

# don't write *that* book!

## Episode 16:

### LICENSING

**Mike Michalowicz** ([00:01](#)):

Welcome back to the Don't Write That book podcast where you can learn how to write your bestseller and own your authorship. Follow along with us as we give you an insider's view of the book industry. Now, here are your hosts. Myself, **Mike Michalowicz**, and **AJ Harper**. I've got a good open to introduce you today.

**AJ Harper** ([00:19](#)):

Okie doke.

**Mike Michalowicz** ([00:20](#)):

Be mentally prepared for that.

**AJ Harper** ([00:21](#)):

Oh, there's no way to be prepared.

**Mike Michalowicz** ([00:23](#)):

I want to welcome our listeners to Don't Write *That* Book. This is **Mike Michalowicz**. I'm joining the studio with my writing partner, **AJ Harper**. Good morning, AJ.

**AJ Harper** ([00:32](#)):

Good morning, Mike.

**Mike Michalowicz** ([00:33](#)):

So, here's the funny, here's the, here's the open. You are one of the funniest people I know.

**AJ Harper** ([00:39](#)):

<laugh> What?

**Mike Michalowicz** ([00:40](#)):

When I read the books that we write during the editing process, when we go through pass one, pass two, the best humor presents itself then because there's certain I'm prepared for what is in there. I, I've read over the paragraphs multiple times now, but there's certain jokes I'll just still bust out laughing. And inevitably, it's one that you created.

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**AJ Harper** ([01:06](#)):

Are you sure though? Because sometimes I'm not sure.

**Mike Michalowicz** ([01:09](#)):

Me, I'm pretty sure.

**AJ Harper** ([01:10](#)):

But thank you.

**Mike Michalowicz** ([01:11](#)):

I'm pretty sure.

**AJ Harper** ([01:11](#)):

But it's a Mike joke. A really sp--. There's, it wouldn't be necessarily a joke, I would tell.

**Mike Michalowicz** ([01:18](#)):

Oh, right. It's not, yeah. But you, you're really, you write very funny stuff. I wonder what our best joke is.

**AJ Harper** ([01:25](#)):

I don't know. I, I like to take a stab at it. Like, well, like, for example, in *All In* which comes out in January. Remember there's the person that we interviewed, his name is Stephen King. And then our editor, Noah, put in the comments, I think there's a Stephen King joke in here.

**Mike Michalowicz** ([01:42](#)):

He did. That was Noah. That's right. That's right.

**AJ Harper** ([01:44](#)):

And then I thought, Hmm. Normally I would say off to you, Mike, um, I put to do <laugh> for you, but I tried it. Yeah. Um, I think it was easier because Stephen King works in a, um, uh, what are they? Like a meat, a deli...

**Mike Michalowicz** ([02:03](#)):

With lots of meat. Oh, right, right. Stephen King has a meat shop, uh, and smoke shop. Yeah.

**AJ Harper** ([02:08](#)):

In Texas. Yeah, in Texas. Anyway, yeah. That I was, whenever I can get one in and you like it, I'm happy.

**Mike Michalowicz** ([02:17](#)):

There's been people that have been like on flights reading one of our books, uh, and say that they get embarrassed. They like laugh out loud on the plane.

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**AJ Harper** ([02:26](#)):

But I mean, you're just talking about jokes. There's also this, a lot of it is the way it's written in order to humble and sometimes humiliate yourself. <laugh>

**Mike Michalowicz** ([02:37](#)):

Yeah. Yeah. Yeah. I think that's so important.

**AJ Harper** ([02:39](#)):

It's really important.

**Mike Michalowicz** ([02:40](#)):

I, I get very frustrated with books that the author puts themselves intentionally or, or otherwise are a pedestal. because then it feels like it's unapproachable. These ideas, these concepts. I want to be approachable.

**AJ Harper** ([02:52](#)):

Yeah, absolutely. Yeah. People, people really don't like to learn from people who are perfect.

**Mike Michalowicz** ([02:58](#)):

Yeah. Yeah. Alright. So today the topic is licensing.

**AJ Harper** ([03:02](#)):

You're funny too. <laugh>. We're supposed to go back. We're supposed to introduce each other.

**Mike Michalowicz** ([03:08](#)):

That's good. That was the perfect introduction. You're funny too.

**AJ Harper** ([03:11](#)):

<laugh>. You're okay, too. Mike, uh, topic for today's licensing.

**AJ Harper** ([03:15](#)):

A funny topic.

**Mike Michalowicz** ([03:16](#)):

It's a funny, it is a funny topic. I want to tell you how it came about for me. I was hired when, uh, *The Toilet Paper Entrepreneur* was done. I was hired by eBay, who still exists today to speak at a thing called On Location with eBay. And what this was, was their sellers were attending a conference. They, they did it throughout the country. There was three or four conferences. And I was invited to speak there, along with a guy named John Jantsch, author of *Duct Tape Marketing* and Riva Lasky at the time, she was the editor for *Entrepreneur Magazine*. I'll never forget this. They said, uh, what do you charge? And I was like, um, I, I, I was like, what's the biggest number I can ask? It's eBay. I wrote \$10,000. I was shaking my

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cent. I'm like, they're going to reject me. They responded and said, "Oh, okay." That, I can't remember exactly how they said it, but there was hesitancy in the response kind of thing. Like, okay, there was actually more than we expected, but, but we've worked in our budget. You are now our opening keynote. So. <laugh>

**AJ Harper** ([04:21](#)):

So you bumped yourself up.

