middle region which I told people, "Hey, why just think about the abs when you can think about the whole waistline?"

All of a sudden, a lightbulb went off in their head. They went, "Oh my gosh, I've never trained my lower back, and I'm not really training my obliques. This machine does that."

So, Michael, I knew I had something good based on my Olympic experience with myself being an Olympic athlete, coaching Olympic athletes, being a fitness consultant, working in rehabilitation, co-joined with orthopaedic surgeons and physical therapists and had a healthy benefit to it. It had the cosmetic or look good benefit to it at the same time.

Michael: Tell me the story about when you were able to present your idea to the marketing company. How did that originate? This is the one that succeeded. Were there any prior companies that you had proposals with that almost went through or that you were about to go with, or was this the first one you met that took it on that created a whole success?

John: Well, all the companies that I presented it to, I kind of like met everybody at a trade show, which trade shows are really great.

Michael: Were you an exhibitor?

John: I wasn't an exhibitor. I was just walking around, shaking hands, and some people recognized me from my TV show. Other people, you

know, "Who are you?," type of thing. I'm John Abdo. I'm an Olympic coach. I invented a product and I'd like to see if your company would be interested in having an in person disclosure.

I do not disclose the product at the convention. I considered it an intellectual property, and I wanted to give the product its due respect in getting a formal disclosure in a concentrated presentation, not at a trade show where there's hundreds of people tugging everybody at the sleeves.

So, I had like four or five companies that were interested, and I set up one with one company. I actually set up meetings with all the companies, but the first company that I had a meeting with, they had just done several big gigantic infomercial projects, \$150 million in gross revenues. One was \$170 million in gross revenues.

What I found out is that they were just a production company for this, but they were dying for an idea that they would get themselves involved in that they would own. So, when I met with them, my angel investor, myself flew out to meet with them. We sat down. We were doing our dog and pony.

At that time, we produced a nice little demo video which we played on their TV monitor. I had the prototype there. I had some drafts of some brochures and our trademarks and stuff, and I gave my presentation, "I'm John Abdo, the inventor, and I'm also the spokesperson." I showed them my abs. I'm in good shape. I told them my story. I was fat and out of shape, and now I'm in shape.

I had a bad back. Now, I have a good back. I gave them the whole story, and at the end of the meeting, we all shook hands knowing that we were going to work together. Within two weeks, well, actually within two days, we had a letter of earnest that they didn't want us to show it to anybody as they were going to draft a formal contract for us, and we were in business.

So, it was really a wonderful scenario, and it was very securing because now I knew I had a marketing partner, and as I mentioned before, they were assuming other parts of the risk factors within this project, which I didn't have to assume. They were specifically producers and marketers, and I was the inventor, the program developer, and the on air spokesperson.

So, I was going to be pretty busy which I was. I was on live TV all over the world. I was traveling constantly. I made live appearances at trade shows and live TV events. I was doing guest speaking engagements

promoting my technology as an inventor and specifically for the Abdoer. Ultimately, it became the number one product in the world.

It was fantastic. I was the number one inventor of the world, number one spokesperson. The infomercial was the number one infomercial in the world. It won all the awards.

Michael: Let me ask you this. Were you out in California by this time?

John: No, I was still living in Chicago when I made that presentation to them, but I was still running low on finances. I still had to liquidate everything. It was going to be a while before this thing was going to be sold. It was going to be months and months. So, I moved out to California, and got myself set up, and like I said, I had six months to the day to start earning royalty checks, and sure enough like clockwork – if you were looking at a stopwatch, when six months hit, boom, I got my first royalty check.

Michael: So, you consummated the deal in Chicago, and you moved out to California because you knew this thing was going to go forward, and you were just getting ready for it.

John: Correct.

Michael: So, that's smart. You went to a trade show, and you were looking for expertise in the marketing area. This type of company, what specifically was their expertise, and what would you recommend an inventor who has got a patented product who wants to market it via TV to look for in a company?

John: That's kind of a loaded question, and the reason why I say that is because there's some companies that only do one thing. They'll produce the infomercial, but they're not the manufacturer. They're not the distributor. They're not the marketer. They're not the media buyer. They're not the telemarketing company. They're not the customer service. They're not the warehouse or fulfillment company. There's a lot that goes on.

Some companies say that they do all that, and either they're blatantly not telling you the truth, or they have the resources and they outsource all that. That could be indicated in the contract where ABC marketing firm and its associates will have worldwide exclusive rights to all aspects of this operation type of thing.

So, these are things that the inventor has to be aware of.

Michael: So, did this company have the expertise to handle all of this for you?

John: No, the company I licensed it to, unfortunately, they spelled themselves out to be an agency company and they weren't. They wanted to be because they had produced big, big projects in the past, but they were part of the project, but not the whole of the project.

So, they actually kind of like oversold themselves to me, which was kind of disappointing, and that's one of the reasons why I went near bankrupt and I had to sell my house because it took a lot longer for us to bring it to marketplace.

The great thing that happened from that is that they did produce a great infomercial, and we did have several elements in place. What would have been bringing the project in one year, which we did test in one year, things didn't work out that well in 1997. It wasn't until late part of 1999-2000 which I had to repackage the project and still involve these guys, but had to license other aspects of the project to other companies. That's when the project became the big hit and winner.

So, a lot of people wonder what happened between 1997 and 2000. That was a very tough period for me because I had thought, "Hey, I have everything I need to get this project going." I had a piece of it, and the guys that I said I licensed the technology to, they're great guys, but they did overextend themselves. They got themselves involved in some areas that they were not completely qualified to do.

They knew the people involved in those processes, but they were trying to assume roles that they never assumed before, and most of the time when you do something new, Michael, you've got to learn.

Michael: Absolutely, this is critical because you're going through a lot of challenges that other inventors will go through, and it's important that they know that it's not all going to be smooth sailing. There's going to be challenges. We want the listeners to know what they can learn from the challenges that you experienced.

Now, when you set up a licensing agreement with this company, were you stuck with them because of the agreement for a certain amount of time where your hands were tied?

John: Yes, absolutely.

Michael: For how long?

John: Well, it wasn't so much how long. It's just like, "Okay, we've got all this energy going in this direction. Now, how do we come to a screeching halt and completely change in the other direction?" So, time was energy. It was like, man I talked to this company a year ago, remember at the trade show I told you I went to. I blew all these other people off because the first party I met with was the party who shook my hand, and we ultimately had a deal with.

Now, for me to come crawling back with my tail between my legs to these other companies saying, "Hey, guys, guess what? I licensed it to another company, but they're not doing everything I wanted them to do. Will you guys work with me?"

Professionally, that's not the best thing to do. So, it took me a while to restructure my business, and as a consultant right now, I've learned so much about negotiating contracts and holding people accountable.

For instance, if someone says, "Yeah, I'm an infomercial marketing company, and all of a sudden the inventor thinks I'm going to do everything for them, that inventor better be prepared to ask me the questions." This is what I negotiate with my contracts, and when I represent other companies and other inventors, are you the manufacturer? Are you the media buyer? Are you the warehouse? Are you the telemarketing company? Are you the fulfillment company?

All these other resources and there's many more than I just mentioned are cost of doing business. So, when you have, say for instance a royalty that's based on net profit as opposed to gross profit, that difference between net and gross factor in all these other agencies.

Now, if everything is under one roof, which they very rarely are, and I learned the hard way, then they're being outsourced at top dollar. So, let's say for instance, you generate a million dollars in gross revenue, according to their accounting, there may be \$200,000 in net revenue, and when they split up everything, you're left with \$20 in your product. We just made a million dollars. How do I end up with \$20? That's part of the negotiation that specifically isolates where are the dollars being allocated, who's part of this project, who is being outsourced, who's insourced, what are the costs of operations, what is the definition of gross versus net revenues, how does the accounting finally shake out, and most inventors don't believe it, but they only get one maybe two percent inventor's royalty, which could be significant if you sell a lot of product.

