

Speaker 1:	00:01	This is the Rick's dad radio show. The good news and bad news about money. Here's Robert Kiyosaki Robert Kiyosaki.
Speaker 2:	00:09	That show the good news and bad news about money. So I'm a very exciting show for you today.
Speaker 3:	00:14	It's about how you can survive on the world without having to compete. You know everybody is so competing competing competing it's a win lose world. But you don't have to play your life that way. I mean Kim and I don't we don't compete with anybody. We have a lot of money. We do what we do. But we operate upon certain guidelines and principles like we don't compete. You know why would I compete with somebody who was already doing a better job. It makes no sense to me. So anyway Kim I want to say about that.
Speaker 4:	00:41	Well I think we've kind of live our life that way. Always I mean since I've met you and we do operate on what we call generalized principles and we've always looked at what what can we create what business can we create that nobody else is doing because if if we're going to build another car we don't need another car if we're going to build a new line of skin care. We don't need another line of skin care so. So this is going to be exciting because we're going to be talking about how do you set yourself apart how do you become unique so that you don't have to compete. What a novel idea.
Speaker 3:	01:06	And for people who know a familiar brand you know most financial education. Well first of all it does none in schools which is a very big problem. What financial education comes from banks and Wall Street and that's why so many people are saving money stocks bonds mutual funds and all that. That's financial advice from the man the establishment. And so I don't want to get into that mess. There's other people who do that it's people like Suzy Orman you know who say cut up your credit cards and all that. That's good advice for poor people. I'm not a poor person I've no intention of being a poor person. And there's guys like Dave Ramsey who say I live debt free. Now the banks don't like him for that advice. But you know personally I loved it. I make a lot of money.
Speaker 3:	01:44	Then there's Tony Robbins who is saying become a billionaire with an ETF. Well I don't know you can do that but I'm sure a couple of people have. But I just don't get into that mess and I believe personally in financial education we keep it really really simple. We have a cash flow game and

we have people teaching people and we have real people in the real world of business who are our teachers for the casual clubs. So we just stayed away from the mess of Wall Street the banks government and all those institutions. I don't compete with Suze Orman. If you're in credit card debt go talk to Susie. You want to live debt free and buy ETF. That's Dave Ramsey and Tony but that's not what we do. So I read the title for rich dad poor.

- Speaker 3: 02:20 This is what the rich teach our kids about money that the poor and middle class do not. I personally don't save money. I personally use a lot of debt hundreds of billions in debt and we don't call our house an asset. So those are the very big thing. But our business run on people teaching people via the cash flow and our cost per person is very low because we don't charge them any money. And that's kind of the philosophy in the white rich that has done so well. So I'm very happy to have Renee all born and she and Chan Kim have done fantastic work with the book is called Blue Ocean strategies in 2005 and her latest book is blue ocean chefs. And when I'm very happy about is retinae has been able to put into words that corporate America and hopefully the educational system can hear because you don't have to compete.
- Speaker 3: 03:08 You see the real world your only competition is the future has nothing to do with Tony Robbins or for me or Dave Ramsey or Suze Orman or the banks on Wall Street. It's really what you can do in the future. Your competition lies in the future not what people are doing today. And the good news is if you focus on what's going on in the world today there's more opportunity than ever before. As long as you don't have to compete against some other person who's doing a better job than you. That's it. So welcome to the program.
- Speaker 5: 03:36 Well thank you. Thanks for having me. I loved your introduction about how you set out to create a promotion by not looking to the competition and the other people. Dave Ramsey or Tony Robbins who really started the whole life coaching industry today became a two billion dollar industry. Many people are in it. So the opportunities are infinite. And I think the premise of course the strategy in our new book and shift is as you articulate that we can all move beyond cutthroat markets and bloody competition what we think of as you know a red ocean full of sharks that we're all experiencing today or most people are to this wide open uncontested markets that we think of as blue ocean. So it was a paradigm we set up to lay out. So how do you define blue ocean so blue oceans or new markets based where

you make competition irrelevant. So you're challenging the existing assumptions of the industry.

Speaker 6: 04:23 So the new markets are carving out but also that's how you reach them with things like that. You know I wasn't a debate years and years ago and the guy was Michael Porter fan and he was a very articulate person from Harvard I believe and he is all about competition.

