
DON'T HIRE a Financial Coach!*

(*until you read this book)



TODD TRESIDDER

Don't Hire a Financial Coach!
Until You Read This Book

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Introduction

“There’s a sucker born every minute,” declared P.T. Barnum.

Judging by the promotion techniques successfully used at various money coaching and financial mentoring companies, I would have to agree.

It’s amazing to watch people spend thousands of dollars to learn information you could buy for less than \$100 at your local bookstore. Apparently, selling premium-priced financial coaching programs is no different than convincing consumers about the superiority of high-priced, brand-name aspirin over generic. Everyone knows it’s not true, but consumers fall prey to marketing tactics like this every day.

This guide is different. It provides you with a businessperson’s perspective on financial education by showing you how to get the best value for your money. It uses logic and business common sense to appeal to smart consumers who want to make informed decisions with their money.

This ebook is designed for people who are dedicated to growing their financial intelligence so they can grow their wealth. If you’ll be buying books, courses, seminars, or coaching over the next few years to improve your personal finance and investment skills, then this book will be an important resource that saves you many times its cost.

It’s a consumer’s guide that shows you the right and wrong way to purchase financial education. It will teach you what education best fits your needs, the correct price to pay, and how to maximize the value you get from this education. It gives you an insider’s view behind the financial education business so you can avoid the potholes and rip-offs.

In short, it’s a summary of all the lessons I learned working both sides of the financial education business—as a buyer and a vendor—in the hope that you learn from my mistakes and make smarter decisions. I hope it helps you.



Beware of The Dream Merchants—12 Warning Signs That You Chose The Wrong Educational Company

While the previous chapter taught you how to pick the right educational product for your needs, this chapter provides all the warning signs you should watch out for if your educational path leads to a money coach. It explains the caution signs that should raise a warning flag to proceed with caution.

I wrote this chapter because I have an axe to grind.

There are a few bad apples in the money coaching and mentoring business that use greedy, aggressive, and misleading sales tactics to promote over-priced, low-value programs.

These businesses are primarily marketing companies—not coaching companies—where they sell dreams instead of breakthrough coaching. These distinctions are important.

Marketing companies that deliver poor value to the consumer are a disservice to the entire financial education industry and give legitimate coaching companies a bad name. This chapter is my attempt to clean up this industry by revealing the red flags that can alert smart consumers to a potential bad apple.

We are not alarmists here at FinancialMentor.com. A great marketing company can still provide great coaching services; the two activities are not necessarily mutually exclusive. They can co-exist—in theory.

However, there is an unfortunate tendency for certain coaching companies to focus heavily on marketing while giving only passing attention to product quality. This is an important fact for smart consumers to be wary of.

For that reason, none of the following 12 symptoms automatically qualify a coaching program as a rip-off on their own. It's the weight of the evidence that you want to pay attention to and use as motivation for greater due diligence.

Below is a checklist of characteristics that should serve as warning signs that you may be dealing with a dream merchant instead of a legitimate money coach.

1 - Checkered History

You usually don't have to dig real deep to find relevant dirt on some big-name gurus playing the dream merchant game. Top Internet search engines provide an excellent due diligence tool. For example, according to John T. Reed:

- Charles Givens, author of *Wealth Without Risk*, was successfully sued by a former customer for faulty financial advice and filed for Chapter 7 bankruptcy in 1995.
- Robert Allen, the author of *Nothing Down* and *Creating Wealth*, declared Chapter 7 bankruptcy in May 1996 after publishing several best-selling books.
- Ed Beckley, author of *Million Dollar Secrets*, declared bankruptcy in 1987 and was sentenced to federal prison for wire fraud.
- Dave Del Dotto, author of *Cash Flow System*, was charged by the FTC with misrepresenting products in 1993 and filed for Chapter 7 bankruptcy in 1995.
- Wade Cook, author of a long list of financial best-sellers, declared Chapter 7 bankruptcy twice—in 1987 and 2003.

This list is by no means complete. It is just a tiny excerpt of the research compiled by Reed showing the sordid financial history of a surprisingly large number of supposed money experts. All this information is free for the asking with a simple online search.

Just imagine, if these dream merchants' personal financial practices land them in bankruptcy, what does that indicate about the credibility of their financial advice? Certainly it is not encouraging.

Also keep in mind these guys were all big names in their day, receiving tremendous media exposure thus creating the appearance of legitimacy.

My suggestion is to look into the legal history of your financial expert before purchasing his advice. Each of the experts cited above were successful marketers as proven by their best-selling books, but they were also financial failures as proven by their bankruptcy filings.

