



SPI 323

How to Get Affiliates and JVs to Promote for You with Matt McWilliams

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Pat Flynn: So you might know about affiliate marketing. If you've listened to the show before, you heard me talk about affiliate marketing and how it pretty much generates most of my income through the recommendation of other people's or other company's products. But I've never talked about the other side of affiliate marketing. If you have a product that you own yourself, any product – physical, digital, online course, even a program of some kind – how can you get other people to promote that for you? How much should you share with them in terms of commission? Who do you even ask to do this for you? And how?

Well, that's what we're going to talk about today with our special guest, so stick around. We got a great show.

Announcer: Welcome to the “Smart Passive Income Podcast” where it's all about working hard now, so you can sit back and reap the benefits later.

And now your host. If he had his way, San Diego would have its own basketball team, Pat Flynn.

Pat Flynn: What is up? Thank you so much for joining me and spending time with me today here on the “Smart Passive Income Podcast.” This is session #323. Our special guest today is Matt McWilliams, a person who's been behind some of the largest collaborative affiliate promotions that I've ever been a part of. As a person who's been selling other people's products, Matt shows up all the time. He's helped promote Michael Hyatt's products and a few other people's too. He always does a great job and helps these people make millions of dollars in the process.

He's on today to tell us about how we can, even at the start here. Obviously you can coordinate a giant affiliate promotion with tons of people promoting your thin, but he actually recommends not doing that to start. He gives you a very clear call to action at the end of this episode for what you can do right now to find people to help promote your product, whatever product you might have. And even if you don't have any products to sell yet, this is going to be a great episode because you'll know what to look forward to and how to

better take advantage of this when the time is right.

I'm going to stop talking. We're going to get right to the interview. Here's Matt McWilliams from MattMcWilliams.com.

Matt, welcome to the SPI Podcast. Thanks for being here man.

Matt McWilliams: Pat, it is so good to be here. Thank you so much.

Pat Flynn: We've got a lot to talk about today, but before that, I just want to say every time I do, or over the last few years, every time I've done an affiliate promotion like a joint one with somebody and it's coordinated and there's a lot of other affiliates and there's a contest, which are really fun to do, you're always there. That's how I got to know you. You were always the Affiliate Manager for all these different people in all these different businesses and brands. I got to know you through that, and then you and I connected, as you know, at Blackberry Farms through Michael Hyatt and his course promotion.

You are one of the nicest guys I know and the only guy I know who really is focusing on the other side of affiliate marketing, which is why I'm excited that you're here. How did you become the guy that everybody goes to to help them promote more of their stuff through affiliates?

Matt McWilliams: Oh my gosh Pat, it's a ... I don't know if you, are a Grateful Dead fan, by chance?

Pat Flynn: Not necessarily, no.

Matt McWilliams: No? Well, their greatest hits album was called, "What a Long Strange Trip It's Been." I was thinking about that this morning. I was like, "That aptly describes how I ended up in this position" because I always wanted to be a professional golfer growing up. One of the jokes that me and my best friend Hunter always told each other because we kind of felt sorry for the guys who, in the golf business, who ended up teaching old ladies in purple sweaters how to play

golf. That's how they made their living. We're like, "No, we're going to play golf. We're going to be professional golfers." We used to joke that we never wanted to teach old ladies in purple sweaters how to play golf.

I went on to teach these golf schools with my dad. I was doing great financially. I actually, that's how I got into internet marketing, 15, 17, 16 years ago now, was running ads to promote these golf schools. I had this weird dichotomy Pat because what would happen is I would do the marketing, and I would make a sale, and we were making a \$3,000 transaction. I was spending maybe \$30 to make the transaction. Now, this is 2002. It's not replicatable today at that scale. But this is, you came to my website. We know today there's an opt-in, there's a free report, there's a video. You came to my website, you read a page, and you either gave me \$3,000 or you left. We still converted almost like a half percent of them.

And so here we are, we're doing this stuff, and I have this weird dichotomy because I would be like, "Yes! I made a sale." And then I'd be like, "Oh crap, I have to teach that person how to play golf." So one day, I kid you not, a 75-year-old lady in a lavender sweater walks up to the practice tee for our golf school. I kind of take it from the side with my .2 megapixel cell phone back then, I take a picture of her, I send it to my friend Hunter, and I think I said something like, "Shoot me now."

If you know a female friend, a good female friend would respond back. She'd put your virtual arm around you, and she'd say, "Oh sweetie, I'm so sorry. If you need to talk later, let's talk." Right? But a good male friend, like Hunter, responds with, "Ha ha. Sucks to be you." And so that was the beginning of how I got into this, believe it or not, because I realized I loved internet marketing, but I hated the product that I was selling, essentially.

Fast-forward about three years later. Hunter and I, we started a business together and he was the Affiliate Manager. Problem: he didn't know the first thing about the technology side of things. I was the tech guy. And so every day, he's sending all of his affiliates over

to me. We realized, after about six months of doing this, that this was stupid because I was effectively the Affiliate Manager. That was in 2005.

Since then man, I have just been honing my craft and learning more every day about how to do this stuff, how to do work with people because I feel like I've got both sides of the affiliate marketing and affiliate management equation, which is I love people, but I also understand marketing and technology. I feel like most people fall into one of those categories. They're either super awesome with the technology, but they're not very personable, maybe even not very nice. They're Jimmy Fallon on SNL, you know, the tech guy, "Move!" Or they've got the personality, but they're like Hunter. You try to ask him, "How do I set up a Lookalike Audience on Facebook?" And they look at you like a deer in headlights.