What does one percent really mean? What does that mean in dollars and cents because today you never hear an inventor saying, "Well I

get a dollar a unit or five dollars a unit or ten dollars a unit.” They’ll always give you a percentage because the price historically of a product will change. It’ll start high and then come down.

So, if they’re selling a product at \$200 originally, but six months later, they go, “Hey, we’ve got to mark this thing down.” Now, they’re selling it for \$100. If they’re giving you five dollars a unit at \$200, they can’t give you five dollars a unit at \$100.

So, a percentage would be a sliding scale based on the ups and downs of the pricing structure. When a product goes to retail, that’s a wholesale price, not a retail price. So, the wholesale buyer buys that \$200 product, at say \$135, so you don’t get paid on the \$200 that the customer would’ve paid for that product. You would get paid on the \$135 that the retailer paid for that product.

Michael: So, what’s standard royalty in the industry for an inventor to get when he licenses his product, a percentage of gross or a percentage of net?

John: Well, it would be nice if you got a percentage of gross, but I doubt if that will happen. There’s always exceptions to the rules, and even though I have been specific in the fitness industry, I have been consulting inventors. One guy had a construction project. Another one had cooking appliances, automotive, things like that. So, each industry has kind of structured their royalties and pricing structure different. So, each one has it’s own dynamics.

I usually like to address those not in the broad or general term, but in an exact project by project basis. So, that’s the scenario and what I do and what’s then to my benefit how I make my money, first and foremost, is that I always try to secure myself with manufacturing because I know the manufacturers now and the manufacturers say, “Hey, John, is this going to cost us \$18 to produce this product, you sell it to somebody else for \$20, we’ll give you \$2.” So, I get paid once the products are being manufactured, even before the products are even sold, and I’m very transparent.

I let everyone know about this, and in addition to me being the manufacturer’s rep, which is a source that these companies don’t have to do. So, me getting paid that two dollars per unit is something they would pay to somebody else anyway, and being the inventor, I get inventor’s royalty. Being spokesperson, I get paid a spokesperson fee.

So, I wanted to negotiate all the roles that I’m participating in the project and what’s fair for me to get out of it when I represent inventors, that’s what I try to get it. What are you contributing, and

here's what you're worth, and here's what we're going to ask for.
Here's what you're entitled to.

So, if you're just an inventor, obviously you're going to get one thing, but if you're contributing more, and as I mentioned earlier if you come in with patents and prototypes and things like that, your inventor's royalty is worth more money because you've lowered their risk.

Michael: The first company, it didn't work out. They kind of overstated what they could do, and your hands were tied. The success didn't really result with them, was this until you found another company?

John: The success as far as selling the units for revenue profit wasn't successful, but as far as developing the infomercial and getting the project to another level, which my investor and myself were not capable of doing, that was-

Michael: So, you stayed with them in the infomercial development part of it.

John: Yes, well, they introduced the infomercial, in time manufacturing to a group that was charging them double what the cost of goods were. They had no clue of what the manufacturing costs of goods should be. They were getting raped, excuse the expression, on the cost of goods.

So, even though we had high call volume, we were not selling the products at the profit we wanted. So, that part of it failed, but later on, I became aware of other manufacturers, and as I mentioned earlier, there was 33 maybe more knock-offs of the Abdoer. So, there's factories all over Asia, probably all over the world, they were producing the Abdoer.

These factories, they're calling the reps that go out around the world to trade shows, surfing the internet, looking in stores, what's selling out there. We've got to copy that thing. They're in business to sell product. Manufacturers are coming to me and saying, "John, if you ever have another product, let us manufacture it for you. We'll deal directly with you. We are the manufacturer. You pay no middle man. If you want, we'll cut you in on the manufacturing."

I found out that that was the best way to go. So, now I have direct contact with the manufacturers. I don't need to go through any buffer or middle agency or middle man.

Michael: That's smart. So, you had to renegotiate your agreement with this company.

John: Yes.

Michael: They were okay with that?

John: Yes, in fact, I still do business with them today. I mean, the fact of the matter is it's kind of funny, and I'll use this analogy and hopefully it comes out right. It's like when you marry somebody, you think you know them, but after a while it's like, hey, they're squeezing the toothpaste tube the wrong way, but that wasn't until after you got married.

I'm the kind of guy that it's like, even though we have a contract and the attorney will say you have to follow everything within the confines of that legal agreement. Hey, there are things within a relationship, a growing relationship that are always being changed, modified, enhanced and things like that.

So, I'm the kind of guy, I want to roll up the sleeves and say, "Mr. So-and-So, or Mr. Partner, or Mr. Investor, things are changing or things have changed or I envision something changing. What is the best way to handle this for both our interests?"

I've never been one to point fingers in somebody's face or blame anybody. It's like we're all trying to do the best we can do, and new projects require new dynamics with new decisions and every once in a while if you hit your head up against the wall, and you just try to diplomatically try and ease the situation the best you can.

Michael: You communicated. You worked it out.

John: I always try to work it out. That's the way I live my life. I try to work things out. What's fair, now if the group is doing something illegal or unethical, then I will point my finger at their face. I'll be very confrontational, and let them know this is wrong. It's illegal. It's unethical. It's not fair. It is way beyond the boundaries of our legal obligation to one another, and even if it's not written in the contract, as I mentioned earlier.

There's some contracts that people believe are great contracts, but people do things outside the boundaries of the contract, which according to law may not be legal, but it's a pain in the gluteous maximus man. It's like, how could you people act like that or do those types of things.

I've learned over the years, and that's what makes me better at what I do and great at consulting other people on what to do.

Michael: Very good advice. So, keep control of the manufacturing. Let's talk a little bit about manufacturing. Were there plenty of people who could manufacture a good quality product, and were you concerned about quality with it being made in China? How did you control that?

John: There's a lot of quality manufacturers out there, and they're always popping up. You can bring them anything. You could go to a department store right now and buy a blender or a shoe horn or a coffee cup or a cell phone or whatever it is, and go to a factory and say, "Duplicate this," and they will duplicate it.

That's how good this guys are at manufacturing things. So, as far as the manufacturing process is concerned, you're not short of manufacturing, but even though it looks like the product that you want to have, does it function. It's got to hold up.

So, manufacturing quality is a key, and that's another cost of doing business because I go to the factories. I'm there with the white glove so to say wiping the assembly lines, seeing the materials, and making sure that the quality of the product is not being jeopardized and it's being manufactured in a way to where the customer has what we promise, a strong durable functional item.

Michael: So, you had a good relationship with your original manufacturer, and are you still with them?

John: No, I didn't have a good relationship with them. The thing is when you sell as many items as I sell, you need multiple factories and multiple manufacturers. So, even though I had a good relationship with that factory, I have other factories doing different things for me.

Michael: I see. Did you work directly with the manufacturers, or are there agencies that can help an American buffer and work with these manufacturers?

John: Yes to both questions. For my products, I work directly with them. However, I do have a new product that I'm working on right now. It's a real exciting fitness product, and I know this product is going to sell extremely well in the marketplace.

A manufacturing agent who is also a great engineer, which is very important because they could take my rough idea and really put bells and whistles to the design and function and packaging of the product. They came to me and they said, "Hey, John, you've got another product. Let us work with you on it."

I'm happy to work with them and let them get paid because that's just another extra energy of doing business that I have don't have to do and I love and enjoy delegating responsibility because I'm busy enough.

When the project is big, the pie, it could be sliced up so many different ways, and also it incentives other people to do a great job for you. So, instead of me always going to the factory which is a very cumbersome uncomfortable trip sometimes, obviously, I'll let somebody else handle that for me. A lot of other circumstances I'm dealing directly with the factories myself.

Michael: Tell me when you knew this thing really hit big, and what it was like, and when the infomercial was produced, do you remember the very first time it ran? Was it running as a test? Tell me what lead up to where you knew you had a huge winner?

John: At the beginning, even though the first phase of the project was not favorable and I mentioned because of the manufacturing and things like that, the project was a success right from the very beginning. It was voted the number one product in 1997 at the Sporting Good Manufacturers Association Show. It was the big sporting goods show. It was a worldwide expo, which I had the product on display there, 120,000 products – this place was gigantic at the world congress center in Atlanta.