Speaker 5: 04:39 And I would say you guys are exact opposite of Michael Porter when you say that I think a lot of people have juxtaposed this you know Michael Porter is about how do I compete in the existing industry. And I take the existing industry for granted the existing rules of the game and I try to position myself within that. So how do you costs and strategy what we say is that that existing industry today when demand exceeds supply that's OK in the 1980s that was a situation in America demand exceeds supply. But today we're supply exceeds demand competing in existing industry gets the marginal gain with a lot of effort. So what we need to do is how to go beyond existing industries and create new markets or blue ocean.

Speaker 6: 05:14 Well the other side of that you know that IPO was blue apron or something like that. And and what they're doing is they're sending photos to your home via the web. All this stuff and I looked at it and I looked at the IPO and I'm going JESUS the cost of acquisition of customer is so high. I don't know how you stay in business. And it proves a point that they came out with their IPO and the share price dropped because the cost of acquisition of customers are way too high. They're not really. It's too high too expensive.

Speaker 5: 05:43 Well Robert you're getting on a great point. So you know some people try to create niche markets but niche markets are not necessarily a blue ocean blue ocean. The definition is you're pursuing differentiation and low cost simultaneously. Right. Because your objective is not only a win for the market it's a win for you. That's what you're in business for you need profit to be sustainable. What they're seeing in blue apron is yes some people may really love you but how are you going to make money when your cost of acquisition is so high. So what are you going to do to drive value to the market your quantum leap and I'm a buyer so we don't have customers we have fans. But at the same time what are you going to do to drive down your cost structure so that you can make money on it being just different to a high cost structure is not the definition of a solution.

- Speaker 6: 06:19 Right. And for the record company our costs of acquisition of customers is almost zero. There you go. I mean it's changed in the last few years. But the reason we started 20 years ago based on the assumption of bypassed the schools bypass Wall Street bypassed the banks and have people teach people so we have thousands of cash flow clubs all over the world. And our cost of acquisition is near zero because it's called viral and all that stuff. But it's just people teaching people and their knowing that the banks and the schools are not going to teach them that.
- Speaker 4: 06:50 And Renee you love this because when you talk about blue ocean you talk about blue ocean being an unknown marketplace. Right. There's no competition and demand is created. So you love this. When we started out when we started with our cash flow game there was nothing like it. There was nobody teaching a board game on on investing and money and so people would say to us well what do you think you're going to build it and they will come.
- Speaker 7: 07:10 And we're like yeah. And that's kind of what happened with it.
- Speaker 5: 07:15 But you know what I did was look at you when Kim went to hear what you're saying you know and this is what the whole blue ocean shift process does right. It's teaching people that are currently stuck in that red ocean of meat to competition and we benchmark the competition so much that we actually commoditize ourselves which is what most industries do.
- Speaker 6: 07:30 What does that what does that mean. What does that mean by commoditize yourself.
- Speaker 5: 07:33 Well you look at you know you stand apart sort of stand apart you watch what the competition does when they move you move and you match them and without you realizing it you all start to mimic one another and look the same. So in your effort to stand apart you actually look exactly like them so you look at any bank in the world you walk into anyone any other than a language almost all the same. Any gas station world. Almost all the same you go to a classical music orchestra in the world. Almost all the same. They're internally talking to each other within the Stylo of their industry and they all start to look the same. So in their efforts stand apart the ironically make themselves look like one another and then they wonder why there are two.