That's the genesis the story. And fast-forward 13 years later, and I'll tell you Pat, if a high school guidance counselor even knew that what I do exists, this is what they would tell me to do because I love every minute of it.

Pat Flynn: Why do you love it so much?

Matt McWilliams: Because it marries those two passions. I love people. The hardest thing to get me to do is shut up. I love talking, I love listening, I love interacting with people. I just love it! I love getting to know new people and making friends and all that stuff. But like I said, I also love the marketing side of it.

The best part, I love working with folks like you. I love working with big affiliates who can drive a lot of sales and who already know what they're doing, for the most part. But my real passion is helping that guy who maybe has an audience for 400 people, isn't making a dime, and being able to give him that one tip or that one encouraging word and he comes to me after the promotion and he's like, "Dude, you sent me a \$400 PayPal deposit. That paid all my expenses that month. It's the first time I've ever actually made money with my blog or my podcast."

Because as we know, most people who are blogging and podcasting, whatever, they've got the equipment, they've got the hosting, they're paying for Aweb, or MailChimp, or ConvertKit or whatever it is, and they're bringing in nothing. They have literally nothing to show for it. In fact, they're losing money. I always say, "They don't have a business. They have an expensive hobby."

I love being able to help that, those folks. That's my real passion is being able to help those guys make that first dollar because when they make that first dollar, honestly, the next \$999,999 are a lot easier than the first one to make. It's the biggest leap you will ever make in your online business is from nothing to something. That's why I love it. It's just so much fun doing that.

Pat Flynn:

And so affiliate marketing, why do people with products, why should they pay attention to affiliate marketing? And I know that a lot of people who have products might say to themselves, "Oh, you know, I built my audience. I can sell to my audience. I can create the funnels and stuff." But why would they let other people in on that and share some of the profits with them?

Matt McWilliams: You know, it's actually quite simple. In its simplest form, it's another marketing channel. It's the same as saying, "Well, why would I pay Facebook for a click?" Because they're a marketing channel. "Why would I pay Google for AdWords?" Because it's a marketing channel, and so on and so forth.

The thing I love about affiliate marketing that's so, I wouldn't say different, but to me, it makes it ... Actually, I'll rephrase that. It's not about being better or different, it's just about being something else.

What I mean by that is like take Facebook for example. I know that when we started out with our business 13 years ago, we didn't have targeting. You couldn't really target demographically, or psychographically, or any of that stuff. You just threw your banner ads out there and whatever happened happened. Then we started, you could get a little bit more targeted with Google. Obviously you had AdWords. If somebody's searching for "Nike Pegasus shoes,"

then they're pretty interested in Nike Pegasus shoes, and Nike would do well to spend money on that, or Zappos would do well to spend money on that. But it was really hard to get super targeted.

And then when Facebook came along, and of course it gets better every day, but in some ways it gets worse because with Facebook, we could become so myopic. We could say, "Well, my perfect avatar, my perfect target audience is 40 to 42-year-old males who have 3.2 kids, live in ... Their favorite team's in the NFC West. And they have brown hair." We can get so ridiculously myopic that we actually miss out on those people on the peripheral who are, perhaps, valuable customers.

And so what I love about affiliate marketing from the standpoint of the merchant, from the standpoint of the product creator, is two things. One, you get to reach those peripheral markets.

An example of that would be, Pat, if I ... I'm trying to look around my office. You're never going to target people who are interested in buying office chairs, necessarily. You know what I'm saying? It's really hard to target for that if you're you, but if you had office chairs, and I have an audience of online marketers, that's kind of on the peripheral. They're not going to buy in bulk. Your main audience is middle managers and corporate buyers who are buying 500 plus chairs. But if I came to you and said, "Pat, I'd love to be an affiliate to sell your office chairs. Can you share some of the profit with me?" Why would you not let me do that? You're reaching an audience that you can't probably even afford to spend money on on Facebook. So that's the first thing.

The second reason is that you make money before you spend money, quite simply. Every other form of marketing, and trust me, I know, I've been there because my first business, the one I mentioned my friend Hunter and I started, we spent \$5,000 on banner ads. Now, I remind you, this was 2003 so don't laugh for spending all of our money on banner ads. We spent \$5,000 of our \$10,000 starting the company on banner ads. We made \$8 bucks. We lost \$4,992. That money was gone before we ever brought in

even the \$8.

With affiliates, you actually bring the money in, and then you pay them from that. So as the merchant, unless you're paying a flat fee per ... Unless you're paying per lead or per click, which in most markets is a terrible idea, you're making money before you're spending it and that's a really good way to cashflow.

Pat Flynn: That makes sense. Okay. Let's go through the cycle here. I have a product and I want help from my people who can potentially sell this. Where would you go find affiliates? Who do you recommend working with? Because you could obviously open it up to everybody. You can open it up to your current students. You can go and find influencers. What's the best route to go?

Matt McWilliams: Yeah, I think the best route, I look at it is a funnel and you're going up the funnel. You're starting with the low-hanging fruit. This is people who you know, like, and trust and they know, like, and trust you, and who would be a good fit to promote you. In other words, people who are going to promote you because you're you, not because the conversation rate's X percent, or they're going to make \$10,000 a month, or those sorts of things.