John Abdo's invention and myself were voted the number one product at that convention. So, I knew the product was going to be an instant success. My first royalty check was \$3,400. The second one was \$8,400. The third one was \$34,000. The fourth one was \$84,000. That was per month. It grew up to \$125,000 per week. It was just incredible.

So, being a \$100,000 in debt, I put a goal in my mind, that I needed to get that \$100,000 back, and I was earning well over \$100,000 per week which was a half a million dollars per month. It was just obviously a blessing, not only for myself, but knowing how many other people were benefiting from this project, the 4,000 people at the factory, the raw materials suppliers, the delivery truck drivers, the retail store clerks, the media buyers, the telemarketers, the fulfillment companies.

It was just one of those things, wow, my idea has had such a huge global impact. It really defined that it's not about me. It's about we slogan that I live by, and it just gave me so much more pleasure in seeing the big picture and the big impact in other people's lives which obviously made me very proud.

Michael: So, who was operating the company? Were you the main focus of it, or was your partner handling all of these details?

John: There's a way where you could say I was spearheading the whole project because I'd handle any part of the A to Z operation, but I was wise enough to have delegates and associates that specified in specific areas because I don't want to have to do certain aspects of the operations, but I do a lot of aspects of the operation. I do a lot of customer service, believe it or not. I call people up who have purchased the product.

Some people may have great things to say about it. Some people don't even know I'm calling. Some people may have some concerns. I call people up, "Hi, this is John Abdo the inventor of the Abdoer." All of a sudden, you hear the phone bouncing off the floor. They go, "I can't believe you're calling me." I tell people I'm not your typical infomercial guy. I'm a real fitness professional who used to coach people in the gym, now I'm selling a product on TV.

I never get a chance to meet people like yourself, and I just want to call and say hello and thank you for investing in my technology. I want you to know the real relationship starts now, which I say that more confidently now in the last two or three years because my websites which are specific for each project. JohnAbdo.com, Abdoer.com, ButtandThighDoer.com, are specifically intended to educate and motivate people not just on the specific product that they buy from me, but on the whole lifestyle.

I've got audio seminars. I've got video seminars on the websites. I do frequently asked questions, testimonials, and again, it spans all areas of spiritual, intellectual, emotional, physical health that are in and surrounding the whole lifestyle needs of that particular person.

It's my way of staying connected to my patronage and my students, my customers, and something I really enjoy. I'm not a typical infomercial guy, Michael. I just happen to be an Olympic coach, an Olympic athlete who invented a product. All of a sudden, I'm on TV because the number one product in the world, and it's not the most social business in the world.

When you're on TV as much as I'm on TV, I'm sitting at home watching myself on TV, and I'm sitting here by myself. Millions of people are watching me, so I had to think, "How do I get myself back involved with exchanging energy with these people?" So, I do a lot of consulting, a lot of live seminars, but my website, my phone consultations have

been really remarkable with reconnecting me with the population out there.

Michael: Great, John, when you went with that first company, you had told me that their expertise was in developing an effective infomercial. For what you know about the infomercial industry and the infomercials we see on TV, how many of these things actually make money?

John: Not many. It's a very high risk venture, and a lot of companies out there, and a lot of individuals – I'm approached by a lot of people, inventors and marketing people, product owners, project owners that tug me at the sleeves and say, "John, can you help me get a product on an infomercial?" They don't understand the complexities of it, number one, and they don't understand the cost of it as well as the failure rate. The failure rate is extremely high.

So, when you have a winner, you're walking around chest high, chin high and just really proud that you've been able to accomplish something like that. I'm in that bunch, but I've also been part of projects that haven't succeeded. All the elements were there, Michael. We just don't know what works until you really put it on the air and test.

But, I've heard something like 97% of all infomercials fail, which is a huge, huge percentage. So, again, it's not a sure bet. It's like putting your coin in the slot machine and pulling that one-armed Jack. You're really chancing it. I've seen infomercials that some people say, "Well, hey, I'm going to go to XYZ Corporation," I'm just giving that as a name, "That produces infomercials for a million dollars." They say, "If I put a million dollars in an infomercial for sure it's going to sell."

I seen a scenario one time where this company produced an infomercial, and it was a two, three hundred thousand dollar production, a nice production, and the show was bombing on TV. It just wasn't doing well at all. The company still had funds, and they went to another production company, reshot the whole show for a million dollars, and the results were actually worse with a million dollar show as opposed to the two, three hundred thousand dollar show.

There's no set answer. A lot of it is skill, but the other three percent of it is luck. It's the timing when you bring a product into the marketplace. You never know who is working on a project concurrent with yours that when you start testing it you go, "Oh my gosh, here's another ab product that I thought mine was going to be the only one on TV." All of a sudden, there's not just one, but there's two other ab products on TV. So, you have competition.

The viewer has a choice to make, and today's viewers are so educated that they will go back and forth and back and forth and they'll call all the numbers. They'll ask for the best deal. They'll take notes. They'll go to the internet and search on there to see if they can find the best deal. They're really an educated buyer these days.

So, it's not just the infomercial that works. It's all other channels of distribution from telemarketing to website sales and things like that that really back you up because if you don't make it on TV, you better make it up somewhere else.

Michael: How long can it take to produce a full infomercial? How long did your production company take to finish it from start to finish and then a matter of months?

John: I think every project I've ever been involved with, everyone says, "Hey, we've got to get this thing up and going really quick," and something that's high risk, it's like, let's get it out there as fast as we can so we can start getting our return on investment ASA pronto.

I'm the kind of guy, I like to have a project mature on its own. Of course, I'm very persistent. I'm very aggressive, and I don't sleep well during a project, or sleep as much because I'm working on the project 24/7, but it takes a long time.

Michael: Should you do the Golden Rule if they tell you it's going to take six months, just plan on a year?

John: No, not really because sometimes six months could turn to three months. It all depends on how things materialize, and it depends on the kind of product.

Michael: Let's talk about your Abdoer.

John: With exercise equipment, now you need a user group. You need to prove that this thing works. With any type of nutritional product or exercise product, so now you need a user group. User group is going to take at least two months, actually more than that when you have to design the routines and train the instructors to teach these classes or put somebody in the user group before and after pictures, measurements, and then do some kind of a clinical study.

So, that takes several months in and of itself, but concurrent to that, you're working on the product. You're working on manufacturing. You're working on distribution. You're securing a lot of things – preproduction, planning, so there's a lot of stuff going on

simultaneously, and that's why I formed NICA, the National Inventors Coaching Alliance because when people see me on TV, they may say that, "Hey, John did it by himself." I can assure you that even though I may have invented the product by myself, I certainly didn't bring it into the marketplace by myself.

There's an alliance of people that are surrounding every project, and these are things that people need to consider when they bring it into the marketplace. They also need to consider that when another company has to take on the risk of a project that they have to put in manpower, time, energy and money, and as you mentioned, yes, six month could be a year, and some people can expedite it a lot quicker.

I am much more efficient these days than ten, twelve years ago in taking a concept and bringing it into the marketplace because I have the alliance, and I have the know all, but still it takes time for it to mature.

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Michael: How much control do you make sure you keep in the development and production of the infomercial, and what advice would you give an inventor who's ready to go to a production company as far as staying in control, adding your two cents or just letting them handle it because they're the "professionals?"

John: Most inventors, and not to sound condescending or insulting, if they don't know the business, then there's not a lot of control that they're going to have, and rightfully so. Some inventor that says, "Hey, I've got this idea," and they scribble it down on a piece of paper says, "This is going to be my million dollar idea, which is not a lot of money because when a project makes a million dollars, and they've got two million invested in it, you could do math.

If he or she brings it to a production company and says, "Hey, I want X percentage," the production company says, "No, you've got to work by our rules, and here's what we're going to offer you." An inventor, believe it or not, at least in the fitness world, will get a one percent royalty. That's just with a concept because a company has to develop every part of that project from that sketch on a napkin so to say.