- Speaker 6: 08:08 And you know what you're saying exhausted unexhausted know what you're saying is so valuable for most people because they're like sheep you know. Or they just follow the herd. I was on when I was being interviewed by this reporter and you know as Buffet says well our economy is only as good as our financial reporters and I think that's why we're in trouble. But this person kept saying tell me what to do. Tell me what to do next. If you can't think for yourself why should I tell you what to do. And I think that's one of the hardest things. And so she said well you mean save money and invest in the long term in a well diversified portfolio and because that's all she knows because that's what they're doing. They're being told what to do. And we wonder why they got crushed when the market crash. That's right. Yes. So you were a contrarian in the marketplace. That's what gives us kind of an edge. But it also keeps us in a lot of trouble with the establishment.
- Speaker 5: 08:56 Yeah. You know I think you're hitting on another very important point here though in a sense one is of course the more you look to the competition to beat them the more you end up looking like them. Yes. They meant you make yourself similar to everyone else. You can't look to the competition for insight. If your attempt is to create a new market space but the second thing is people are asking how do I think you see we're so trained to look to the competition in business because that's something tangible in front of us. There's lots of tools and processes to how to benchmark rivals and do better than them. But what the market hasn't had are practical tools and steps to go from competing to creating. So when you know a long time ago quality was something that no one could see or touch but six sigma comes along and said there's a process for it.
- Speaker 5: 09:36 Suddenly everyone else has low standards today across the world they never imagined because we taught people how to think. So some people like yourself Steve Jobs you're intuitive you get it you're a naturally moving you're a natural blue strategist. A lot of people aren't though. And the question is how do we make the ordinary people extraordinary. How do we make them understand how to see new opportunities when all they see are tired oceans around them. And I think that's one of the things we're excited about is giving people well some tools and some practical steps if they can do to start thinking differently so they can see opportunities instead of seeing the right ocean around them. Let's
- Speaker 6: 10:07 the opportunities for my but because Robert Kiyosaki reached out to show him a very important guest my name

is Rene ma born and she is talking about blue ocean shift blue ocean strategy. Her books and in other words the way is said there's a world of abundance. There is so much money out there I just can't understand. You know like unemployment's going up again and all this stuff and people sit there and watch this stuff and I'm going to have so much money. There is so much opportunity but they're clinging to job security. They go back to school to look for a job that doesn't exist anymore and I'm guys nuts. So this is a very very important book. Well those are your ready. Ready to ship from Red oceans which just competition cut which is which is cutthroat competition that turns the ocean bloody.

- Speaker 4: 10:48 Which is why it's called Red Ocean.
- Speaker 3: 10:50 And then to blue ocean. So we come back we'll have more with Rene born and should be talking more about how you can make the chef look ladies and gentlemen. There's more money in the world than ever before. But there's also more competition from people who cannot think. You're listening to the rich dad radio show with Robert Kiyosaki.
- Speaker 8: 11:10 Every business owner and real estate investor needs asset protection entities like LLC S or C Korps are vital to protect yourself and your business. Let corporate direct guide you through the process of forming a corporation or LLC corporate direct is owned by rich that adviser Garrett Sutton. It is Robert Kiyosaki choice for corporate formation mention rich dad and receive one hundred dollars off a formation called eight hundred six hundred 1760. That's eight hundred six hundred 1760 or visit online at corporate direct dotcom. That's corporate direct dot com.
- Speaker 1: 11:44 Your financial education continues. Now back to Robert Kiyosaki and the rich dad radio show. Welcome
- Speaker 9: 11:50 back because I can the rest of it it shows that good is about money and we're talking about sailing away out of the red ocean and get into the deep blue waters of money and plenty and not all that stuff you are taught in business school how to compete high be a better competitor and all that look like an Djalma. Their only competition is the future. You know if you're not preparing for the future you're going to be wiped out. It's already upon us. Let's take a listen to their best radio program anytime anywhere on iTunes and Android and all of our programs are archived at their bitched at radio show because we are kind of them because two things one is repetition is how you'll learn better. Hey

listen this program again you'll learn even more about how how to get into the blue ocean and stop worrying about job security and make enough money because there's plenty of money out there.

- Speaker 9: 12:32 And the second reason if you have friends family as I saw says who do need to listen to the story of the blue ocean versus the Red ocean of scarcity and lack and competition and nastiness well tell them to pull their head off you know where get the blue ocean shift book Blue Ocean strategy book from our guest Rene mob. Because that's really the way that rich that company operates. We don't compete we don't compete. Why would I compete with Anthony Robbins on ATF. I think they're terrible investments but for 90 percent of the people you should have. Yes Richard I believe in financial education so you don't have to buy it. Yes but very few people can do what we do unfortunately.
- Speaker 4: 13:09 You might say well when we talk about the blue ocean I'm looking at rich dad and our blue ocean really rich that is we teach what the rich know we teach what the rich and that's our blue ocean and our guests are name Auburn she and her co-author 10 Kim wrote a fantastic book called Blue Ocean strategy and their new book is blue ocean shift. She also served on President Barack Obama's board of advisors on historically black colleges and universities. Her Web site blue ocean strategy dot com. Renee I have a question.
- Speaker 9: 13:36 She is also a fellow of the world economic forum. And congratulations on your success. Thank you so much and I'm glad you're glad you're writing about blue oceans not red oceans. And
- Speaker 4: 13:46 I know I love what you say about blue ocean it's the unknown marketplace. It's the unknown versus all of the industry is existing today our red oceans where everybody competes. So give me one or two good examples of blue ocean companies today.
- Speaker 5: 13:59 OK. I want to back up for one second and say Robert Shapiro the one thing you said if you want to understand anyone out there how to really create what Robert did actually with which said your dad you have the idea that your business model from bringing the rich ideas to the poor from making it technische is called the fun. I really think that in that sense relationship really gives you an insight into the mind map that you use to build your business which is really exciting as we're having these discussions to see how much you are creating capitalism