For most people, especially when I think of the "SPI" audience, starting out with their platform in some way, maybe we're talking about their first or second product at most, the reality is you don't have a ton of those people. It's probably five or less, again, who I know I can trust you and you know I can trust them, and they're at least somewhat in your niche. It might be one person, but start with that person. And then you're going to go up the funnel from there.

The next group of people to look at is people who are promoting your competitors. You know they're in the niche. They don't know, like, or trust you yet, but you know that they have at least some semblance of an idea of what affiliate marketing is, and they've promoted something similar. The very simple way to find them, it is ridiculously easy, is go to Google. Type in your competitors name, and start scrolling. And then use who, I think it's still at this URL, it

may redirect, I can't remember. You got to Whols.domaintools.com. You put in their URL. Two-thirds of the time, they have a publicly listed email address. You can grab their email and you can reach out to them.

If you can't find it through Whols, they changed the name because Salesforce bought them, but if you type in Jigsaw.com, it'll redirect. I think it's data.connect.com now. That'll show you a lot of people. You can also literally just go to their website and a lot of times people list their email address there. It might be their public email, but it's still something.

And then if all else fails, you can actually, there's a plug-in for Gmail called Rapportive, as in Rapport, R-A-P-P-O-R-T-I-V-E. I was never good at spelling bees, but I think I got that right. It's a plug-in for Gmail, and you can actually open the compose window in Gmail, start typing things. Let's just say that their domain is AwesomeRunningShoes.com. You can literally ... And you know that their name is Fred, Fred Smith. The most generic name on Earth, right? Type in Fred@AwesomeRunningShoes.com, and if Rapportive returns a result with a picture and some details, you just guessed their email address. Try Fsmith. Try fred.smith. Try different things like that.

And then if all else fails, like literally, 99 ... I'm going to guess 99.5% of the time we can grab an email using one of those three months. That other .5%, the contact form on their website. You and I both know that for many websites, that's the black hole of contact information, but it's better than nothing. You might be able to get them. Even if you get ... Here's the fun thing: even if all you get is an auto-responder, guess what you now have? Their email address. There are ways to do that and to reach out to those people.

So again, start with those people that you know. Go up to competitors, people who are promoting your competitors. Then there's your current customers, if you have any. Certainly those are going to be the most eager. The downside to them is often those are more beginners, and that's why I don't recommend starting

with them second. They're going to need a lot more hand-holding and promotional methods. A lot of time they love your product, but they don't have much of an audience or they've never done affiliate marketing before. That's why I don't recommend them as that second layer.

And then there's, you keep going up the funnel. Pat, there's actually, there's a report I put together. For the life of me, I don't know the URL. I'm going to see if I can jog my mind while I'm talking.

Pat Flynn: Maybe we can find it.

Matt McWilliams: Actually you know what? I'll just put it up at MattMcWilliams.com/spi. I'm going to write that down actually. MattMcWilliams.com/spi. It's got all the different places to find affiliates. You could work with nonprofits. We've done millions of dollars a year in commissions that we've functionally donated to nonprofits because they promoted Shutterfly and they got an enhanced commission for doing that. There's PTAs and PTO. There's trade groups. There's all sorts of places to look at, but start with those three.

The other stuff is admittedly more advanced when you start working up the ladder, but I've got sample email templates in that PDF, the exact instructions, step-by-step in case somebody missed one of the steps there, or if I missed one of the steps because that happens. All that stuff. Links to all the different websites and all that stuff. Yeah, we'll put that up on the website, MattMcWilliams.com/spi.

Pat Flynn: Cool. Thanks Matt. Okay, so I find an affiliate who wants to promote my stuff and is it as simple as just supplying them a link and then we're done? Or how do we maximize this relationship?

Matt McWilliams: If it was that simple, I would make no money because anybody could do that. I wish, kind of part of me wishes it was, and part of me is glad it's not that simple.

On the surface it is. All they need to be able to promote is a link. If

every single person on Earth was super ambitious and didn't need any further instructions, that would be all they would need was the link and they would magically write all the copy and send it out. Yeah, you start with a link. You start with the tracking, and there's all kinds of advance systems. I know, I believe you're on Infusionsoft, if I'm not mistaken. But maybe you're not.

Pat Flynn: No, I'm actually, my ESP is ConvertKit but we use-

Matt McWilliams: ConvertKit, yeah.

Pat Flynn: My online courses are on Teachable and Teachable has an affiliate program.

Matt McWilliams: Teachable, yeah that's right. I knew that.

Pat Flynn: What do you do if there's no affiliate program connected to your product?

Matt McWilliams: What do you do if there's no affiliate program?

Pat Flynn: Yeah, it's not automatic to get that link.

Matt McWilliams: Yeah, there's a couple of resources out there. When you're very first starting out, we recommend iDevAffiliate. iDev is, I want to say last time I checked, it's been over a year, there's two options. I never recommend the monthly option because it's got some features missing that even the most beginner-beginner needs. But iDev, I think, is like \$200 one time and you can set up the tracking. Now, iDev does is affiliate tracking. You will not be able to do anything else. You're not going to be able to email your contacts through that. It's not meant to be an all-in-one system, but it's an affordable option.

The very simplest way in that example I said earlier where you might have one or two people who are starting, if you are bare bones ... I just said \$200 and you went, "Uh, I don't have that." Assuming that you have an email list system like ConvertKit or

MailChimp, and one of the reasons I love MailChimp is literally when somebody has no money, there's the free option up to a certain number of subscribers.