**Mike Michalowicz** ([04:23](#)):

Put myself up, John and Reva didn't ask as much. I couldn't believe it. So, I think I did four events. It was like \$40 grand. It was a big check. And, uh, did these events, John Jantsch, they're all, all great presenters. John Jantsch was amazing, and I never met him before, but I was a fan of his because of *Duct Tape Marketing*. It is a fabulous book, very tactical. And after we spoke on, I think the second occasion together, I said to John, I said, Hey, how do you further monetize your book? Like, how do you make additional money? Is it just speaking in books? He's like, no, no, no, it's licensing. And I'm like, what's that? He's like, all right kid. Come meet with me. All right, kid. <laugh>, all right, kid. Grab, grab my stogie and come meet with me after the event and I'll teach you the technique.

**Mike Michalowicz** ([05:12](#)):

And, uh, I was there 10 minutes early. He sat down, John walked, sauntered in. He sat with me for two hours. He, I had pages of notes just writing down everything. What a good dude. He's an amazing dude. Uh, replicated his systems, his programs. It has been a massive success for me. And that's what I want outline in today's episode. I do want to put kind of the, the, the end bookend to this. John Jantsch and I keynote it together again this this year in 2023 in Texas. And the host event said, Hey, um, we're renting like Airbnb's, uh, is okay if we put you in, uh, your Airbnb with one other speaker. Oh. So I'm like, yeah, it's fine. Not the same room, but, you know, just the same building.

**AJ Harper** ([06:03](#)):

Not bunk beds?

**Mike Michalowicz** ([06:05](#)):

Not bunk beds, yeah. John Jantsch. And it was the greatest opportunity to pay homage to John, to speak with him, to learn from him. And now talk about how he's reinventing himself. He's actively reducing his effort, retiring from the industry, but he's, uh, passing on to the next generation. His kids are taking over the business. But their implementations of AI and stuff, it was just fascinating. And, uh, throughout this guy's has been a consummate, wonderful human being, great author, and is great.

**AJ Harper** ([06:36](#)):

I would suspect licensing is partly why he can pass it on.

**Mike Michalowicz** ([06:40](#)):

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Yeah, I bet you it is. So, uh, let me tell you a little bit about what I understand of his organization and tell you how I translate it to, to us. So, he wrote *Duct Tape Marketing*, and what he indicated was that readers were coming to them, him and saying, I need help getting this done. It's kind of like someone that reads a book on, say, working out versus hiring a trainer who can help you work out reading a book on it is passive. Now you have to kind of make some guesswork if there's any gaps you see. But a trainer can say, oh, you're, you're moving that weight wrong. Or "You're, you're using the treadmill incorrectly. You're going to injure yourself." They can dynamically adjust. Don Miller once said, from stage, I'm sorry, not from Stage. I went to an event he did about Duck, uh, about, uh, StoryBrand.

**Mike Michalowicz (07:27):**

And I watched the event. I'm like, this is the exact same stuff in the book. I said, Don, why does anyone ever come to this? It's your book. He goes, people come to be trained because they want to make sure they're doing it right. That was the big lesson for me. Giving them a book allows them to do it, but they're not sure if they're doing it right. So, John Jantsch started this organization of Certified Duct Tape Marketers. You can get certified in this program. So he would give you the insights, not just from the book, but additional insights. And he'd also taught, teach you how to teach others the system. And you pay a monthly or annual fee. And he had a few hundred, uh, of these Duct Tape Marketers and was substantial revenue. He put on, I think, an annual conference and a couple other things.

**Mike Michalowicz (08:12):**

The first stab at this was with *The Pumpkin Plan*. So *The Pumpkin Plan* came out and was like, I want to build a coaching organization. But I also realized I'm committed to working eight hours a day and promoting books. I want to be an author. And that's it. Like, that's my wheelhouse now, all in on Author. So how am I going to build a coaching organization where I don't want to have any active input? And that's where this Master Licensing model came out. So here's how it works. What I do is I seek out someone who wants to be the service entity behind the intellectual property, the book, the brand. I find them, we actually find them often through interviews, uh, Justin Wise was found that way. Um, uh,

**AJ Harper (08:56):**

He, he's for *Get Different*.

**Mike Michalowicz (08:57):**

For *Get Different*, yeah. Adrian Dorson for *Clockwork*. *Clockwork* was found that way. Danielle Mulvey to some degree, I knew her in advance, but Danielle Mulvey for *All In*, Donna Lyons was introduced to me as we're writing the book, not for interviews, but through a mutual friend and said, oh, there's this woman out here, Donna, who's a really good coach, and she's really, really good at coaching coaches to become coaches. So I was like, okay. I met with her and said, here is the concept of *The Pumpkin Plan*. It's a, it's my translation of the Pareto principle, the 80-20 rule. It's very tactical. There's tools built. Uh, I want to build a coaching organization. And we started it. Another little funny story is we initially formed a company together. I don't recommend that anymore. Now what I do is I charge a one-Time Master licensing fee. It's, it's, I consider it substantial and it's, it's only grown over time. What they're buying is the rights to teach your brand indefinitely and leverage the brand you built. The other component is there's a 15% override on top line revenue. Just makes it real clean for every dollar you make.

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**AJ Harper** ([10:08](#)):

15% goes back to, to Mike to make... They have the exclusive rights, meaning that no one—

**Mike Michalowicz** ([10:11](#)):

Exclusive world right. Rights. Yeah.

**AJ Harper** ([10:12](#)):

Yeah. So no one else can teach any concept in the book.

**Mike Michalowicz** ([10:15](#)):

Correct. Okay. Without their authority. The interesting thing is, when I talked to Donna about this, and she's like, yeah, I, I think I'm in, we met with an accountant and the, uh, we told him about the vision and stuff and the accountant, I don't know why an accountant would say this. He's like, nah, that's never going to work. <laugh>. And it very much worked. It was just interesting. And when someone tells me like, nothing's going to, that's not going to work. You're going to fail. It's just more fuel to prove them wrong. So thank you for saying that. Um, and today, The Pumpkin Plan Company actively has, I think, around a hundred active coaches that are teaching *The Pumpkin Plan*. Donna, uh, every quarter pays me the author, uh, the 15% override. She's paid her licensing fee. And she, her one big question or ask of me is, Mike, please sell more books.