and with just poor people because really you cannot help a poor person. I

- Speaker 9: 14:29 really am not here I am not an elite guy like that. I don't think giving people money and bailing people out is rich. I talked to people who are entrepreneurs not corporate guys and people who are entrepreneurs. We can create our own investments. I don't have to buy stocks bonds mutual funds or save money because I am an entrepreneur. Our target market is really proactive entrepreneurs not poor people not the middle class.
- Speaker 6: 14:50 Because as you know the middle class is being hollowed out today just by for many reasons technology globalization as well as bad financial leadership from our leaders. So thats why the mission companies here and all we do is we took a very simple thing called we took what I learned about money playing Monopoly. So it's a stepped up the monopoly game until the cash flow came as the only game that teaches people a financial statement. So the people are having fun but learning to play with them the fundamental of being rich is you have a financial statement and the average person doesnt have a financial statement. They don't even know what it is. They don't have all they have is a final score. That is how illiterate people have to find a way of teaching people that was simple enough and have fun learning about whats on pasta.
- Speaker 6: 15:30 What was it that was I was 20 something years ago. Yep. And it's people teaching people bypassing schools and bypassing the financial system. I love my bank bank and lots of money. I love those guys but I don't want to save money with them. Just a difference OK.
- Speaker 5: 15:42 So Kim to go to you so you know when we started our research we started setting organizations that create a promotion so it could be Apple it could be NetJets it could have been Cirque du Soleil a wine that took over America yellowtail that did fantastically create new market by making a wine that's fun and accessible that you drink everyday not only on special occasions. Renee
- Speaker 6: 16:01 I want to talk about what Kim really despise LCL.
- Speaker 7: 16:05 I like the story. No it's a great marketing great business story Renee. My why I read your piece on yellowtail and I have a wife who is a wine snob. I thought that was funny but I was a great example of a very powerful pull in only people to them. Our

- Speaker 10: 16:20 line is small but what really happened then if I say is how many people came up and they said the exact same thing that you were both raising. But my issue is I'm not run by Steve Jobs and I don't have Robert Kiyosaki or Kim as my leaders and I don't have Warren Buffett owning me or you liberté who created surpluses. I'm an entrepreneur by aspiring entrepreneur but I'm not them. How do I therefore challenge the assumptions of my industry and move from red to blue because that's my ambition. I don't want competition but show me how to get there. So that's where we did for bluish and shift. We spent the last 10 years studying organizations and companies around the world national governments independent and entrepreneurs that are applying the ideas to shift from red to blue. So let me share with you just one example of that if I may say and here's this French multinational old company it sells of all things electric French fry makers.
- Speaker 10: 17:06 It's one of them. Right. And they're all struggling in this bloody red ocean. They sell to hypermarkets. We all know how intense that is and the whole industry is only competing on price. It's declining in value 10 per cent a year. So people are like well what can we do. So the head of electrical cooking sets out he says you know what I want to apply this blue ocean approach and I want to see if we can challenge the assumptions and think differently we've always thought we had all the competition but let's take a breather and see if we can think differently. They start to apply the tools and as I do they first find out of course that they all look alike because they all look to one another that point about benchmarking competition makes you like everyone doesn't let you stand apart.
- Speaker 10: 17:43 Second thing they found though in looking at the process is that they discovered there were two assumptions the entire industry acted on that define the essence of the industry that no one ever questioned. And what were they that making a french fries requires frying an oil that's so obvious. But those assumptions were so paramount to the industry that no one ever thought to question that. And when they went through the process they started to find out that by not questioning them not even thinking through them it create a host of problems for buyers. So if I have a french fry maker buying the oil is expensive it's dangerous to use when it's hot in my home.
- Speaker 10: 18:17 I can't throw the oil out. I don't know what to do. It makes cleanup really hard. My house smells and the French fries have so many calories and they said why should we compete along that. Why do we have to make the best