But, for me, obviously, I bring more to the table because I know how to develop a project, so I have it patent pending at least. I have prototypes done that are production ready, ready to go. I have the manufacturer secured. I have a production company secured, and to

answer your question, how much control do I give to a production company? I like creative people, and I want people to think totally different than what I think.

So, I tell them that they have creative input. If I say, "Hey, here's the way to do it," Michael, I'd love to have somebody to say, "John, guess what? We can do it better." That was a great suggestion, and/or these are great people to work with.

So, when you work with people like that, obviously, you have to give them control because their business is their business like your business is your business, and you take pride in your business, so you have to give them pride to express themselves creatively and in so doing, you're keeping your fingers crossed that their creative expression is something that's going to hold good profitable numbers for you.

Michael: From your experience, how can you handle the payment for the infomercial services? Do they demand fifty percent up front, all up front, will they ride along with you, or all of the above?

John: I guess I could say all of the above and more than the above. Just like any business or most businesses, I should say, there's a lot of ways to structure a deal. Again, I do a lot of pushing with inventors. I tell the inventors, go with the lowest risk. A lot of these guys are mortgaging their homes and liquidating everything and putting their life savings into a project. That's not the right way to do it.

Have people been successful in doing that in the past? Yes, and I'm one of them. I sold everything I owned, I had to, in order for me to bank on my intellectual property that I truly believed in. That's just one in a million where it's going to succeed like that.

So, when you license your property to another company, it's the best thing for most inventors who don't know the inventing marketing distribution manufacturing business because now you hand off all of the responsibility to somebody else – financially and otherwise – and you just sit back and get a royalty.

Michael: What is licensing?

John: Basically, it's like I John Abdo have an idea, and Michael Senoff is a marketing company. Michael, I want you to manufacture, distribute and sell my product. So, we would enter into an agreement where I'm the licensor and you are the licensee, and you would pay me a royalty from units sold, not units manufactured, but units sold. It would be nice

if you could get deals and this is what I work on with my clients to get units manufactured, but that's only if you have a relationship with the manufacturer, which is a very sweet deal.

But, at the beginning, if you don't have those relationships, then you have to work on units sold. Now, as a licensee, you have expenses. So, you're going to say, "Okay, I will pay you X percent" typically to a new inventor that's only providing an idea is one percent, and you're going to say, "Wow, one percent. It's not that much."

It's not because they have to put a lot into it, but if they sell a lot of product, one percent can be very substantial and I've seen people become millionaires with one and two percent royalties and stuff like that, but there are the considerations that you as a licensee will pay off of net, not gross, off of net, and a good attorney which I suggest everyone get and there's many in our alliance who are great attorneys, will define what net is.

That doesn't mean that you're spending money just on air time and the cost of goods, paying the people in your operation, things like that. Those are all cost of doing business, but it doesn't include the gas in your car and the meals on the weekend with your family and all that other stuff. So, the net really needs to be defined and it really needs to be managed from an accounting standpoint. That's why a new inventor into the business, may not know this, may not have his or her own accountant and or legal counsel to structure a deal like that. That's why, again, number one, it's best to license it out so if you were to want to risk the money, I would invest the money in securing yourself legally and from an accounting standpoint.

Michael: Could you get rich on licensing?

John: Absolutely, my first deal I made millions with my first licensing deal, but we sold over \$300 million worth of product. The thing is, and this is another thing I coach inventors, I may have mentioned this before called the Barbie doll analogy. You invent the Barbie doll which would have died of decades ago literally had it not been for the little dresses and shoes and the jewelry and then all of a sudden the purses and the Corvette, and then here came Ken. It was all that aftermarket stuff that really made this project a mega success.

Like with the Abdoer, I invented a product and I licensed the product, but I also had books and nutritional products and video tapes and accessories that add on to the product that were all under my control on the back end, which was really a wonderful sweet deal for me, and I

made nearly as much money on the back end stuff that I did on the front end licensing.

Michael: So, with all your added products that you had, you didn't have to enter into licensing deals with those. Those were products you controlled.

John: What I did because I had my own video production company, I produced the instructional videos and that company sold them to the marketing company at a wholesale cost, so the difference that I got between my cost and what I received as a wholesale price was gigantic in comparison to the one to two percent inventors royalty that I would've normally received, which by the way with the Abdoer, I got a different percentage which I can't disclose. I have a confidentiality agreement with them. It wasn't the one to two percent. It was a much better deal because I also acted as spokesperson as well as some other facets of the project.

So, I wasn't just an inventor who had an idea and licensed just an idea as I mentioned earlier. I had much more in the company that I licensed the project to. I was able to negotiate a much higher percentage because they were at a lower risk because of what I was bringing to the table.

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Michael: Would you recommend an inventor use a licensing agent, or to handle themselves with an experienced attorney?

John: I would have to say the first one, work with an agent who's had experience. I know I'm promoting my alliance, but it's not my alliance. These are people in the industry who work independently on various projects who literally spends tens of millions of dollars a week in media when you put them all together and generation billions of dollars.

There are agents out here who represent inventors. That's all they do is work for inventors and they represent inventors. For you to say, "Well, hey I'm an inventor. I don't know this business, so I'm going to hire a good attorney." Michael, I've had inventors contact me and I love reading contracts even if they're not my contracts. I just want to see how they're worded and structured and really where there's loopholes and things like that.

I remember on one particular occasion, and this happened more than once, but this inventor said, "John, I've got this great attorney. This guy is fantastic. I pay him a lot of money, but man, you've got to see this

deal that he put together for me with this marketing company.” This guy was in exercise, and he was just ready to put ink on the dotted line, and he says, “John, will you read the contract.”

I said, “First off, I have to throw in a disclaimer. I don’t want to interfere with your legal counsel or anything like that.” He said, “John, it’ll bet between you and me, just read it over.” I told him, “I’m not sure if I’m even going to comment on it because I don’t want to step in on anything.”

I read it. Michael, between you, me and my mother, there’s no way I would’ve signed that contract. I just told the guy, “No comment,” which to me is really safe and sane. There’s no way I would sign that contract because if his attorney caught wind that I shot down that deal, then who knows what kind of repercussions would’ve happened to me, but he was supposedly a high powered attorney that drafted this contract, and knowing what I know and how I’ve gotten taken advantage of in the past and how other inventors have gotten taken advantage of in the past, I’ve seen so many loopholes in that contract that that was not a good contract.

Now, the thing is the parties that he was going to sign the deal with, would they have taken advantage of this guy? I don’t know, but legally today, contracts are approaching thirty plus pages, where ten years ago, they were five six pages long. So, I mean, all these different clauses and this and that is adding on only because more and more people have been ripped off and or received the shorter end of the stick, and they need protection. The only way they’re going to get that is through some legal written document. So, that’s why the contracts need to be constructed properly.

To encapsulate what licensing really is especially to new inventors out there, Michael, it’s just a way for you to get your invention to be bought by or invested by another company, a reputable company, a company that knows how to develop, manufacture, distribute and sell a product at the lowest risk possible for yourself.

So, you’re basically licensing it to them which means they pay you a fee for every product that they sell.

Michael: Can you talk a little bit about inbound telemarketing? Inbound telemarketing, your infomercials goes up. It’s aired nationally, sometimes internationally, and there’s a phone number to call. How important is this step of the process, your inbound telemarketing, and have you made any major blunders in this area with your Abdoer?

John: Inbound telemarketing is not just one thing. It's everything. You spend all this money to produce an infomercial. You spend all this money to buy inventory because you have to have inventory in a warehouse because you can't advertise without something sitting there to be distributed, and you spend all this money on media. Then, all of a sudden, the phone rings and you've got some guy over there that's just had an argument with his wife pick up the phone and say, "Hello!"

That's not the way that they are, but I've caught telemarketers with a bad mood, and I train my telemarketers. I say, "No matter what you do, no matter how the called on the other end sounds," because a lot of them are scared. They're apprehensive. They may sound abrasive or rude or angry or whatever, the operator must always keep a smile on their voice. That's so important.