**Mike Michalowicz** ([11:13](#)):

Because it gets exposure for the, the coaches also gets exposure for people, entrepreneurs who read the book, who want to then hire Coach. So it brings in those leads. She's also said to me, or she also requests of me, and I happily oblige is twice a year I'll do some kind of teleconference with, with, uh, members of the pumpkin plan speaking about some other stuff. I'm teaching current thoughts and so forth. So it's a minimal demand on my time, but it's maximum exposure for the book. Donna, I can't speak for her, but I think she makes an income that wouldn't be available otherwise because of this. And I'm able to continue to write and create more books. The second company's pump, uh, Profit First is like *The Pumpkin Plan*. It's a certification of coaches. There's about 600 coaches actively that do, uh, profit First. Adrian Dorson with *Clockwork* was the first time we did a version in this format is where she bought the license. She pays a 15% override, but she specifically only teaches the Clockwork system. No one can get certified in Clockwork, albeit that's recently changed. But for the first four or five years, it's just been about, um, a business interested in, in the book hires Adrian's company, and they walk that person through the Clockwork process.

**AJ Harper** ([12:41](#)):

So she had exclusive rights to do consultations for companies. And also, I know there's the Run Like Clockwork program, right?

**Mike Michalowicz** ([12:48](#)):

Right. And that's what the program, and that's, that's 99% of the income. They do some constellations, but it's almost always these programs, um, the program's so successful. But consistently, people say, I, I

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wish I had a one-on-one coach. I want someone to come to my actual factory or my business and do this. Who does that? And they're like, well, we don't have the scale to do that. So she started a coaching group and she now has, uh, I think 30 or 40 coaches. Okay. Just an edit there. So she has 30 or 40 coaches in her first iteration around *Clockwork*. And, and she's now bringing on more people. Now, the most recent is Danielle. She has purchased—

**AJ Harper** ([13:40](#)):

So there was *Get Different*.

**Mike Michalowicz** ([13:41](#)):

Which *Get Different*, which is Justin Wise.

**AJ Harper** ([13:43](#)):

And that's, he doesn't have coaches. He's the coach. Right?

**Mike Michalowicz** ([13:46](#)):

Yep. He did the same model as Adrian Dorson. Okay. And then the most recent is Danielle Mulvey. And Danielle Mulvey is doing more of a consultative class and consultation around leaders in helping them recruit and retain the best talent to elevate the bar for the company.

**AJ Harper** ([14:06](#)):

So it keeps your book alive, but also provides additional revenue, which is significant.

**Mike Michalowicz** ([14:11](#)):

It brings in significant revenue. It's beautiful every quarter. We're recording this in the end of August. So quarter ends September 30th. Can't wait.

**AJ Harper** ([14:21](#)):

<laugh>, I wouldn't, I can imagine now you have licensing quarterly distributions coming in from multiple books.

**Mike Michalowicz** ([14:28](#)):

Multiple books. It's amazing. Yeah. I can't wait. Um, for the end of the quarter and every quarter these checks come in and on, on a rolling average, they consistently get bigger and bigger and bigger. Now it's not without challenges. One of the challenges is to how to bring balance in promotion and exposure to everyone. Whoever the new, whoever the new book is, is where the most focus goes. So for all in, that's our big push for 2024 in the end of 2023, pushing hard, which means the ongoing activities around all the other books won't get as much. But when all in hits, all the other books jump. The challenge though is as a licensee, the outward facing stuff, all of a sudden you hear this like kind of dearth in your book. So if, if you're Adrian Dorson, all of a sudden, *Clockwork*, Mike isn't speaking about that as much. It's a little bit quiet. Why is it *All In*? And so you see the marketing momentum shift, and that can be tough to

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swallow. And we've had some conversations around that. And while people get the logic of as the tide rises, so do all boats <laugh>, it doesn't feel that way in the moment.

**AJ Harper** ([15:37](#)):

Yeah. But I mean, if you're an author who has one book, this is a, it's easy. It's easy.

**Mike Michalowicz** ([15:43](#)):

It's easy. Yeah. I'm shocked AJ, how many authors I've coached on this concept walk through this process and they're like, this is amazing. And then they don't do it. I'm like, what?

**AJ Harper** ([15:53](#)):

I think, you know, I personally think it's because they don't think that, well, there's the old piece, which is like we, I've said on previous episodes, who am I to write this book? Who's going to care? That carries over into making decisions to get the book out there in a bigger way. But also I think there's just the, "am I famous enough?" factor.

**Mike Michalowicz** ([16:13](#)):

Yeah. You know, that's an influence. I mean, if your book isn't popular, uh, and it's not selling, there's going to be less exposure for the brand.

**AJ Harper** ([16:19](#)):

Well, but look at Cindy Thomason. She got a licensee for her book, *Motherhood, Apple Pie and All That Happy Horseshit*, which I hope everybody reads.

**Mike Michalowicz** ([16:34](#)):

I've, I've read that book!

**AJ Harper** ([16:35](#)):

<laugh>. Anybody who wants to have a business and a life. Yeah.

**Mike Michalowicz** ([16:42](#)):

Business and balance. Yeah.

**AJ Harper** ([16:43](#)):

Exactly. She's a master at it.

**Mike Michalowicz** ([16:45](#)):

She reads her own, I read it on Audible. She reads her own book. I love her voice.

**AJ Harper** ([16:49](#)):



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I haven't listened to it. Oh!