french fry maker why can't we redefine the problem of the industry and figure out how can we make great great French fries with no frying and no oil and remove all those pain points. Our industry has imposed on buyers and never even thought about it because we thought that is a definition of a French fry make and what they came up with is a product called Acme fry. It was a French fry maker that used its high force the French fries go around only at the last second sprays at very high heat. One tablespoon of oil and two pounds of fries.

- Speaker 10: 18:57 So what's the bottom line. The bottom line is I have a French fry maker that requires one tablespoon of oil drops calories by 40 percent drops to fat by 80 percent. Makes cleanup easy. I don't need to buy the oil and it doesn't even smell in my french fry maker and minute I do that. I start to find out I can pull in all my customers to my industry. These are all health conscious people because most people love fries but they'll say no not me. I've got to watch my waistline. I'm not going to buy a French fry even though I want one.
- Speaker 11: 19:23 That's my favorite. They need to be reasonable to them. It's my favorite luxury So what happens.
- Speaker 10: 19:28 The demand for the industry grows up by 40 percent because of the launch of the product. The price point goes up by more than 30 percent because they're able to do this. And Oprah Winfrey gets a hold of one. She tweets how much she loves it without the company paying her to do it she announces. And the stock price goes up five percent. But here is a perfect example of a company in 10 years out there's still the market leaders and what they're doing around the world this has gone global This product is called the fry. And because a question that redefined the problem in it they were able to see all the pain points or industry imposed that they never even noticed right. And I think that was the power and that gave him the insight to redefine the problem and create this whole blue ocean where they had no competitors took an industry declining by 10 percent value grew at 40 percent in value got Oprah to tweet.
- Speaker 10: 20:12 Fans or so many YouTube videos on it and lifted the price point of the industry. That's the power. And that's what this process does it teaches you how to question those assumptions that we don't even know we're making and how to pursue in that process. Who are the non-customers that we could pull in to grow the industry. I go back to you to look how much you're growing the industry putting the

lessons of the rich in the hands of every entrepreneur or decoding that's doing it in a fun way through your games not just the technical boring way in coaching. Right. And you're growing more and more and more demand more services.

- Speaker 9: 20:42 But that process lets you do a number one or number one focus is how many people can we serve. How much money we can make. That's a very big difference. So let's look in our guest today is all born and she is talking about how you can go from red ocean to blue ocean which is really a very important book. Her latest book is called blue oceans shift but a book that came out in 2005 was called blue ocean strategy and her Web site is blue ocean strategy dot com. And for all of you who are kind of shrugging that and they used the word quite a bit it's kind of a paradigm it's how you look at something and a thing that I've been saying to somebody is why would you save money when the government is printing money. I get so much pushback from that because they are they've been told to save money.
- Speaker 9: 21:18 What about job security. So you tell us less and less job security but people cannot shift because a paradigm Well they were taught by mommy and daddy to go to school get a job save money and buy a house and invest in the stock market. And the reason they can't change is because those paradigms are in the way. So we come back we'll be talking more to it Renee.
- Speaker 4: 21:35 Now again her book is called blue ocean strategy came out in 2005 member of Barack Obama's board of advisors and also a member of the World Economic Forum and the new book is called Blue Ocean shift on competing proven steps to inspire confidence and sees new growth so if you are looking for how to go from red to blue ocean this is your how to manual is how you do it. You're listening to the radio show with Robert Kiyosaki.
- Speaker 12: 22:00 Reach coaching offers a phenomenal variety of services and custom strategies all aimed at ensuring a secure comfortable and rich future for you and your family. Now you can get weekly access to exclusive rich dad coaching services through our live stream that's good at dot com. And click on the on demand banner at the top of the home page. Great new videos are updated regularly. Get inside knowledge and insights from Robert Kiyosaki himself reached at coaching professionals and more go to Richard

com and click on the on demand banner at the top of the home page.