Again, if you've got \$0 bucks, and I've been there, done that, you could literally set up a page, assuming you have something to actually set up the page. Whether it be a WordPress page, a Leadpages page, a ClickFunnels Page, whatever it may be. You could set up the page and have all the contacts that opt-in or buy or whatever it may be go through that ... Set up a separate list in MailChimp for example or ConvertKit and call it ... Let's say you were going to promote my product Pat. I would set up a list called "Pat Flynn" and every sale, naturally, that comes through the Pat Flynn list, it came from you. I manually go in and go, "Great, Pat made 10 sales. The commission's \$500 a sale. Hey Pat, here's \$5,000 bucks." You can do this for \$0.

Now, that's not scalable. You can't do that with more than three or four people but here's the cool thing: you do it for one or two, you make a few thousand bucks, maybe more, and now you can afford to go pay \$200 for iDev no problem. So there are ways to start with nothing, but you set up the system, you set up the tracking. You get them their links, of course. You give them the log-in to be able to check the tracking if that's something that you're using. Again, in the MailChimp/ConvertKit example, there wouldn't be that, but set up some sort of mechanism for them to track things.

But yeah, you've gotta get them banner ads. You want to get them banner ads because believe it or not, people still use them and people still click them. I get thousands of clicks a month on my banner ads. You want to provide them with different social media graphics. You want to provide them with swipe copy, and we'll talk about more of that in a second. But when you're first starting out and you literally have one person promoting you, just ask them what they need, and then give them what they need. You can just tailor everything to them, and then eventually, you'll scale from there to have your generic, we call them "assets." Your generic assets, your generic images, you want Facebook, you want Twitter,

you want LinkedIn, you want Instagram sizes. You want different versions of those.

But then I mentioned swipe copy. Swipe copy, I think the name is rather self-explanatory, but it's copy, email copy, social media copy that is intended to be swiped, intended to be copied. We have this whole thing where we teach people how to use swipe copy, but we recommend that affiliates take that and use that as a guide. Typically how I use swipe copy is I think of a ... I look at the facts of the email. For instance, "Okay, it closes at midnight. Registration closes at midnight and you will learn these five things." There's only so many ways you can say those two things. "Here are the five things you're going to learn on a webinar," or "Registration closes at midnight." Those are the facts of what I'm writing.

And then I think, is there a story I can tell? Is there a situation I found myself in three years ago that was similar to what somebody might find themselves in now? And then I use that swipe copy as a guide for key language and like I said, facts of the situation. But you want to write the swipe copy. You want to give them that guide, that email template, and all that stuff.

So there's all the promotional tools that they'll need, but again, on its simplest form, I don't want to oversimplify it, they need the images that they need, whatever those may be; they need some email copy; and they need some encouragement. That's the biggest thing. I know Pat, you've promoted stuff that we've run. I feel like the number one thing that we provide to our clients, and the number one thing we provide to affiliates is just encouragement. It's the, "You can do this no matter how big or small you are."

I think that's why, when you look at the typical affiliate program, I'm not picking on anybody so I won't name names, but big names in the internet marketing industry have said from stage and said in their courses and said on their podcasts, "90% of your sales will come from your top three affiliates." I remember thinking, "Why does it have to be that way?" My grandmother taught me better, not to put all my eggs in one basket, or even in three baskets. And

so when we run a program, whether it be Michael Hyatt, or Lewis Howes, or Ray Edwards, whoever it is, when we run their programs, it's more than 35% of our sales come from our top three affiliates.

We have such a long tail of small affiliates. Sometimes with email lists in the double-digits, that are making one, two, upwards of 15, 20, 25 sales. As an individual, none of them are really moving the needle. But as this massive army, it really diversifies our income. The cool part about that is if one of them were to not promote again for whatever reason, don't get me wrong, I'll be frustrated for about two seconds, but it's not like, "Oh my gosh. We just lost a third of our sales."

Yeah, so as you grow, you're going to have a lot more resources and what not, but I think that encouragement piece is the biggest piece to the puzzle.

Pat Flynn:

Well, having a long list of affiliates is definitely something to work toward, although I do know some people who prefer to just manage a few who can they offer a little bit more help and encouragement to. If you're starting out and you're like, "Well, okay, encouragement." I would imagine that would be, for example, commission is encouragement. The higher a person will get paid as a result of promoting your stuff, the more likely they are to promote it.

So the next question I want to ask you is: what's typical? How much is enough to get a person to move? I know it varies across different industries, but in your experience, what ... Because I've been offered to promote other people's stuff before. I look into it and I see that the commission's 10% for \$100 product. And I'm like, "\$10 per, that's not quite enough for me to go and send an email out because there's no value there really." So how do you decide where that line is?

Matt McWilliams: The short version, I'm also going to put this on that page that I mentioned, MattMcWilliams.com/spi because there's actually a video I have where I walk people through this process of how to

determine your commission. You do actually ... It's very complicated and the reason is it depends on a couple of things.

One, what are your cost of goods? Especially with a physical product, if ... And I've sold physical products, and let's say they sold for \$200. If your cost of goods is \$100, offering a 50% commission is unrealistic.

Pat Flynn: Well yeah, you're in the hole.

Matt McWilliams: Clearly you're going to make nothing. You have to consider cost of goods. If it's a course, you have to consider, okay, how much time am I going to put into this? Not ... What's the word I'm looking for?