**Mike Michalowicz** ([16:50](#)):

Yeah. Listened to it. Just, I love her voice.

**AJ Harper** ([16:52](#)):

So Cindy Thomason wrote this book, but she had a licensee

**Mike Michalowicz** ([16:55](#)):

Before, before.

**AJ Harper** ([16:56](#)):

Before it launched. Yeah. And she was inspired by you to do that. Yep. So, and nobody, and Cindy Thomason is well known for her book, which is a good segue. *Profit First for e-Commerce*. Yep. Is it e-commerce or e-commerce sellers

**Mike Michalowicz** ([17:10](#)):

For e-commerce providers, I think. Okay. I mean, is e-commerce seller?

**AJ Harper** ([17:15](#)):

It's not.

**Mike Michalowicz** ([17:15](#)):

Providers. No, you're right. It's sellers. E-commerce sellers. Yeah.

**AJ Harper** ([17:17](#)):

Which still sells like hotcakes. Yeah. She is very well-known in that niche. Yep. But not known in the mom entrepreneur space as well. Even though those were the facts at the time, she still got a licensing.

**Mike Michalowicz** ([17:35](#)):

That's right. So, and we'll we should talk about derivative books, because that's a form of licensing.

**AJ Harper** ([17:40](#)):

Yeah.

**Mike Michalowicz** ([17:42](#)):

But let me finish this out. So, you know, the common question I get is, well, how do you find someone to license your intellectual property, your, your book? And so the first thing is I do it through inter, first of all, I set out the intent saying I want to find someone that already has a skillset in this space, um, but is struggling in garnering, garnering the exposure they want. Because that's what I'm going to do with the

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book Momentum. My job is to bring in interest and demand. So I'm going to market, they need to be able to deliver. So who's already doing it is the first question. What's great about interviews is that's usually the best people to interview because they can give you expertise. I remember interviewing Adrian Dorson. We did some together. I did some solo. I was just blown away by her knowledge so much.

**Mike Michalowicz** ([18:28](#)):

So I was at a funeral, um, and I arrived early. I'm in the parking lot. I'm like, I have to head into a funeral. It starts a little bit. But I couldn't hang up the phone because it was just fascinating what she was sharing. And during that conversation, during those interviews, I said, Hey, one thing I'm going to be doing is looking for a partner to represent the clockwork system to teach it. And I have a whole model around that. Would you be interested or would you know someone to be interested? Because it sounds so in alignment with you. And she's like, oh, I'm the one who's interested. Other people were interested too. But she was the one I was like, this is the one.

**AJ Harper** ([19:03](#)):

Well, you felt like she had the goods.

**Mike Michalowicz** ([19:05](#)):

Yeah. It was a great qualification process.

**AJ Harper** ([19:07](#)):

You don't want to get some licensee who's actually not going to be able to deliver. Rock it.

**Mike Michalowicz** ([19:12](#)):

Yeah. Then you're in real trouble. So the interview process for the book was a great vetting process too. I interviewed her over multiple sessions, testing her for knowledge. She kept showing up. The enthusiasm was only growing as I was interviewing. It was like, oh, this is a good person. The second. So that's one way to find them. The, the second thing is you need to prepare people for the worst case scenario. And I don't know if I've always done that well, but I'm saying is I can't guarantee this book will be a massive success. Um, surge was not a massive success. *Fix This Next* and *Get Different*, aren't *Profit First* by any stretch of the imagination. *Clockwork* is freaking solid and, and is the strong number two in *The Pumpkin Plan* also. So what I need to explain to the licensee is we're going to go all in, in promoting this book, but this is not the single source of opportunity for you.

**Mike Michalowicz** ([20:06](#)):

You're going to have to leverage this brand as much as you can and also be a marketer with me. Um, and I'm not going to be around forever just promoting this thing. We're going to push out of the gate really hard to get the book's momentum and stuff. But then we're going to have to work, uh, in choreography to, to keep your services growing and going. And a certain point, I'm going to be much more passive. I'll be moving books. I'll be appearing for, you know, once or twice a year for you. But then, then you're on your own and you have to find someone that, that wants that commitment. Now the upside is they get 85% of the revenue and you get 15%. That's the third thing. I believe in any of these structures,

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particularly where you're the recipient of a form of passive income, you better be in a minority position. There is a large corporation, I don't want to mention their name, that came from a book in the business space that taught the book. But that organization required that, that the licensee paid 50% of the income.

**AJ Harper** ([21:07](#)):

That's rough.

**Mike Michalowicz** ([21:07](#)):

It buried them. Yeah. So I interviewed them, right. It is not sustainable. And, and the, the company granting the license said, well simply raise your prices so that you can do this. Ah. And they couldn't. And, uh, they started pricing themselves out. It was, it was a real problem. So in countless interviews of people that license not just books, but other materials, 15% seems to be the magic number. I use that over and over. I'll be the 15% guy. And it's, it's a high enough number where I am motivated as the licensor to promote the brand. It's given me, uh, a reasonable to substantial income that's low enough that it doesn't have any negative impact on the licensee. As long as they run their business effectively. And they quote/unquote happily rate that checkout. They see the value exchange.

**AJ Harper** ([21:56](#)):

Wow. Okay. That's vital information. It's vital. Yeah. 15%.

**Mike Michalowicz** ([21:59](#)):

15%. And then the licensing. So that's, that's the ongoing recurring revenue share. The, the one-time fee. You've got to find what is reasonable, uh, as our overall brand has grown. The, we call it the Michala-verse. As the Michala-verse has grown, all the different... Have I told you this?

**AJ Harper** ([22:30](#)):

I'm sorry. <laugh> No. Oh God. That's great.

**Mike Michalowicz** ([22:32](#)):

Did I ever tell you that?

**AJ Harper** ([22:33](#)):

I don't think so.