The unexpected realization is how the implied endorsement built into massive media exposure created through marketing campaigns means little in terms of actual credibility and safety to the consumer. You must still research the legal history of your prospective guru and pay attention to factual evidence indicating potential problems—**even if he's famous.**

2 - Conventional Information Repackaged At A High Price

Many “boot camp” and coaching programs charge thousands of dollars for information you could buy at a bookstore for less than \$100. This is particularly true for the big name gurus because their marketing prowess and media exposure creates an implied endorsement and high-perceived value for their services. This lowers the buyer's natural skepticism, which can be very dangerous. A simple step to prevent being taken in is to always check the bookstores and Internet to see if you can find a more affordable way to learn the same information, regardless of how famous the person is standing behind the product. Make sure that what they are teaching you is sufficiently unique and valuable to justify the price.

3 - High-Pressure Sales Tactics

It's relatively simple to distinguish legitimate coaches from marketing organizations by their sales practices. Legitimate coaches offer free sample sessions with the actual coach you will work with so you can test-drive his services first-hand and determine if he is the right fit. Marketing organizations show their true colors by employing professional sales people that use high-pressure marketing tactics in an effort to close a sale for a “coaching package”. If anyone from a coaching company ever pressures you

into buying, they have clearly demonstrated their focus is marketing and sales—not coaching. It’s antithetical to the trust required for a positive coaching relationship to allow high-pressure sales tactics to ever enter the picture.

4 - Target Market Is Beginners

Nature demonstrates that predators hunt the sick, injured, and inexperienced because that is the easy kill. Marketers follow the same natural instinct when they promote expensive coaching and mentoring services to beginners. Beginners lack the experience to separate charlatans from legitimate financial experts. If the marketing emphasizes that “anyone can do it and no starting capital or experience is required,” then you’re likely dealing with a predator. If the coaching is mass marketed rather than targeted to the narrow audience that can truly benefit, then you’re likely dealing with a sales organization and not a true coaching company.

As I explained in the previous chapter, it’s usually a bad value proposition for a beginner to learn the ropes through high-ticket coaching services. Instead, a beginner should build a foundation of financial intelligence on low-priced books while investing the difference.

Beware of sales organizations that attempt to mass market high-cost seminars and coaching services to the easiest and largest target market: beginners. They’re showing their true colors by hunting for the easy prey and should be avoided.

5 - Lump-Sum Fee Paid Up-Front or Contractual Obligation

If a coaching company requires you to pay a large, lump-sum, up-front fee for a service delivered over many months, then be wary—it’s likely a marketing gimmick. Ask yourself, “If the service is so great, then why can’t I pay one month at a time as I consume the service?” The answer is simple—lump-sum pay structures are designed to extract more money from the buyer than would occur on a pay-as-you-use basis. After all, if the coaching truly

delivers value, then you would gladly continue consuming so there would be no need to lock you in with an up-front fee. They're clearly telling you they're worried you will not like their service and will want to stop paying. That's why they want your money up front and need to lock you into a contract. Smart consumers should view this practice as a red flag indicating "proceed with caution."

6 - Refund Policy

Is the refund policy clearly spelled out in their marketing materials and reasonably liberal so you can actually get a refund if you want it? If you search the company or guru's name on the Internet, do you find a lot of complaints about refunds not being honored? You should be very suspicious of any coaching and mentoring service that does not clearly describe its refund policy and honor it without reservation.

7 - Secrets of the Rich

Anybody who claims to teach the supposed "secrets of the rich" is likely a dream merchant. As I said before, the secret is there are no secrets.

Unfortunately, aggressive marketers seek to exploit the human frailty of wanting to believe there are secrets only the rich understand that explain why they have no money (but the rich do). The fact is that most everything you need to know to build wealth can be learned for little or no money and is already well-documented and proven. The exception to this rule is specialized niche knowledge explaining new developments and strategies within an industry. Otherwise, anyone claiming they have secret knowledge to riches is probably a dream merchant employing a marketing gimmick that legitimate money coaches normally avoid.

8 - Emphasis on Luxurious Lifestyle

Building wealth is hard work, takes time, and requires financial prudence.

Dream merchants want you to believe it's quick and easy and requires little or no effort. Beware of marketers touting private jets and lavish yachts to show the more/better/different lifestyle you can enjoy when you learn their "insider secrets." This isn't selling educational information: it's promoting a dream. The goal of the marketer is to make your greed glands salivate enough to overcome your usual sense of prudence and caution. Legitimate money coaches don't use these marketing practices.

The self-made rich I know don't wear fancy jewelry or drive in flashy limousines; they lead comfortable but relatively normal lifestyles while building portfolios of wealth by consuming less than they can afford. They work hard to build businesses and invest their savings prudently. The luxury appeal is a marketer's gimmick designed to prey on your feeling of not having enough and wanting more. The get-rich-quick appeal is designed to activate your sense of entitlement and laziness. Don't get suckered in by these dream merchant tactics.