There's two types of time. There's fixed time, which is recording the course. We're recording a course right now. It's going to take us about 200 hours. I'm going to spend that 200 hours whether I sell one course or 1,000 courses. But if I'm offering every single person who buys a one-hour coaching call, then every single ... I don't know the word. I'm trying to think of, but it's like scalable time. If I sell 1,000, I'm going to spend 1,000 hours. If I sell one, I'm going to sell one hour. And so what's your time? You start backing away from that price.

And so in this example, a \$200 product, \$100 cost of goods, no time necessarily per person. And then you start looking at things like, okay, how much money do I actually want to make? Well, I would like to make \$40 per sale, so now I'm down to \$60 in commission, which would be 30%. You back down from that. And then what you do once you've established those numbers is now you look at the industry and say, "Okay, what's the competition paying?" "Well, the competition's paying 20%, so 30%? Sweet. I'm on the high-end. That's perfect." Or you might say, "You know what? Actually, I can get away with 25%."

Because one of the things that we recommend, especially when you have bigger programs and higher margins, and especially in the retail world, is you've got your published rate, and then you've

got the, we'll call it "The Pat Flynn Rate." You've got the rate you're going to pay people like Pat. You've got your published rate, and then the higher rate.

We always recommend that your published rate is low. Not low like unfair low, just you want to make sure you don't publish the absolute max that you can offer because it gives you no wiggle room to make Pat feel special and encourage him to come in. Because you can say, "If I offer a 20% rate, I'm actually going to give you 50% more. I'm going to give you a 30% commission because I love you." So you can do that.

But with a course, let's say you have a course that has no cost of goods other than credit card processing fees and a few other things, and it probably costs you about the same to serve 1,000 people as 500. Maybe you have to hire one additional community manager, so it costs you a little bit more, but not much. You're generally looking in the info, digital product world. You're looking between 40 and 50%.

But again, what I recommend doing is looking at the competition because in that example earlier, if you have a \$200 product, \$100 cost of goods, and you want to make \$40, that leaves you with 30 on the max, but every one in your industry is offering 35, you may just have to make a little bit less money to even get some affiliates. You may have to just offer 35, you may have to take a little bit less money, or figure out a way to cut your cost of goods because you have to be at least be playing in the same ballpark as the competition.

Pat Flynn: Right. And then you also have to realize that when somebody else sends a new customer my way, yeah, I might be making less than if I went and found that customer myself, but now I have an email address. Now I can upsell them later or maybe they become a high-level Mastermind member or something down the road. There's a lot of other ways to make up for that lower cost upfront.

Matt McWilliams: Yeah, exactly. I hear that all the time. "Well, it's cheaper to do it on

Facebook.” Yeah, because you’re super hyper-targeted. It’s cheaper, but it’s not scalable. The reality is yes, the population’s growing, but I don’t believe, and I haven’t looked at the data, but the population that’s on Facebook as a percentage of the world’s or US population is not growing at a dramatic rate. Most people have made the choice: I’m either going to be on Facebook or I’m not going to be on Facebook. It’s a pretty, it’s a finite audience that you can reach.

With affiliates, at least in theory, it’s infinite because there’s always more people who could promote you. I look at it and it’s like, “Well you might be paying 40% to an affiliate and 30% to Facebook, but that’s 60% of something, as opposed to 100% of nothing when you’re not working with affiliates.”

I did just want to clear that up because I hear that all time, “Why should I work with affiliates? It costs or more,” or whatever, “It’s less targeted.” Who cares? It’s something. Unless you just don’t want to grow. If you’re making a million dollars a year and just want to make exactly a million dollars a year and never more, I don’t have a problem with that. But if you do want to grow, and that’s probably 99.9% of people, then you need affiliates.

Pat Flynn: Well, plus the other thing is when you’re working with affiliates, you are able to take advantage of the trust that they’ve earned with their existing audience. That’s something that you don’t get on Facebook. It’s very difficult to build a relationship with somebody and earn that trust, but these people have it already so that’s kind of what you’re paying for as well, which is really, really smart I think.

But I want to talk about-

Matt McWilliams: Very warm traffic.

Pat Flynn: Yeah, very warm traffic. Thank you.

So one way to do it is you get a link for your product, whether it’s through, if you have online course, maybe it’s already built in like with Teachable, which I’m thankful for; or you set up iDev affiliate; or

you do it the manual way. Either way.

There's two ways I see to go about having this person promote it. They can go ongoing. So you just give them the link, you give them the swipe files, you give them the banner ads and the social media images, and then you just hope that they promote it. They might inject it into their email list, they might inject it into their auto-responder, on the sidebar, or however they want to promote it. It's just kind of evergreen at that point. Of course, you can encourage them along the way.

But the other way to go about it, and the way that I've seen you really help a lot of people out, is by doing these time-based promotions. How can I, as a person with, let's just use online courses since a lot of my listeners have online courses. Instead of ongoing, how can I encourage people to promote even more heavily in a short time period? If I can't afford a person like you, Matt, to come and become an Affiliate Manager, how can I still create that effect just on my own?

Matt McWilliams: You know, I think one of the keys is, especially when you're working with online courses, is you do want to have an evergreen something. You want to have a steady stream of income coming in.