**Mike Michalowicz** ([22:35](#)):

It's embarrassing. <laugh>

**AJ Harper** ([22:39](#)):

That's so you. I'm sorry.

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**Mike Michalowicz** ([22:42](#)):

<laugh>. Well, it's my team. It's not me.

**AJ Harper** ([22:45](#)):

I love it.

**Mike Michalowicz** ([22:46](#)):

I, uh, that, that was crazy. That was funny. I, it was created by Amy and, uh, Kelsey.

**AJ Harper** ([22:53](#)):

Amy Carelli.

**Mike Michalowicz** ([22:54](#)):

Amy Carelli. I came out of the office one day and they were working on the wall and they, I said, "What are you guys doing?" They're like, "Oh, we're assembling the Michala-verse." <laugh> It was the collective of the books and all the content we created. So they called it Michala-verse. Very cute. Um, so as the Michala-verse has grown, the impact has grown. We can dictate a larger and larger licensing fee. So I don't have an exact number. I don't know what or how Cindy Thomason structured hers. I assumed there's a fee, hopefully 15%. Um, but we charge a, a, a substantial fee.

**AJ Harper** ([23:30](#)):

You've got the upfront fee and then the 15% distribution.

**Mike Michalowicz** ([23:33](#)):

That's exactly right.

**AJ Harper** ([23:34](#)):

So, uh, we should talk about derivatives. But before we move into that, because that's a big topic. You know, I've been approached for licensing, teaching some concepts, and I'd rather from my book, write a must read, I want to be able to give non-exclusive licensing. And I think that's also a viable option.

**Mike Michalowicz** ([23:57](#)):

Oh, tell me about that.

**AJ Harper** ([23:58](#)):

So the core concepts of the book fundamentals that I teach in the first four chapters of my book seemed to be <laugh>. I mean, I knew it, but I didn't really understand that other people were going to be other coaches and editors were going to be using it so much. It seemed to be the thing that really helps other writing coaches and other editors get their clients and students where they want them to be. So, I've been approached, Hey, you know, I'm teaching this in my class. I want to be on the up and up. You know, that's great. Um, but you can have, uh, you know, like an annual, I've done some research on this. You

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can have a smaller fee that's maybe annual for the right to teach it. I would never give anybody exclusive on that for me, just because there's so many, um, writing coaches and editors out there. Uh, and I really just want people to get this content that's—

**Mike Michalowicz** ([24:59](#)):

Super smart.

**AJ Harper** ([25:00](#)):

I just want people to get this content. Yeah. Because I know that if people can nail those fundamentals in the way that I teach, they, it's going to make a game changer. So you can also do that. I'm working right now with a coach, Pam Slim, um, to figure that out, you know?

**Mike Michalowicz** ([25:20](#)):

Super smart. Yeah, you, you're right. Licensing comes in.

**AJ Harper** ([25:23](#)):

Those are the ways.

**Mike Michalowicz** ([25:23](#)):

Yeah. It comes in many flavors.

**AJ Harper** ([25:26](#)):

There's, there's definitely many ways in which case there'll be information on my website about that and so forth. And, uh, I'm also working on an editing certification program. So then, you know, licensing can be part of that.

**Mike Michalowicz** ([25:41](#)):

I think in a prior episode you mentioned workbooks. It's another way, it's another form of licensing, if you will. You can create workbooks for your book and then sell those with a promo with a permission to resell.

**AJ Harper** ([25:54](#)):

Yeah. White label.

**Mike Michalowicz** ([25:55](#)):

Yeah. Effectively white label, but, but still have your logo on it. So maybe that's not white labeling. Oh, yeah's not. So not for *Get Different*, we had the *Get Different* workbook and any marketing company could buy, uh, the rights to use that workbook and resell to their clients and walk them through.

**AJ Harper** ([26:13](#)):

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Yeah. So if you had these mini licenses that were, you're giving to a lot of different people access to specific materials could be part of the licensing agreement. Yeah.

**Mike Michalowicz** ([26:23](#)):

Oh, and actually let's talk about, *Get Different* specifically Justin Wise. So, uh, we launched, um, I remember him calling, he's like, holy cow. The flood of leads was massive. Um, but then things changed over time as get different settled in, uh, the lead flow dropped. And there was a point where Justin said, this isn't a viable business with this low lead flow. What else can you do to inspire more lead flow? And I said, well, this is, this is the model we have. We, we don't have ways to it. You, you have to market it. And so we had discussions around it and just made sense that, that this wasn't going to work as a partnership. So about six months ago, maybe even a year ago now, uh, we said, how can we unwind this where he comes out ahead, um, and we can get the license back?

**Mike Michalowicz** ([27:15](#)):

So that's what we did. He owns the different company. He is... No, he, he's no longer using the IP from the book, but he created IP in the process that compliments the book, and he continues to use that. Um, we have got the license back, and now we are repackaging it to either get a new licensee or in-house it, uh, through these different methods. So one method we're trying is we're making these workbooks and so forth. So not every licensee will work out, uh, perfectly the situation. And this was a, a great, uh, uh, walkaway, if that's the right term, but was a great way to, his business continued on independently, and now we have something that we're repackaging and repositioning. Um, so that can happen. Yeah. And you just have to be prepared to navigate that if it does. Yeah. Because not, not everything's a home run hit.

**AJ Harper** ([28:08](#)):

No.