9 - Bogus Testimonials

Legitimate testimonials should be written by the actual person and provide their full name and city location. Beware of testimonials that sound like they were all written by one person or provide outlandish claims of superhuman success. This includes video and audio testimonials that appear legitimate on the surface but could easily be faked by professional actors (don't laugh, it's been done). Dishonest testimonials are another marketer's gimmick designed to convince you to part with your money.

10 - Up-Sells

When you purchase a seminar or coaching program, you should receive a complete package of the guru's best stuff that is completely actionable as a stand-alone product. Unfortunately, marketing companies don't play fair and use a strategy of progressive commitment to separate you from your money. Here's how it works:

- You're sold on a free or low-cost seminar that's never disclosed to be a preview event, but instead is promoted as a complete package of information.
- You attend the free event and are up-sold to an affordable event portrayed as the "whole enchilada" but still only teaches the basics.
- At the "basics" event you are up-sold to the big event for big bucks.

Each step in this process is a progressively larger financial commitment designed to extract the most money from the most people. Aggressive marketers know full well that customers are more likely to spend thousands of dollars on a high-priced seminar after several smaller sales have already committed the buyer to the relationship.

Legitimate educational companies (like universities) show you their entire product line (course curriculum) up-front and don't hide high-ticket items that are only sold as a bait-and-switch from lower-cost products. Also, beware of pitch-a-thons where a variety of speakers parade across the stage selling you their big-ticket courses.

When you purchase a seminar, you should receive the full education you paid for, not an interim appetizer designed to motivate your hunger for the main meal. The entire educational curriculum should be disclosed up-front and not hidden as a backend sales marketing gimmick.

11 - Best-Seller Status

Beware when buying a coaching or mentoring program from a high-profile guru who developed large media exposure and reached the New York Times Best Seller list. Find out with whom you'd actually be working with. High profile media personalities achieve their stardom by focusing on their media and marketing, not their coaching. In fact, you would be wise to look behind the scenes because many times the coaching company is not even run by the guru—the coaching is just a "private label" service that is sold and packaged to a variety of gurus. The coaching company produces generic coaching services as a backend product for their guru clients and the guru provides the marketing and brand-name recognition that sells the coaching services. It is a

match made in heaven for everyone—except the client.

12 - Trendy

Most people succeed at building wealth by overcoming their personal obstacles to success and applying timeless, proven strategies with sufficient discipline and persistence to actually produce results. There's nothing trendy, sexy, or cutting edge about this formula; it's a well-known and fully-proven process for achieving financial success. Unfortunately, it doesn't sell well because it lacks sex appeal. That's why marketing-driven companies hop on the latest hot trend (no money down, wraps, forex, day trading, etc.) with whiz-bang coaching programs designed to capitalize on what's hot and in the news. If you buy the latest, trendy investment seminar instead of focusing on applying timeless wisdom, just realize that you're likely dealing with a marketing-driven organization rather than a company focused on your long-term education and success.

The choice is yours.

In Conclusion

Beware of coaching organizations that use aggressive and misleading marketing.

The difference between a dream merchant focused on maximizing sales versus a legitimate money coach who is focused on your success is important to understand. They are easily separated by their business tactics and the breadcrumbs of evidence left behind on the marketing trail. Below are the 12 breadcrumbs left behind by dream merchants that serve as red flags to raise your concern and motivate greater due diligence.

1. A checkered legal history evidencing past problems.
2. Generic content sold for high prices that could be purchased for pennies on the dollar from a bookstore.
3. High-pressure sales tactics that are antithetical to the trust necessary for a

successful coaching relationship.

4. Promote high-priced products to an inexperienced beginner's market better served by more affordable alternatives.
5. Up-front, lump-sum fees charged for multi-month programs or contractual obligation that limits your ability to quit paying if you're not happy.
6. No refund policy or they make it difficult to receive refunds.
7. Promotes "secrets of the rich."
8. Sells dreams of a luxurious lifestyle rather than the reality of hard work and financial prudence.
9. Uses bogus testimonials.
10. Uses a progressive commitment up-sell formula instead of disclosing full educational curriculum up front.
11. Uses a best-seller book status to create a large pool of sales leads that is redirected to a coaching company not owned or operated by the guru.
12. Promotes seminars and coaching programs based on trendy, hot topics rather than teaching timeless principles that work in any market condition.

Remember, none of these characteristics are definitive by themselves, but taken together they can create a compelling case that you may be dealing with a dream merchant instead of a legitimate coaching and mentoring service.

I hope this checklist helps you make the right choice for your needs.