I've listened to calls that within seconds – thirty seconds, 45 seconds, certainly within a minute, the caller who was, "Yeah, what's this thing all about. I'm not sure if I should buy this thing. Is this another gimmick? I've been ripped off before." The agent who's listening and corresponding with this caller is cordial, patient, nice, agreeing to some degree with the caller, like, "Yes, I know there's been situations. I too was ripped off."

But, when they keep a smile on their voice, within a short period of time, that settles the potential customers concern. They have a level of security. They've built in a trust factor, and now all of a sudden they justify them taking out their credit card and spending their hard earned money on something.

So, your call people are very, very important. I think without them, that is the liaison between the customer and the money being deposited into your bank account.

Michael: So, you've got a huge call center. You can outsource all of this to professionals how handle it who are standard in the industry, Mountain West and other inbound telemarketing companies, but what about one just starting out, maybe you're doing a pilot and you're testing your infomercial. How did you handle it? Did you go to the big guys first, or did you start with a smaller inbound telemarketing operation that you really had all the control over?

John: No, we went to the big guys first because we had big plans. We had big aspirations. We had big projections, so you go with the big guys first because you want them to be there right from the get-go. They know that you're starting with a lower media spend, tens of thousands per week as opposed to hundreds of thousands per week in media.

So, they need to be matured as well because they're going to make mistakes. They need to feel confident with the pitch. They need to feel confident with corresponding to frequently asked questions, the concerns, the complaints, all the other stuff. So, let them learn. Let them record the calls. Let them listen to the calls, and a good telemarketing company won't just say, 'Okay, we're done with John Abdo's product. Now, let's move to somebody else product.'

They answer phones for a lot of people, not just you. They will huddle up and have actual meetings even some mock meetings where they'll say, 'Okay, here's a scenario, caller calls in and says she wants the product, but she fears that her husband's going to say get that thing out of my house. How would you handle a caller like that?'

So, you go through these mock phone calls. It's like, wow that was pretty cool, and by golly there are women who call up and say, "Boy I'd love to have this, but I don't know how I'm going to justify it. Is this something my husband can use? Do you think he'll use it? The last ten things I bought from TV he told me get those things out of the house and get credit back on my credit card."

It's a funny world out there Michael, and you have to think of all scenarios, and because I have first hand experience with every part of the project including customer service, again as we've been talking about throughout this discussion, most new inventors and even experienced inventors don't have experience and/or knowledge in these areas, which is one of the reasons why 97% of all infomercials fail even the big companies who have this experience. It's like trying to shoot bullets at a moving target. You really have to have the perfect aim on this.

Michael: What advice would you give me when I'm looking for an inbound telemarketer? What's important for me to know before I hire one? You can relate it to cost or the scripting of objections, your involvement with them. Give me some tips on what I should look for when choosing an inbound telemarketing operation.

John: When choosing an inbound telemarketing operation, like any facet of the business, all facets as I mentioned before are risky. First off, you want somebody who is going to sit down with you. They take interest in you. They take interest in your product. They take interest in the program behind the product, and at the same time, they're going to spend time training their telemarketers.

That means, hey give us as much information as we can right now, and we're going to do some mock sessions. We'll be ready when those phones start ringing. We're not going to just start testing our skills once the phone starts ringing because we know when those phones are ringing, you guys are spending dollars. We want that to be as maximum a revenue generator for you as possible. So, we're going to be as prepared as possible.

They should use the product. You should send them products where they could use it so they have a familiarity to it, and you the inventor or the marketing people should spend time not only writing up scripts, which there's a lot of writing to be done because these telemarketers, most of them especially at the beginning, all they do is read.

If you've called people over the phone, it's like you can't break their flow of discussion there because they have to read that script and or that screen before they click on to the next screen.

So, train them to have what we call in the can material, but at the same time, be able to flow with the discussion and sound conversational to the point where the consumer is comfortable and impressed. That's the key or some of the keys to a very successful inbound telemarketing campaign.

Michael: How much should an inventor expect to pay their telemarketing operation and do they get paid? How do I know if I'm being treated fairly as far as compensation? How do I not get ripped off?

John: Every telemarketing company is going to have their structure. There is obviously set up costs and the costs that you want to incur as far as training them.

I fly out and I sit down with my telemarketers. They can't believe John Abdo, the guy that they've actually seen on TV is actually there to shake their hands, to put my arm around their shoulder and say, "Guess what? I don't consider you guys an outsource. I consider you guys a partner because you're getting a percentage of this.

So, there is a fee that you pay them, but there's some commission structures and things like that that again are negotiable. So, to know if or if not you're getting ripped off is really not to point a finger at them. What you have to do is number one, get the phones to ring, and then you can look at the conversion ratios. If the conversion ratios are allowing you to say, 'Hey, this project is breaking even or we're in the black. We're making a profit, then hey our call center is doing well for us.

So, that's when you know if everybody is working properly, and a real secret which is not too big of a secret internally anymore. Do some cold calls. Call up. The operator, even me, sometimes I don't even have to disguise my voice. I'll call up and say, "Hey, I've seen this thing on TV. Can you describe it to me again?" You ask a bunch of probing questions.

Michael: Do you give feedback to your account manager?

John: I give feedback to them because I tell them whether I'm a minute into it or twenty minutes into it, I can keep them on the phone forever. I say, "Okay, I need for you to abort this call. I'm John Abdo, the inventor of the product," and "Oh yeah, John. Yes, we know you." Either I compliment them and say, "Boy, you did a great job. I was just asking some questions that have come into me recently, and I just wanted to see how you guys are handling them." Or, if they're not doing a good job, I've got to be the stool pigeon. I've got to go to upper management and say, "Hey, this person does not know what they're doing, and they were rude. They weren't treating me properly," and stuff like that. I go, "Hey, I wasn't acting as nasty as some of the other callers that I've listened to."

We record all our calls that are made obviously from the very beginning. They're only for internal training purposes only, so they become very, very instrumental in helping us understand what the caller needs, but at the same time, who the telemarketer is and what and how they're conveying information to them.

Michael: Will your account manager ask if you call up and if you've got a telemarketer who's just rude and killing sales for you, can you get him off the phone immediately?

John: Oh, yeah, they hung one guy out the windows by the ankles, and we were threatening to let him go.

Michael: What you're saying is they are responsive. You're the boss still, right?

John: Of course they're responsive. The thing is they thrive on our business. They know we're spending lots of money on media, and Michael, what the ads were, we were up to two million dollars per week in media. The phones were ringing like crazy, so they need to hire more telemarketers. They need to have fall back call centers because they say, "Hey, John, all we can get is a hundred people in here, and you guys are advertising so much."

Now, they have other call centers, the number will instantly forward to other parts of the country, and we have back up operators there because of the surge of calls coming in, but at the same time, they know that their business relies on you. If you're doing any type of business, they know that you're talking to other people who are doing any types of business, and they really do jump through hoops for you.

Every telemarketing company I've ever dealt with has sincerely given me and my company their time and their best efforts. It's just like any other business. The people who are sitting there answering phones, if you go to these call centers. They're sitting in a chair for hours on end drinking diet drinks and eating chips in between. They don't take care of themselves and they're sitting there, sitting there, sitting there. It's a stagnant type of operation.

So, I tell them my telemarketers, "I want you to get up. I want to use the Abdoer." When I go there, I'm not just teaching them how to sell my product. I'm teaching them the whole do arrive sell, how to keep themselves in shape because I'm a motivational speaker.

It's like, "Hey, if you want to become successful in life, you can do whatever it takes to make money, but your body is the vehicle that takes you through this journey and I want you guys to be healthy. Everyone on my team has got to be healthy, at least make a concerted effort to exercise their muscles and eat properly."

The success stories that I get from people who work for me, Michael is just phenomenal.

Michael: In your telemarketing operation, were you able to ever use outbound telemarketing after the inbound portion maybe let's say you weren't able to close a caller? Would you ever implement an outbound strategy to try to give the caller a chance to buy again?