**Mike Michalowicz** ([28:09](#)):

You know, another thing that's interesting, which I don't even know if you know about, we just partner or invested in six or seven, seven companies. I think here's another interesting thing. As people started consuming and are reading all these different books, small business owners enough are coming saying, I need help with everything collectively. Uh, and I, I want the influence of Mike personally. So there's an affinity toward the author, justified or not, but there is. So we said, well, you know, why don't you work with *Clockwork*? Why don't you work with so and so? They said, we are, but we want Mike. And, and, and I want that kind of almost like a Wizard of Oz behind the curtain guy. So we created a small investment group. We said, okay, uh, we're going to start a little business here that will take a percentage of your equity in your business exchange for a sweat services, uh, brought on some of our elite coaches through these organizations to, to lead the effort. Um, and I am there to oversee it. Now the interesting thing is, my time commitment is basically the same as everyone else. Twice a year, I'm going to be on this probably in person conference talking with these people. And I'm overseeing this kind of portfolio, if you will.

**AJ Harper** ([29:22](#)):

# don't write *that* book!

I mean, this is cool to hear because this is like the body of work stuff now.

**Mike Michalowicz (29:29):**

Isn't it wild? Yeah.

**AJ Harper (29:31):**

You couldn't have done that before, but you know, you've built this body of work, this catalog by design. Yeah. What does a reader need next? What does the reader need next on and on is a question we keep answering. And now you have this comprehensive, I would argue, I mean, we still need to write the sales book if you're ever going to do that.

**Mike Michalowicz (29:52):**

We will. Oh, we will,

**AJ Harper (29:52):**

We will. But I mean, there's—

**Mike Michalowicz (29:57):**

It's pretty, pretty comprehensive.

**AJ Harper (29:57):**

Yeah. Pretty comprehensive with *All In* for sure. Need a sales book at some point down the road.

**Mike Michalowicz (30:04):**

We will.

**AJ Harper (30:06):**

But to think that you can now from that body of work provide holistic services, consultation support, mentoring for entrepreneurs is just, uh, fills me with glee. And think about when you first, uh, when I first met you, you were coming off of bad decisions you had made about angel investing. Right. Which we wrote about in *Profit First*, which led to the, um, Dodge Viper downfall. Yeah, yeah. Is what I call it in my brain. Um, DVD <laugh> led you to that big ego. You know, you were on that ego trip. Yeah. And now look at how you've, have you ever thought about that? I have. You have actually come completely full circle. Full circle to now doing it the right way. But through your body of work.

**Mike Michalowicz (30:52):**

I know, I have thought about that.

**AJ Harper (30:53):**

Through tested, proven principles. Not just tested and proven in your own sort of mental workshop and in your own businesses, but through, uh, authorship.

# don't write *that* book!

**Mike Michalowicz** ([31:05](#)):

Wow. It's, uh, yeah.

**AJ Harper** ([31:08](#)):

You just, I'm having a moment now.

**Mike Michalowicz** ([31:10](#)):

Yeah.

**AJ Harper** ([31:10](#)):

That's beautiful. Yeah. It's like you healed. I mean, okay. This is a little woo woo. Sorry. Woo woo morning. Um, it's like you, it's like you healed it. Yeah. It's like you just healed that right up. Yeah. I mean, 15, it feels that way 15 years later.

**Mike Michalowicz** ([31:25](#)):

15 years later. Yeah. Yeah. It feels that way. So we have an interest now in a, it's the most interesting businesses, a security company for rural farms, because people steal cattle as an example, or lose cattle head counts or manipulate the numbers. So how do you track that?

**AJ Harper** ([31:45](#)):

So you're getting to do stuff that fascinates you. Oh

**Mike Michalowicz** ([31:47](#)):

My God, I'm blown away by this. Uh, we have a partner in a diesel engine repair company for Monster TR trucks. The, the Grave Digger. You ever hear that Monster truck? Okay. That's why a famous monster truck that, you know, crushes cars. They do the grave diggers. So

**AJ Harper** ([32:03](#)):

You, can you imagine me going to a Monster truck rally with me? Like I'm going to know with me

**Mike Michalowicz** ([32:08](#)):

With our bandanas on.

**AJ Harper** ([32:10](#)):

Oh, a little known fact about me, just as a diversion, is that I once begged my stepfather to let me go in the powder puff demolition derby with one of his cars. But he wouldn't let me go.

**Mike Michalowicz** ([32:21](#)):

Oh, did you? <laugh> Is that still on your bucket list? We've got to do that.



# don't write *that* book!

**AJ Harper** ([32:24](#)):

He refused. He used to have one, a car in the Derby.

**Mike Michalowicz** ([32:27](#)):

We've got to do a demo derby one day. That was so bad,

**AJ Harper** ([32:30](#)):

As I would've left. But he was like, you're, you know, dangerous. Your back will be screwed forever. Yeah.

**Mike Michalowicz** ([32:35](#)):

That's true.

**AJ Harper** ([32:36](#)):

Thank you to my stepdad. But this, what I love about this too, is now you get to do the thing that you wanted to do before minus the ego trip. Correct. And this, you love it. And that's another thing Correct. Is you can license your stuff, but if you love doing your stuff, make sure you keep what you want for yourself or find a way for you to still do what lights you up.

**Mike Michalowicz** ([32:57](#)):

Yeah. And, and what's interesting is all the licensees are involved in this. Yeah. They're inserting their expertise. Uh, so we; *Clockwork* is now certifying people. We have a *Clockwork*-certified specialist where we've brought in a *Profit First* professional for these, these businesses. And I'm just involved in the degree I like to be, which is kind of facilitating it and observing these businesses and giving my few insights or thoughts to move their

**AJ Harper** ([33:20](#)):

Businesses forward. So you've now added another incentive for all future licensees that they get to be part of this sort of, um, consortium.

**Mike Michalowicz** ([33:25](#)):

Yeah.

**AJ Harper** ([33:26](#)):

Uh, yeah. This, you know, genius think tank in group.

**Mike Michalowicz** ([33:28](#)):

Yeah. You can be in this investment group with me. So, um, that's a really cool thing, uh, uh, that you can do with licensing. Let's talk about derivative books.