- Speaker 1: 22:27 This is the rich dad radio show. The good news and bad news about money.
- Speaker 2: 22:32 Here's Robert Kiyosaki Robert Kiyosaki to show the good news and bad news about money. And you can listen to that program anytime anywhere on iTunes or adulate and all of our programs are archived at Radio dot com. We archive them so you can listen to them again because repetition is one of the best ways to learn.
- Speaker 6: 22:48 Many times I've gone with this one book now seven times and every time I go through it I I read and hear something because all coins. So this dad really archives our program so you can listen to it again especially those programs about how you can see the blue ocean the some the red ocean and you can talk to you and find friends family members and business associates because it will help to open up their eyes to our special guest today is rename all born and she is spectacular CV on President Barack Obama's board of advisers on historically black colleges and universities. And also she is a fellow of the world economic forum. She has two books on strategy came out in 2005. Her latest book is blue ocean shift came out in September 2007. Right now in our Web site explosion strategy and it come.
- Speaker 4: 23:32 Well I think this is fascinating because a lot of people don't understand how to create a blue ocean company much less if you're in a red ocean company which is basically you're competing you're lowering your price. You're taking on everybody else versus a new innovative idea I think is fascinating. So Rene quickly in terms of red ocean thinking versus blue ocean thinking then the person's mindset What's the difference.
- Speaker 13: 23:54 I think there are four key differences. Kim first is the red ocean strategist always takes the industry conditions as given and you try to position within and what a blue ocean strategist does. They recognize that as industry conditions were created by individual firms individual firms can shape them so they set out to shape industry conditions. They don't take them for granted. So in the French fry maker case I just talked about they didn't except that the industry was declining by applying the pollution shift process they moved from red to blue by challenging and no they could shape it. Great ideas can turn an unattractive industry attractive. The

second thing is they don't seek to beat the competition. Instead they seek to make it irrelevant. They never assume that just because competition is doing something it's the right thing to do. And so instead of going to be 5 percent better than their competitors they push themselves to how can I make competition irrelevant and earn fans not just cash. How

- Speaker 11: 24:47 did that pushes them. How did the quantum leap. How
- Speaker 4: 24:49 did Southwest Airlines do that. I mean their whole thing was you know we're going to be a low priced aircraft carrier. Well
- Speaker 5: 24:55 that's very good. That's one of the processes in the book and what they did is Southwest Airlines look there was two alternative industries at the time there was flying and there was driving right. So one of the past to create a solution is to say why do people try to cross. Right. That's one of the ways in the book to be articulate. You choose flying. Not for first class business class not for food for only one reason does that industry exist speed and then they say well why don't people drive frequent departures. And I leave when I want lower cost and what they said is can I combine the best of those two industries eliminate everything else industries compete on and create a blue ocean. So what are they. There are frequent departures at low price with high speed and actually faster than an airplane because they go from the secondary airports right.
- Speaker 5: 25:33 So they open up a whole new market. They often grow demand. Eighty five percent of the new routes they grow because people who grow now start to fly and they're both that we talked about differentiated and low cost which is like different from blue apron which is differentiated like we're the high cost to go back to our beginning.
- Speaker 4: 25:48 And that's why they're looking for they're not. You're not looking at the existing customers it's it's new customers.
- Speaker 5: 25:53 Well they're doing two things. One is they're not benchmarking existing airlines because if they did the more they look to the existing airlines the more they would look like them right. So we teach them in one of the paths are steps or how do I learn to systematically reconstruct industries know which ones to combine. So they knew they could draw on airplanes and cars. We often waver between those as consumers and they tried to get the best of both and eliminate everything else such as well. But the second thing is yes they look to non-customers not customers and

they realize that non-customers have the most insight into the hidden pain points of an industry that we don't even recognize within ourselves and the points of intimidation. So you know if you look at even classical music concert industries today they're all declining. No one goes to classical music.