John: Yes, absolutely.

Michael: Did it work?

John: Oh, fantastic. It depends on the operator, but usually the outbound people are far more skilled. They're far more educated, and I can't say educated meaning that the other people were not smart. They're educated as far as the persuasion of a sale, and they're more educated because they know now why the customer didn't want to buy the product.

So, they have information that the inbound callers had, but because the customer rejected that offer, that information was conveyed to somebody else. So, again, they're more educated from that standpoint. So, I just want to clarify that.

They get paid a higher commission. If you put more money in front of somebody's face, they're far more incentivized.

Michael: That's all within your same operation.

John: Well, yes, within my alliance I have outbound telemarketers who are very, very good at what they do.

Michael: Is your inbound operation separate from your outbound operation?

John: Yes, they're very much separate.

Michael: So, you can take those inbound names, and two days later give them to your outbound department and work them that way.

John: Twenty-four hours later, they're there.

Michael: On that inbound call, you're able to capture name and mailing address from the very beginning?

John: We don't need mailing addresses anymore. We're very rarely sending anything physical mail anymore. Email address and phone number is what we shoot for, and if they don't give us email address, we've got them on caller ID so we do have them. We do honor all the rules and regulations of the Do Not Call list. So, all that is monitored, regulated, and we follow the strictest of governmental standards and all the regulatory guidelines.

So, we want to protect people's privacy, but if they made the call and they were interested in the product and they didn't order, number one, we want to know why they didn't order, and number two, we have a payment option that we believe is going to entice them to at least give this a try. Again, I'll reiterate, and I keep reiterating with my telemarketers, they still have a thirty day money back guarantee. So, even if they decide to go on it now, they still have thirty days to try it and decide to stay committed to it.

Michael: How much real time feedback as far as stats and numbers are you able to access with your telemarketing firm and how important is that?

John: It's very important because at the beginning, a lot of calls that come in, maybe ten minutes, twelve minutes, "How could those calls go that long?" As the operator becomes more skillful, that ten minute or twelve minute call goes down to eight minutes, nine minutes, and so enough on our end because the media has been building up week after week after week, month after month after month, the audience is impressed to where they call up, they say, "I want to order this product."

Where at the beginning of a campaign, especially this new campaign, "Can you tell me more about that product?" Tell me more about that product is a longer presentation than, "Hey, I want to order this thing. I've seen it on TV. I'm impressed. Here's my credit card."

So, you want to reduce the call time because there's other people waiting to get into these operators. You want to reduce the call time, and obviously there's different options. You could pay all up front and you'll get some bonus item or a free gift or something like that, or a payment plan. So, they have to get to the options, like sir as a result of your order, you will get this free gift if you pay everything all up front, or you could decide to go with the payment plan, but you can't get this free gift, if you go with the payment plan, but you do have the option of purchasing it separately down the road.

Michael: What have you found works? Obviously, I've seen on infomercials they're doing smaller payments in installments. When did this change occur, and how effective is it? When you see people ordering the product, does that bonus help them pay for it all upfront, or do you see most people taking the payment plan options?

John: Well, the people who can afford it, will pay all upfront, and the people who are really interested in the product will know that the bonus item that they're getting like with the Abdoer, you get a free tri-roller which is a \$55 attachment, and we sell lots of them at that price individually. They get that for free, if they pay all upfront.

What we do, and I tell the operator, "Make sure the customer knows that even if they pay upfront, and all their money has been transferred from them to us, they still have thirty days to exercise their money back policy." So, there's really a very low, low risk for the customer.

We want to make it very fair to the customer. If the customer doesn't want the product, I don't want them to have it. I don't want them to complain about the product. Return it if you don't like it.

The payment plan is for somebody who really has a slimmer budget, and via our TV products, which are under \$200, a lot of products are

under \$150, most of them are under \$100, these are exercise products for their whole body is on this machine, and that's the price point if they're willing to pay, but they want to stretch it out. So, if they stretch it out, that's fine, but again, they don't get the bonus deal on there because it takes us longer to recuperate our money.

It's very expensive for a company to send a product off. For instance, if it's a \$200 product, and the first payment is \$50, we only get \$50 of that \$200, and there's other costs incurred in there. So, our company has to float them money or sit on debt for a long period of time, and that's not the easiest thing to do, but the payment plan options came into effect years and years ago, and it was a way to say, "Hey, let's get it to the customer. If they like it, they're not going to return it, and we'll keep our fingers crossed that they make all the payments."

Michael: Within the industry, can you give me any insight with these payment plans? How often do you find people who sign up for payment plans, their credit card will decline on the second or third payments? How much of that goes into collections, and is this becoming a problem in the industry?

John: It's always been a problem in the industry. That's why a company has to be well funded. It gets right back to licensing. If you say, "Hey, I'm going to do this whole thing myself," all of a sudden, you sell a thousand products, but you only have that first payment not full payment, you're millions of dollars in floating debt. That obviously hurts the company.

So, when a company is strongly funded and supported, then they have the ability to endure that accounts receivable situation. To answer your question, well, a hundred percent first payment, second payment, it goes down to ninety percent. Third payment goes under seventy percent, and the fourth and fifth payment sometimes is zero.

So, sometimes you never even collect all the money in a collection situation like that. There is recall, and there is repercussion. It's not happy for the customer. The customer has violated their agreement with the vendor, and there are legal actions that can be taken.

Michael: There's got to be fraud within the industry. People up late at night, and they see these payments that they're ordering products. Is there some kind of organization that monitors fraudulent buyers?

John: I think that's a good question, and it would be good if there's an agency like that that popped up, and I'm sure there's some agencies over there that are slapping people on the wrist, but to my knowledge as of

right now, and it's a question that I wasn't prepared to answer, but it's an interesting question because all of us in the infomercial industry and any type of direct marketing for that matter or people who have to go on payment plans are people who pay with credit cards and checks, checks especially, that if there's not enough money in their bank account. Yes, there are a percentage of people who get away with it, and obviously, they're hurting the companies that are doing legitimate business and trying to help people.

Michael: Let's get into a little bit about aftermarketing and you've referenced this a couple of times in our interview John with the Barbie doll. Most people who see an infomercial may believe that the infomercial product because it's on TV is a money maker. Could you tell the listeners, do most companies who sell a product on the infomercial make a profit on the first sale of that product? In other words, where is the money made in this business?

John: To answer your question, no, a lot of companies do not make money on the infomercial. They're still in the red. Some of them just break even, if they're lucky. I've been in situations where, wow, we're really profiting hand over fist on this, but it may not be consistent week after week after week.

You may have a couple of really bad weeks, like where the heck did that come from. It's like, oh my gosh, how much do we spend next week, and it perks back up again, but again, it's rolling the dice. What really needs to be considered especially again talking about the licensing. When you license a product to a reputable company, they've got a list of customers that they've had for years and years and years, sometimes millions of people on their mailing list.

If they don't sell a product on TV, they send out an email blast or put it on their website for all their satisfied customers, "Hey, guess what we have new folks?" So, they already have a built in sales mechanism that lowers their risk, assures sales, it's low cost or zero cost. Obviously, if they do it through email and the website, aside from the cost of writing the page from the website, so, that is a guaranteed sale.

As an inventor, if you don't have all these other channels, and you don't have names on your mailing list, some people go, "Yeah, I have twenty names on my mailing list." That's obviously not enough. I know companies that have millions of names on their mailing list. So, when you do business with them, you say, "Hey, they've got TV. They've got the mailing list. They've got retail distribution, both domestic and international. They have a website. They have outbound telemarketing. They've got catalogue sales. They've got a lot of stuff going for them.

The chances of that project becoming successful, when you license it to a company of that magnitude are far more likely than again, trying to do it on your own.”

Michael: I think I hear you saying this. It's critically important to own and control your buyer's name. Is this something that's negotiated in a licensing deal? Is there a struggle over who gets control over the names?