**AJ Harper** ([33:37](#)):

Derivatives, man.

# don't write *that* book!

**Mike Michalowicz (33:38):**

So, um, *Profit First* now has, I think 15 or more published books. And I think five or six are in the works. We just, someone just started recently. Um, and what's so interesting about this is, uh, when a book starts getting momentum money or titles, there may be other people who maybe are certified in your methodology. Ideally, that's how we do it. They've gone through the Profit First Professionals training, who wants to go further and build their own brand recognition by leveraging your brand. So it's these vertical experts. Now, what I had to do is, because we had a deal with Penguin, I do have a deal with Penguin, is get a release from them to do all these *Profit First* derivative books. They said, you can do it, and here's the parameters. The books can't look like the current book. We, we don't want branding confusion.

**Mike Michalowicz (34:36):**

That was interesting. Same title, different look. That was mandated. Second thing is you can use up to 10% of the original content with proper attribution. So you can copy and paste 10%. That's pretty substantial piece from the original book. But the guys say this is from the original book. Um, third is that they had to be industry verticals as opposed to, uh, psychological or psychographic verticals because it could cause brand confusion again. So *Profit First for Dentists* is very clear. It's for profit first for people who are looking to get to the next stage of life. Very unclear who that's

**AJ Harper (35:12):**

For. Okay. So not *Profit First for Moms*. Correct. But *Profit First for Entrepreneurs*. Correct.

**Mike Michalowicz (35:18):**

Okay.

**AJ Harper (35:19):**

And so, well not, no, sorry, that's ours. What was that? No, that's the, that's the original book *Profit First for Entrepreneurs*. <laugh>

**Mike Michalowicz (35:26):**

Oh, yeah, yeah.

**AJ Harper (35:26):**

No, but like, here are some of them. *Profit First for Micro Gyms* by John Briggs. *Profit First for Real Estate Investing*. David Richter. Yeah. We just mentioned Cindy Thomason. Yeah. *Profit First for e-Commerce Sellers*. *Profit First for Minority Business Enterprises*. I could go on. Yeah.

**Mike Michalowicz (35:42):**

Well, yeah. And you should, because a lot of these people, these people go to the Top Three Wworkshop.

**AJ Harper (35:47):**

# don't write *that* book!

They, they, they do go to my workshop, Top Three Book Workshop, but a lot, some of them don't. Um, *Profit First for Therapists* just came out. That was the most recent one. She's killing it. Julie Harres. Thousands of books sold. Yeah. Julie Harres, she just came out with the book a few months ago. Yeah. Most authors do not sell more than a couple hundred copies of their book. And those who sell more than 2000 copies is a very tiny percentage. Less than 5%. Yeah. So she's already blown past that.

**Mike Michalowicz** ([36:12](#)):

Blown past it. Yeah. Yeah, yeah. And so, you know, why do these authors want to do this? It's inherent momentum. They have a brand that is recognized and now they can become the defacto expert. If they wrote, perhaps if Julie Harres wrote a book, uh, instead of *Profit First for Therapist*, she wrote *How to Make Your Therapy Practice Profitable*, it may not get as much traction. That's the bet. That's what people do. What how we structure it is they pay a fee, a one-time fee to buy the rights to the title and work within these parameters. But they maintain all the royalties. So every sale that Julie makes, she gets that income. And I want to say it's half our authors have earned out their purchase of the rights just through book sales alone.

**AJ Harper** ([36:59](#)):

Yeah. Not including totally game changing business decision leads for days.

**Mike Michalowicz** ([37:06](#)):

Right. Programs, speaking, speaking,

**AJ Harper** ([37:07](#)):

Paid speaking. David Richter.

**Mike Michalowicz** ([37:10](#)):

Holy... That guy, that guy's insane.

**AJ Harper** ([37:12](#)):

He's a model.

**Mike Michalowicz** ([37:13](#)):

And **he's going to** write and it spawned him and others to write his own book.

**AJ Harper** ([37:17](#)):

That's right. I wanted to say that. So I have a number of, I think I have between seven and 10, either they already published. Or they're in the process. Yeah. In my top three book Workshop plus fix this next for healthcare providers. Yep. And then Pumpkin Plan.

**Mike Michalowicz** ([37:35](#)):

We're starting to work on too

# don't write *that* book!

**AJ Harper** ([37:35](#)):

*Pumpkin Plan*. But what I want to say is, in my workshop, they'll come in really with passion. And that's the other thing is they have passion for profit first, but they know that how to adapt it to their community. And those that are in my workshop learn how to write a book that serves the reader. They know how to write this book, not that book. Yeah. And what happens is some of them come away and say, okay, now I'm, now I'm an author. So you've got Cindy Thomason. She didn't do my workshop, but we did work together. It wasn't a, she couldn't do it time-wise, but she did come to workshop for book two, because we worked a little bit together on her e-commerce book. David Richter just talked to him about Book two. He's on fire. Mm. That guy has sold so many books. I know the number is more than Julie Harres. I don't want to reveal it because I don't know if he wants. I don't know. It's a lot.

**Mike Michalowicz** ([38:27](#)):

The best, David Richer. The best story. Guy is crushing it. Yeah.

**AJ Harper** ([38:28](#)):

Kasey Compton, she wrote *Fix This Next for Healthcare Providers*, also sold an ton of, I'm just going to say it. Ass ton Ass ton, that's my favorite metric. Ass ton of books. And now is coming out with a traditionally published book that you helped her get the deal. Yeah. Through, um, Pen With Purpose. Pen With Purpose. Authorship is going to be her main thing.

**Mike Michalowicz** ([38:53](#)):

Yeah. That book's titled *In Search Of You*.