But with a particular product like your flagship product, that would be something where you would do a "launch." I think, unfortunately, for better or for worse, that term has taken on some negative connotation. I don't know why, but it has. That's why I say "launch," but do some sort of a timed promotion where you're going to have perhaps your pre-launch content, your three videos, PDFs, webinars, whatever it may be. Then you're going to have an open cart period. Then the cart's going to close. Then that product is not available for some time, or that promotion ends. Maybe the bonuses go away and things like that.

The reason we like that, why we like doing both, we like the evergreen because of the convenience for the affiliates. They can promote anytime. But we liked the condensed timeline, like

our launch coming up is 15 days from start to finish. We like that because there's a big difference between saying, "Yeah, I'll promote that," which is like saying, "I'll call you sometime." You know what that's like. They never call. And there's a difference between that, "Yes, I will promote you between May 30th and June 13th." For lack of a better phrase, it ties them in.

If you've "Influence" by Robert Cialdini, and I'm sure that book's been mentioned a dozen times on your show, he talks about the principle of commitment and consistency. When we commit to doing something, especially in a period of time, we are 1,000 times more likely to actually do it, as opposed to, "Yeah, I'll throw that up on my website sometime." It has that effect.

Now, as far as how you do that, well, there's a couple things. One, you want to make sure to start that process at least six months out. Don't email people, don't reach out to people and say, "Hey, can you promote my launch next week?" Because, "Sure, I don't have a promotional calendar booked months in advance." No, that doesn't work. Even the most ... Even the people who don't, like I used to be, where I had my content planned out like three weeks in advance. And I know you've gotten to the point where it's at least a quarter or two in advance, right?

Pat Flynn: Yeah.

Matt McWilliams: Even if you've only got it planned out a few weeks in advance, "Man, I might just be going on vacation or something. I just don't want to do it. I can't do that a week in advance." So start six months out.

Then what you want to do is what we have found Pat, is all of the hype that comes from the moment the launch starts through the end of the launch is a fraction of the total work that goes into it on the affiliate side. Right now, we're getting ready for ours. I don't even know what I'm going to do during the launch other than some Facebook lives and a few texts here and there to some people. All the work that we're putting in is now in the weeks and the months

leading up to the launch.

You want to do things like keeping correspondence with them. Some of the things you can send them are do a Facebook Live. If you're shooting your course, or you're shooting your marketing materials ... I'm getting ready to do one after this episode, after we record this, where it's just me doing a quick video that we're going to post in our partner's Facebook group, which by the way, have a Facebook group for you affiliates. And it's just me saying, "Hey guys! I'm live here on set. Here's what the set looks like for our pre-launch videos. Really excited about the launch. Thank you so much. And if you need anything, just reach out to me." Something like that. But it's keeping them involved in the process.

When we finish a piece of content like our PDF that we just finished yesterday, as soon as it was approved by our editor and signed off on, and of course I gave it three last read-throughs just to make sure, we sent it to the affiliates. Like, "Hey, here's the PDF you're going to be promoting in a month. Just wanted to put it in your hands so you guys could see it." If it's a book, send them a copy of the book.

The other thing is be emailing them consistently with updates. Let them know when to expect stuff. Remind them of the calendar. Hammer home the dates in their mind. I used to, years and years ago, I worked in the political arena. One of the things we talked about was we had to make sure that our supporters knew the day to vote. November 8th, November 8th, November 8th. We wanted them to be repeating "November 8th" in their sleep. They got sick of us saying, "November 8th" because it was only then that we could assure that they were actually going to get off their butts and go to the polls. You want to hammer home your dates.

Another thing that we've gotten more and more of this. We live in this digital age, so it just feels like everything should be email. With our recent launches, we've really gotten more into doing direct mail and actually breaking the pattern of just, "Oh, I'm in your inbox. I'm in your inbox."

It hit me the other day. I say, “The other day”; the other day was three months ago. I realized as I went up to the mailbox, and we have a long walk from our mailbox down to our house. By the time I’d gotten to the door, I’d already opened three pieces of email, or opened three pieces of mail. Sorry. That same day, this was like 6:00 at night, I hadn’t even checked my email yet. We used to be that we got really excited for the, “You’ve got mail,” and we’d have a pile of unopened physical mail on our table, and it’s completely shifted. I don’t even want to check email. I hate email! But man, if I get something in the mail from somebody I know, I’m all over it.

So mailing them stuff like a handwritten note saying, “Thanks for promoting. Thanks for supporting my launch coming up.” We’re mailing all of our affiliates what we call a “launch survival pack.” It’s just got some granola, it’s like a fruit bar, a coffee mug, a logo pin, some other stuff. I don’t even know what’s in it. It’s got some really cool ... Post-it Notes, which I know you love Pat. Just some cool stuff in there. It’s just a little launch survival pack and it’s just to say, “Hey, thanks for promoting us.” But it keeps us front and center on their mind and gets them excited.

The other thing is I go for a walk every day for about an hour and a half. I do my team call for about the first 45 minutes of that. Right now as we lead up to our launch, I’m spending the entire next 45 minutes just calling affiliates. Most of the time I’m leaving voicemails, but now they’ve got a voicemail from me saying, “Hey, I just wanted to say thanks again. If you need anything, let me know. Blah blah blah.” But occasionally, I’ll end up having a half-hour conversation with them and we’ll basically work out their entire promotional strategy.

And then the last thing that we just started doing this year that’s been a huge needle mover, I’m actually going to share the trick that we use for how to do this, is we record a Screencast video that walks them through day-by-day of the promotion. It’s actually just a screen of an Excel spreadsheet, and that Excel spreadsheet has each day broken down. Here’s video one, here’s me doing a

Facebook live, here's a webinar, etc. etc.