John: Of course, because my company, whatever advertising I do, I'm putting big dollars out there to get the phones to ring, and when the phones ring, obviously, we're capturing customer information. That's vital for my company, not specifically in and of itself for that project, but for the future health of my company because when I come up with another project, I want the people who bought today and yesterday and yesteryear to be aware of what's new because I have a trusted brand and people want to hear what's new.

So, yes that list is very valuable. Are there situations where you can negotiate to get access to that list? Yes, to own it completely? That's a tough one, unless obviously you're paying for the media or paying for other things, but again, all aspects of a business transaction are negotiable, and I would at least put that up for discussion.

Michael: Do you have total control over your names?

John: I have total control over the names of the people who are involved in the projects that I fully fund. If I license a project, which I still do and will continue to do because some projects I don't want to go full funding with them. I'll just slice it to another company, then, I may get access to those names in a capacity, but in all do right, and I understand, they're the ones that are putting up all the money. They're the ones producing the infomercials. They're the ones buying all the air time and spending millions of dollars, but then have the names.

That's out of gratitude for them. It's like, 'Hey, if this project makes it, we're all going to have some great things to talk about, but if it doesn't make it, at least there's something that you can write on in the future to help you recover from some of your losses.

Michael: What standard return rate in the industry, and how do you compare?

John: That return rate has gone up Michael over the years, and it continues to go up. You talked about customers and consumers taking advantage of companies. That's another way. It's almost like the lady that goes into the clothing boutique on a Friday night because she's

going on a date either Friday or Saturday and she buys all these clothes, and then Monday morning, she returns everything.

The return rates have gone up. It's been very disappointing for everybody in the industry, which, again, is another reason why you want to license your product to a company who is well-funded, who is very much aware of the growing rates of return.

At one time, twelve percent was considered high. Today, sixteen percent is normal, and it could jump to eighteen to twenty percent. That means out of every hundred products you sell, sixteen to twenty units are coming back. You've got to refund all that money, and there's so much cost out of pocket because you had to ship the product. You had to pay the telemarketing, the warehouse. You've got to refurbish your product because you know the box is all torn up and all the contents may have been not repackaged properly, because they have to return it in the original packaging.

It's not an easy business, and again, I've grown to the point where I fully operate projects from A to Z, and it's not easy, but it's one of those things where it's fair more profitable if and when I fall within that three percent of the projects that do work, but as an inventor, consulting other inventors, what I advise to them goes low as risk as possible. If you believe in your idea, let somebody put up the risk and the capital, and you just enjoy your inventor's royalty.

But, as time goes on, if you think that this is your only invention, your only idea, then bring as much to the table as you can or wait a little bit, as long as you can to develop as much as you can to where you can get a higher deal for yourself so it's a little bit of a lower or a lot of a bit of a lower risk for them, and you're bringing more to the table.

For me, I knew my first invention, say, "Hey, I know what I'm bringing to the table, but I know that I'll have other inventions, and I know as the months and the years progress which has materialized, I'll become more knowledgeable, and I will be able to offer more to companies I license to and or operate as much of the operation as I choose to."

Michael: Do you rent or put on the rental market your mailing list?

John: Some of the companies that I've licensed a product to may have, but I personally don't. There could be good money into it. It's a nice source of additional revenue, and people are always calling me and asking me for it. I just haven't done that yet, Michael. I get a lot of junk email, and I get a lot of junk mail, physical stuff that comes in my mail box. It's like, 'I don't want this stuff.'

I tell the mailman, "Can I get rid of this?" He says, "Yeah, you fill out a form, and then it's discontinued for a while, but it's going to come right back three months or six months later." So, I don't want to give to other people what I don't want myself. So, I haven't done that.

Michael: How important is the actual packaging of your product when selling a product on TV?

John: The packaging of the products on TV doesn't need to be that glamorous. In fact, the less glamorous, the better because you don't want some fancy colored box shipping through the mail or the postal system because people are going to see it. If it's sitting out in front of your office door or your apartment or home door, someone is going to snatch that thing.

So, it comes in what we call just a brown box, a plain brown box. It will have some markings to it. For retail, the packaging is everything because people are walking through there and they have to be caught visually by this, by the colors and if there's models on there which my picture's on there. I keep myself in shape, so I'm showing off my six pack abdominals, and there may be a nice looking shaping female fitness model along with the bullet points, "It will help you lose body fat and trim your muscles, and comes with an eating plan," things like that.

So, all that is visually demonstrated on the packaging for retail as the exterior. The interior, again is another everything type of thing because from the factory to the warehouse to the customer or to the retail shelf, there's a lot of shaking and bouncing and trembling that goes on so, the inner contents of the box need to be packaged properly. When the customer opens the box, they don't want to go, "Oh, my gosh, I need a chainsaw to cut through all this stuff." So, it's got to be packaged where the customer appreciates how much effort went into protecting the product, but at the same time, making it easy for them to remove the product from the box, and to get the product ready to be used.

Michael: All the returned products, when they come back to the factory, to the company, what happens to all that actual product, and how do you keep it from being distributed into the close out industry and having them end up being on eBay and auction houses where it decreases the value of your TV product?

John: Well, that's two questions that you asked me, and let me answer the first one. The first one, the products that come back to the warehouse, most likely, they need new boxes, and we have boxes that we put them in, the exact box, unless the box is not damaged, which most

likely they are because there may be tape on there. You know when you pull tape off how it tears the cardboard and stuff like that.

We look at the product, and we assemble it. We have a inventory of spare parts, and or piece from older products that have come back. If that piece is bad, throw it out. If that piece is still good, let's keep that. We refurbish them.

Now, if we sell a refurbished unit or resend a refurbished unit, the customer has to know it's refurbished. So, we'll let them know, and usually they get a discount with that. So, again, it lowers our profits. It costs us more to refurbish a unit obviously than to distribute a new unit, but we do have a back up plan for returned inventory.

Now, your other question about the eBay stuff, that's something you can't prevent. These are second hand units. I get people who have written me quite a bit, "Hey, yeah, I own your product, but I lost the manual. Can you give me a new manual?" Or, I lost the DVD.

When you really figure it out, I'm just giving an example here, but this happens a lot. Here's somebody who bought a product from somebody who owned a product from somebody else who owned a product – second, third, fourth hand. They bought it at a garage sale or a yard sale, and all of a sudden, they're trying to get something from you. When they tell you what they paid for it, it's like, oh my gosh, but you don't know what kind of condition it's in.

I've seen exercise products, mine included, on back balconies in the Midwest where there's snow on top of them, and the rain and the elements and stuff. It really degradates every single piece of raw material on that product. So, when you buy something secondhand, of course, it's not going to be as valuable, and most people, as you know, at yard sales or eBays or garage sales and thrift marts are just saying, "Hey, just give me anything for that. Just give me pennies on a dollar."

Michael: Does one who is consider selling a product through television have to worry about regulatory issues and ABC agencies for instance the FTC, and if so, what advice could you give them before they launch their product on TV?

John: To answer your question, absolutely. I wouldn't call it worry so much. You have to worry if you produce a project and put it on TV and then all of a sudden, you find out, "Oh my gosh, we are not fitting up to the standards of the regulatory committees including the FTC." The FTC is a great group of people, and you hear both sides. Some people hate them. Other people enjoy them.

I enjoy them because they keep my project up to current standards. They're protecting the customer, number one, which any type of business or any part of life, it's not about me. It's about we. It's about what you're doing for the consumer that's going to make your business thrive. So, if this project has been approved by the FTC, which the attorneys within the alliance that I've created are FTC privy, meaning that they meet with, attend seminars, and or consult with FTC attorneys so they learn the current rules and regulations, what can't be said, what can be said, can be demonstrated, can't be demonstrated, things like that.

Then, when you put the project on the air, you've got, again, up to a million dollars invested in the infomercial. You've got hundreds of thousands if not more than that invested in media time, your inventory, you've got a lot of money invested. All of a sudden, you get a notice saying you have to take that show off the air or the TV network says, "This show has been looked at by our legal department and it's not passing current regulatory standards," like, "Why not?"