**AJ Harper** ([38:55](#)):

*In Search of You*. And uh, who's the other person? That's Oh, John Briggs.

**Mike Michalowicz** ([39:01](#)):

Yeah. Yeah. And who's writing uh, the Three Points Rule?

**AJ Harper** ([39:03](#)):

His book comes out in January. Yeah. *Profit First, uh, for Micro Gyms*. And then he didn't want to write a second book, but he knew how to write it then. Yeah. He knew how to write something that would be of service and felt compelled to write it. So begrudgingly.

**Mike Michalowicz** ([39:18](#)):

Yeah. <laugh>. He's writing it. And it's a really powerful concept.

**AJ Harper** ([39:21](#)):

It's a game changer.

**Mike Michalowicz** ([39:22](#)):

# don't write *that* book!

Game changing concept.

**AJ Harper** ([39:23](#)):

And it's near and dear to his heart.

**Mike Michalowicz** ([39:25](#)):

It's so near and dear to his heart.

**AJ Harper** ([39:27](#)):

Those, you know, it's the derivative authors then, you know, who are really dedicated to serving readers. Yeah. Then move on to have additional authorship careers.

**Mike Michalowicz** ([39:37](#)):

Yep. Uh, the little story about David. Right?

**AJ Harper** ([39:40](#)):

Yeah. Tell me a story.

**Mike Michalowicz** ([39:40](#)):

So I'm, I'm flying somewhere. I'm at Newark Airport and I'm walking by Hudson. Hudson Booksellers. *Profit First for Real Estate Investing*. But he didn't put it there. No. And you normally have to pay for that placement. .

**Mike Michalowicz** ([39:59](#)):

Yeah. I'm sitting there, I'm like, oh my God, there's a *Profit First* book. It's David Richter's book. I, my heart fills up. I'm like, okay. He must have paid big dollars because it was right in the front, like the primary, the prime.

**AJ Harper** ([40:11](#)):

Yeah. Facing out.

**Mike Michalowicz** ([40:12](#)):

Facing out center, you know, above like the Brene Brown books, above Colleen Hoover books. And so I take a picture, I call him like, or send it to him. I'm like, dude, how much did this cost you <laugh>? And his response was, what?

**AJ Harper** ([40:26](#)):

<laugh>

**Mike Michalowicz** ([40:27](#)):

# don't write *that* book!

I'm like, how'd you get your book here? He is like, I don't know. Uh, Hudson does take books that there is reader demand for or internal interest. So he didn't pay for that. It got there because it got evaluated as a book that—

**AJ Harper** ([40:42](#)):

Probably someone on their editorial team found it.

**Mike Michalowicz** ([40:45](#)):

Found it and picked it up. Yeah. Yeah. So that's huge. Uh, and that, here's the benefit to author guy, me, um, David and John, and Cindy and Julie. All of these people are arguably more linked to the brand than never before. And will promote it perhaps for the rest of that Book's Life or their life. Like there is a perpetual link. They're a supporter of it. When I go to their pages on Amazon and not Amazon's the 800 pound gorilla, that's why I refer to it so much. But when you look at their books, it's frequently Sold with Profit first. The original book, my book. So their activity is promoting the core brand. It's kind of like opening another McDonald's franchise to me. Every time another McDonald's franchise is opened, there's another reminder of the, the golden arches. And you're more likely to buy from any McDonald's when you drive by because the convenience. You're just more aware of the brand.

**AJ Harper** ([41:44](#)):

Well, never mind that they're ambassadors for *Profit First*. Yeah. Like, they're totally, totally Ambassador passion.

**Mike Michalowicz** ([41:50](#)):

Um, so that's huge. Um, the, the second thing is they're now actively speaking on *Profit First*. It's, the concept is being exposed to groups because we talked about the post-launch activity. One powerful post-launch activity is speaking. Get speaking gigs. But you can only speak so many times. I was talking with, uh, Will Guidara, he wrote *Unreasonable Hospitality*. The book is crushing it. He owned 11 Madison Park restaurant. Uh, he's like, I goes, Mike, I got a real problem, Mike. What is it? He's like, I'm going to do a hundred gigs this year. A hundred gigs. He's like, my, my family is getting a little bit stressed about this, now. I'm not around anymore. There's, the point is, there's only so much speaking you can do. For me, it's about 40 gigs before I get the family stress and my, and personal stress. But profit first this year we've spoken, there'll be a keynote on profit First, maybe 300 or 400 keynotes on Profit first. I'm doing 30 of them. So I'm doing one-tenth of them, Julie and David, and all these other people are speaking on it and just further perpetuates the brand. That's the power of derivative books. So, um, I want to see if there's any other notes here on other licensing. Do we have anything else we wanted to cover?

**AJ Harper** ([43:01](#)):

I mean, I think there's other ways to license, but I, I feel like this is what you know best.

**Mike Michalowicz** ([43:06](#)):

Yeah, best. I can speak deeply about it.

# don't write *that* book!

**AJ Harper** ([43:06](#)):

And it, it builds readership in an organic way and enhances your bottom line.

**Mike Michalowicz** ([43:15](#)):

That's it. That's it. So there it is, my friends. <laugh>. Yeah. I have no big grand conclusion here besides the fact that you've got to go out and, and seek ways to license. It's a great way to propagate the brand. We thank you for being here with us today. We invite you to go to our website, it's [dwtb podcast.com](#), and you can get some free resources there that'll help you in your author journey. Also, uh, we would love if you would, uh, send us any questions you have, tips or ideas for different topics you want to hear us talk about. So email me and AJ at [hello@dwtbpodcast.com](mailto:hello@dwtbpodcast.com). Thanks as always for listening to this episode like you do every episode. We're looking forward to having you back next week or next month, next time you listen in. And as always, don't write that book. Write this one.