And then I actually go through, I'll be doing this next week, and at the very beginning, I will go through our list of affiliates and so I'd be like, "Hey Pat," and I pause for about five seconds, "Hey Michael," "Hey Jim." So we go through them and my team will take that, you could do this yourself. My team will take that long clip of me just saying a name at the beginning, slap it on the beginning of that video, and now it's a personalized video, promotional plan, for that affiliate.

Those are some things that you can do before, actually before, to get your affiliates ... You want them so hyped up. And in that Facebook group, you've seen the Facebook groups that we run. They're crazy how excited people are about the promotions. Right now, we've got people snapping selfies with the sunglasses. We have logo sunglasses. They're snapping selfies. They're posting videos. They're encouraging each other, and to some extent, they're already starting to talk a little trash. That's that competitive side because I don't care if you say you're not competitive, I have yet to meet a human being who's actually not competitive, at least on some level. I'm competitive that when I lost at cards when I was nine, the cards went flying across the room. Maybe that's unhealthy, but that's not the kind of competition I'm talking about. I just don't like to lose.

I've been in so many affiliate contests and I don't like finishing in second place. I hate it! Not just the money side because sometimes the difference between first and second is \$50,000, it's the fact that the person I lost to is actually a really good friend and now I have to hear about it for the next year. I beat Ray Edwards once and I would casually remind him of that about once every month, just, "Hey, remember I beat you last year?" And so the next year, of course, he beat me and I haven't beaten him since. So he casually mentions it here and there, but it's fun though.

During the promotion, that's one of the things you can do is spur on that competition. A very simple text to two people who are one

sale apart can literally be worth tens of thousands of dollars to you if you word it the right the way, if you just send them a little text and say, “Hey Suzie and Sally, you guys are one sale apart. Just wanted to say, just wanted to let you know you’re one sale apart. That’s a \$5,000 difference,” or whatever it may be. Then they start communicating back and forth like, “Oh, that’s it. I just sent another email.” You’re really encouraging that stuff and giving them coaching. Like I said, the trash talk, and breaking out of the mold of just sending a bunch of emails. Texting and getting the cell phone numbers of your affiliates, sending them physical mail.

One of the most effective pieces of physical mail we send is as soon as somebody does something, meaning they hit a certain number of opt-ins or they make a certain number of sales, immediately we send them something. We FedEx it. We spend the money. Sometimes it costs \$30 to FedEx the thing. Whatever it may be, we send them something that just says, “Hey, congratulations on making your first sale.” They get that the next day if we get it out soon enough, and they are on fire for the rest of that promotion to make even more sales. So that \$30 investment could return thousands of dollars in sales.

Pat Flynn: That’s cool. Yeah, I mean, we’re talking about huge promotions here. Big coordinated events essentially. The competition, the snail mail type stuff, that stuff works really well. It’s worked really well for me and it’s really encouraged me to help promote these products that I enjoy, and use, and love myself even more to my audience.

But for big or small, just a few affiliates or several hundred, what are some of the biggest mistakes? I guess we’ll finish there. And then maybe one word of encouragement at the end because a lot of great stuff here Matt, I appreciate you being on and sharing all this. But big or small, what are some of the biggest mistakes that people with courses who has a team of affiliates big or small, what’s a big mistake they make that they shouldn’t make?

Matt McWilliams: I think the number one mistake is kind of what I just touched on. Not communicating with them leading up to a promotion. If it is

100% evergreen, you're not going to do one of those big launches, then the biggest mistake is not doing something throughout the year to spur them on. Maybe your product is available. Maybe it's a software as a service and so it's available year-round, but for the month of March, we're going to do this. We're going to throw in this bonus or we're going to ... Our top 10 affiliates are going to get invited to San Diego to spend a couple days with me. You know what I'm saying? Whatever it may be, you can do some stuff periodically to just inject some enthusiasm into your program. That's number one is just not doing stuff before, not really doing anything fun.

The reality is fun affiliate programs get more results than not-fun affiliate programs. It's why with Jeff Goins a couple of years ago, we hired a George W. Bush impersonator to announce the prizes, John C. Morgan, he's the world's best George W. Bush impersonator. Why? Because it was fun and because everybody wanted to watch the video announcing the prizes. Our watch time on this three and a half minute video was like three minutes and 18 seconds. That was our average watch time. Everybody watched until the end because it's a George W. Bush impersonator. Nobody stops that half-way through.

Pat Flynn: That's funny.

Matt McWilliams: The second biggest mistake that people make with their affiliates, in my opinion, is the level of ... It kind of ties into what I just said. It's the level of communication. They think, "Well, I can only send," I see this more in the retail world than I do in the course world, but, "I can only send one email a week to my affiliates. They don't want to hear from me that often." I'm not saying send them three emails a day, every day, 365 days a year, but actually you do want to just keep them updated on things, and not let them fall by the wayside.

Maybe you do a big launch in June of every year. The key to your next June launch is not what you do next June, it's not even what you do next May, it's not even what you do next year, it's what you do this July. "Hey, it's been three weeks since the launch and I

just want to give you some updates.” “Hey, it’s October and I just wanted to share a success story from my course.” “I just got an ... “ You get an email with a testimonial or a success story? They’ll just go, “That’s great,” and share it with your team or read it to your spouse, forward it to your affiliates because they want to hear that stuff. And now they get excited because it’s like, “Oh, this course is getting results. This course is actually getting results.” That’s the other one.