You've heard these infomercials saying that they're going to cure this or cure that by just popping this pill or doing this motion or whatever. Even if that stuff is true, it's so hard to believe so you have to be able to substantiate that.

So, do whatever it takes to legalize your project so it's something that once you put it on the air and you get it out there in distribution, you are comfortable in knowing that it's already been approved. You get a letter from the attorney who has approved it because even before we go into production, the attorney reads the script.

A lot of times, when I do an infomercial I adlib because I know my product so well, I don't need a teleprompter or cue cards or something like that, but at least what bullet points I'm going to hit, and once we edit the show, then we send a rough content to the lawyer listen to the show, watch the show, and then they'll come back with a bunch of notes, "What did John mean about this? Was this testimonial a paid testimonial?"

You go through the checklist, and it may take weeks. It may take months, but once you get it right, then all of a sudden you have the confidence to put your investment out there.

Michael: How can one protect themselves from product liability suits, and if you are the licensure like you're licensing your product to a marketing company, can you be personally liable in product liability suits?

John: Your first question obviously is to have an insurance policy, and you have to set up a corporation for yourself where you're an employee of the corporation. You're exempt, but the corporation is liable and you get the insurance policy.

Again, within our alliance, we have people who have specialized in TV infomercial, retail products from a liability standpoint. As you can imagine, there is litigious things happening all the time. So, you obviously need to be protected.

When you license your property to a company, they have their own insurance policy, and they list you and or the project as additionally insured, and you're indemnified for all litigious actions. So, they will protect you.

*You're listening to an interview on Michael Senoff's [HardToFindSeminars.com](http://www.HardToFindSeminars.com).
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Michael: Talk about what you have planned here in the future especially in relationship to people who want to become inventors or current inventors.

John: Michael, it wasn't too long ago where something like this, you asking me questions internally, knowledgeable questions, that I say, there's no way I want to share this with anybody because this is valuable information that I've gained over the years that has allowed me to make me, my company and the people I consult lots and lots of money. Some people have become super rich as a result of it, but I'm at the point right now where my expertise, my alliance, which I'll explain in a second, and the information that I have about this and it's not just me, again it's the alliance, that is a product.

I've been developing what you would call an infomercial on infomercials. This audio seminar that you and I have had the opportunity to exchange with one another is questions about infomercials and or the business, and I want to share that.

So, that to me has been very, very important. Inventors and marketing people and project managers and producers and manufacturers have been tugging me at the sleeves for years asking me for help, for opinions, to get involved, for me to license the product for them, etc, etc.

So, now I'm in a position where I one day step back and say, "John Abdo is not and never has been a solo act. I've got all these people

from manufacturers to engineers to prototype developers to video production people to infomercial buying people and all this stuff that are part of the projects I'm involved."

So, what I did, Michael, is I went to all these people and I said, "Hey, how about I promote your services, and you give me access to the articles you've written, to the videos, I'll do audio seminars like you dealt with me that I'll post on my website, and I'll promote you and your companies because there's people out there that need your services, and are interested in that information."

So, I formed an organization called NICA, the National Inventors Coaching Alliance, and this alliance is headed by me as the founder and CEO, but it's anybody and everybody who if you go to stores right now, you're going to see their products on their shelves. If you turn on TV right now, you're going to see their products being sold on TV.

These are the real people who are doing real business, producing real results. They are not consultants, per se. In fact, you'll never be able to get to these people if you just said, 'Hey, can you give me a couple of hours of your time, or an hour of your time. I'll pay you money.' I know one guy who turns down \$20,000 one hour speaking engagements because he just doesn't want to talk to anybody about his business. He just wants to keep it all to himself. For him, it's the prudent thing to do because he's got a lot of secrets up his sleeve, and everyone wants to work with this guy.

I have access to him, and I could put him on the website. So, NICA is a NICAPro.org is the website. I'll be charging yearly memberships for people who come in, and anybody who listens to this, they could email me at NICAPro.org, and tell me that they listened to the Michael Senoff interviews with John Abdo, and they're going to get a major discount for the yearly membership that gains you access to all the questions that you've asked me, Michael, but not only from my perspective, from other people's perspective.

We'll have patent attorneys. We do have video production people, infomercial marketers, manufacturers. It goes on and on and on, and it's a live site. It's not a stagnant site where when you go there today and if you go back and visit it two weeks from now, it's going to be the same stuff. It's always being updated.

In addition to that, say, "Hey, I want to hire somebody or I want to work with this company," you submit your name to the list. We forward your name to that company who will ascertain whether or not they feel that

your proposal is something they can work with, or they'll just contact you to hear your proposal directly.

We're going to do one on one consulting like I have been doing as well as live seminars. So, it's going to be a very diverse alliance that's going to help all self help people, not just inventors. We even have professionals within the industry who are part of the organization because they want to learn from the competitors and from the other people that they have had short opportunities to work with, or haven't had yet the opportunities to work with but want to in the future.

Michael: I think that's great because I think inventors are dreamers, and they can be very vulnerable and they can be taken advantage of. I think an organization like yours of trusted advisors who have all been screened by you will be a great benefit to the inventors out there who have less experience.

John: Without inventors, you wouldn't be sitting on the chair that you're sitting on. I wouldn't be talking on the phone I'm talking on. I wouldn't be able to do my morning business. I wouldn't be able to do anything without inventors. Everything that you can see right now, and for the rest of your day is a thought turned into a thing.

We need inventors. We need the ideas. The thing is the idea people aren't the marketing people most of the time. So, I in here to cojoin the idea with the idea maker, the star maker so to say, and that's what the alliance is all about. I have always seen and shared a commonality with all inventors.

We do know who to trust. We don't know where to go. We've been ripped off before. We don't know if we're going to get paid on all our units. We don't know if we're making the right decision. It's fear, fear, fear, fear, distress, distress, distress.

So, if you want to be the deer in the headlights, then just continue being on your own, and you're not going to go anywhere. If you join an alliance, you will have the comfort, the security and the confidence to move forward and to expand yourself, and again, as I mentioned before, start easy. Get somebody interested in becoming the licensee of your invention, but at the same time, concur with that. Learn the business, so now your next invention, or the time when you say, "Guess what guys. This thing's going good. I've got something else I want to add to this project." Then, all of a sudden, you could add more and more and more.

It will snowball. So, I'm here to protect inventors. I'm here to tell inventors I love them. They're my brothers and sisters, and I'm encouraging that because I thrive as well as everyone thrives on innovation. Without inventors, the world would not be as fast, as save, as productive, as happy as it could be, as it should be. Inventors is what makes the world tick.

Michael: Well stated. That's perfect. That's exactly right. I agree with you. John, it's been a journey. It's been a pleasure, and I'm really glad that you invested the time with me to do this because I know how valuable your time is, and I know you probably turned down a lot of opportunity just to rap especially about all your secrets.

I think by you sharing these secrets and sharing some of the lessons that you've learned, I'm absolutely confident it'll come back to you tenfold even though you've give so much away for free, and I really want to thank you on behalf of myself and all the listeners at HardToFindSeminars.com, and whoever has the fortunate opportunity of listen to your story.

John: Michael, it's been my pleasure. I consider this a supreme opportunity especially now admitting that it's time for me to let the cat out of the bag. People have been pulling me at the sleeves, and like I said, a while ago it's like I can't tell anybody this stuff. This is internal secrets, but now I'm able to tell that to you because this is going to be a revenue generator for me because I have organized an alliance that's going to help inventors help themselves, and hopefully make this world a better place to live in.

That's the end of our interview with John Abdo. I hope you find this helpful, and I know we've covered a lot of stuff. This is definitely the type of mini-seminar you want to listen to three or four times. There's so much good information here that there's no way you could've absorbed it in just one listening. Print out the transcripts there. Make sure you check out John at JohnAbdo.com, and get going. I hope this interview has given you the encouragement to go for your dreams and you become that next million dollar inventor. Thanks for listening, and be sure to check out my other interviews at HardToFindSeminars.com.