

THE BILLIONAIRE MONEY RULES

HOW TO JOIN THE RANKS OF THE SELF-MADE SUPER RICH



Billions Money Rule #4: Pay Everyone Involved

STEPS FOR IMPLEMENTATION

The self-made Super Rich often are very good about paying everyone they deem important to making them successful. This is usually not about being nice or fair. It's good business to properly motivate those individuals who are instrumental to you achieving your milestones. Admittedly, money is not the only factor that comes into play in motivating people, but it's very often a critical factor.

The ability to effectively set compensation for the participants in an endeavor is an important skill set the Super Rich, or their close lieutenants, have mastered. We've found that the self-made Super Rich employ various ways to value contributions and derive payment schemes. These steps are a refined amalgamation of some of their approaches.

Step 1: Determine the size of the pot.

To compensate a participant in a project or business venture, you need to know how much money you're likely dealing with. Evidentially, different initiatives will produce different returns. Nevertheless, you will need to estimate what the results will be. This means you must run the numbers.

Step 2: Take a roll call of all participants and identify the deliverables from each.

Specify who is involved in the project and clearly determine what each individual brings to the table. What is each participant responsible for delivering?

Step 3: Identify the value of the respective deliverables.

Determine how important each deliverable is to the success of the endeavor. At the same time, calculate the likelihood and value of the synergies. Simultaneously, determine the degree of redundancy in the implementation of the venture. This regularly requires you to address short-, medium- and long-term consequences.



Step 4: Determine how replaceable each participant is.

There is a joke that cemeteries are filled with people who thought the world couldn't get along without them. Every single person is fungible, with very, very, very few exceptions. You need to ascertain the extent to which a participant is crucial to the venture. As a corollary, you need to be prepared for that participant no longer working with you.

Step 5: Decide what currency to use.

There are many different ways to compensate people. Cash is often good. However, you're likely to have other options. Bartering services can be effective. Providing introductions can be a very potent form of currency. Thought leadership content can be an excellent way to compensate certain participants. The self-made Super Rich employ a variety of payment methodologies.

Optimally, your ability to identify a form of currency that is especially attractive to a participant means it will cost you less.

Step 6: Negotiate a deal.

You'll need to develop a working arrangement with the participants that includes how you'll pay them. As with all negotiations, you want to benefit from leverage. The greater your leverage (which often ties into your choice of currency), the lower your costs.