And then the last one is, we sort of touched on this earlier, the last one is being cheap on commissions. I get it. You want to maximize your margins, but it’s like you said Pat, the 10% one. Now, if it’s 10% for something that you know has a very low margin to begin with and it’s something your audience really, really needs, you might promote it. But if my \$1,000 course that you know what goes into making a course and you know that whether I sell one or \$1,000 isn’t that big of a deal, and I’m like, “Hey, I’ll give you a 10% commission,” you’re just going to laugh at me. But if I come to you and I say, “40” and you’re like, “50,” hey, at least we’re in the same ballpark. Otherwise, you’re just playing different sports as a matter of fact.

You don’t want to be cheap with your commissions. Find what your competitors are doing, and if at all possible, at least match them, but I would prefer to see you beat them by a little bit. Be the generous affiliate program even if it means that you only get to go to Hawaii for four weeks instead of five. Just be generous.

Pat Flynn: Well thanks for that, Matt. I appreciate you being very upfront and honest about some of the big mistakes that affiliates are making or people who have affiliates are making.

One word of encouragement for everybody who has something to sell, maybe first steps, what can they do? And how can they get a win sooner than later?

Matt McWilliams: Get your first affiliate. Get one. Don’t ... Everything I just talked about, about having 1,000 affiliates, and “90% of your sales from

your top three” shouldn’t be true and all that stuff, that’s great. You’ll get there. You will get there. That will happen some day. But get your one affiliate.

I don’t know who that is. It’s going to be that low-hanging fruit. It’s going to be somebody that knows, and likes, and trusts you, and they’re going to promote you because it’s you. Get them onboard. If you’ve gotta do the ... I call it the “Sanford and Son Method,” if you ever watched that show back in the day, or MacGyver Method. You’re using duct tape, copper wire, and bubblegum to piece together an affiliate program. Use that method, set them up, and get them promoting, and then treat that one-person promotion like it’s a big one.

In fact, practice with one person. Send them something in the mail before the promotion begins. Tell them how much you appreciate it. Whatever it is. Especially if it’s a course, make sure they get access to the course and they can see inside. Call and talk to them for an hour. Walk them through the promotion and set up a custom promotion plan with them. Take advantage of the fact that there’s only one.

Don’t look at it as, “Well, there’s only one. This is never going to grow.” Don’t look at it that way. Take advantage of the fact that with this one person, you can literally be their entire ecosystem for two to three weeks for a promotion and make it a big deal. A lot of times they’ll surprise and it might be the catalyst ... You could do \$50,000 or even \$20,000, whatever it may be in a matter of a couple of weeks with this one affiliate, and that’s the catapult that gets you going because now you have results. You can prove, “This person made this much money.” It’s so important to just get started.

My challenge to everybody would be this week, don’t go make a list of 20 people. That’s the mistake people make. Go make a list of three people. Don’t write down a fourth name. I will know if you write down a fourth name and I will hunt you down. Write down three people that could be affiliates. Send them an email, make a phone call, send a text, send a piece of direct mail, carrier pigeon,

I don't care. Get one person signed up. And when that one person signs up, if a second person says, "I want to do it too." Say, "You're going to have to wait." Be disciplined and work with that one person for now and get started.

Pat Flynn: Love it man. Hey Matt, thank you so much. Super encouraging. If people want to go and find more information from you, where should they go?

Matt McWilliams: Go to MattMcWilliams.com/spi guys because that's where we're going to put all the stuff we talked about so you guys can find affiliates and that video I talked about with how to set up a structure or commission program. Who knows? By the time I get that set up, I'll probably throw some other stuff on there. But go there. That's the place to go.

Pat Flynn: Well man, thank you so much. I appreciate you Matt. Good luck with everything and we'll talk soon.

Matt McWilliams: Thank you Pat.

Pat Flynn: All right, I hope you enjoyed that interview with Matt McWilliams. Again, you can find him at MattMcWilliams.com/spi. He has some goodies for you there as he just shared. And if you want to check out the show notes and all the links and everything that we mentioned in this episode today, all you have to do is go to SmartPassiveIncome.com/session323. Again, that's SmartPassiveIncome ... I don't know why I'm saying. I'm going to keep that in because that's hilarious. SmartPassiveIncome.com/session323.

Thank you so much for listening in today. I appreciate you so much. And if you haven't yet done so, please subscribe to the "Smart Passive Income" podcast. Since this episode's almost over, you can pull out this device, you can hit subscribe, and then you can check out some of the other episodes in our archive. Make sure you stick around because we've got some great episodes coming your way.

And hey really quick before you go, a lot of people, especially the listeners out there, have been asking me more about how to start a podcast. I have a three-day mini-course to help you get set up and up and running. Thousands of people have ... Well, actually, over, I think it's been over a quarter-million people have watched these video tutorials. I recommend you do it too if you want to get a podcast up and running and join the podcasting force here. It's a great way, as you can tell, to share a message. But not only that, connect with some amazing people too like Matt McWilliams. If you go into the archive, you can see a lot of the relationships that I now have as a result of just having this podcast as an asset. Some of the students I teach, they, even with small download numbers, can get so much value with the connections they make and the asset they have with their podcast.

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Thank you again for spending time with me today. Look forward to serving you in the next episode. Bye.

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