- Speaker 5: 26:35 One man Andre Rieu today he's for two decades now in the top 25 billboard he sells out just like Bruce Springsteen or Madonna Britney Spears what did he do. He said Well classical music concerts say is shrinking. I'm gonna look at everyone that refuses that industry all the non-customers be found up. People don't understand the proper conduct. It makes them feel stupid to go the location of fancy theaters is intimidating. They don't even want to clap or not clap in between the musical composition it's kind of an uptight feeling as opposed to being relaxed. And so what he did he shifted from red to blue by saying I'm going to take this industry and make it very emotional and fun. He reconstructed elements of pop concerts with classical light music classical. He does waltzes but he has fireworks and he has Mary Poppins coming down on a light and he has some Celine Dion songs and waltzing in the aisles.
- Speaker 5: 27:23 And he has created his concerts often have 10 to 15 thousand people versus the regular orchestra and his profit is enormous around the world. And then Robert to your point about cos he has I think 50 members of his orchestra versus more than 100. Of an average orchestra because he uses the amplifier system. He has 50 musicians versus 118 for the average orchestra 60 administrative staff versus about over 150 for the average orchestra and he only performs eighty five times a year versus 120 concerts. So what am I doing I'm dropping my costs. But what does his revenues 50 million a year versus the New York Philharmonic is around 30. Almost double. So what am I doing.
- Speaker 5: 27:59 I look to all my non-customers I find out why they were turned off by the industry and intimidated that told me how to grow and put all those people into the industry. And here he looked across pop concerts and classical music kind of combined the best of both.
- Speaker 9: 28:12 He gave the customer what they really wanted. He brought the cost down. He made it fun and it made it relevant for today's audience. I mean it's fantastic. But

Speaker 5:	28:20	here's the deal Robert. If we don't know different if we ask the same questions we get the same answers when we ask customers what do they want they usually echo back in more of what you have. That's
Speaker 6:	28:29	right. That's why focus groups don't work.
Speaker 11:	28:31	That's right.
Speaker 5:	28:32	And so the real question is for everybody then is what if people are as bright or as stupid as the questions we ask them. So when I ask people why do you refuse a classical music concert instead of going there. Now I'm asking different concert answer.
Speaker 9:	28:45	You know then I start to find out the points of intimidation which allows me to be able to conceive what my industry my blue ocean opportunity is and I'm really glad you're defining that the filtrate red oceans and blue oceans because my philosophy and rich that is there's more money and more opportunity than ever before. Yet the people I go to school are still looking for jobs or trying to save money to buy a house and a single stock market. And my my my my thought on that that's ridiculous. We can teach people how to invest for themselves. I thank you for doing a valuable service. Please get her book blueshift strategy.
Speaker 4:	29:16	Thank you very much. Thank you. Thank you Renee. It was fantastic. Appreciate it. Thank you so much. Thank you for your attitude.
Speaker 2:	29:21	It's what come back from the most popular part of our program is cloudy weather right now. You're listening to the rich dad radio show with Robert Kiyosaki.
Speaker 8:	29:31	Every business owner and real estate investor needs asset protection entities like I I CS S or C Korps are vital to protect yourself and your business. Let corporate direct guide you through the process of forming a corporation or LLC. Corporate direct is owned by rich data adviser Garrett Sutton and is Robert Kiyosaki choice for corporate formation mention rich dad and receive one hundred dollars off a formation called eight hundred six hundred 1760 That's eight hundred six hundred 1760 or visit online at corporate direct dotcom. That's corporate direct dotcom.
Speaker 12:	30:03	The key to achieving your dreams is develop a rich mindset instead of an excuse mindset. Instead of saying I can't afford that ask yourself how can I afford that. It's amazing

how a simple shift in thinking can open a world of new ideas and endless possibilities with the rich dad company helped kickstart your journey to financial freedom. Robert Kiyosaki and the rich ad company have compiled Roberts top secrets to creating a rich mindset now available in a 10 minute ebook how to achieve a rich mindset. This offer is available for a limited time only. So get yours today. Get your free ebook how to achieve a rich mindset. Go to rich state and look for the banner again this is available only for a few days so act fast get rich at dotcom and look for the how to achieve a rich mindset banner.

- Speaker 1: 30:42 Log on to Rick Scott radio dot com while you listen. Now back to Robert Kiyosaki.
- Speaker 2: 30:48 Looking back on it he is not going to miss that radio show. The good news and that he is about money and once again you listen to this program anytime anywhere on iTunes or Android and all of our programs are archived there Rich that them you can listen to this program again especially for those of you who are stuck in the red ocean or competition stupidity declining prices.
- Speaker 14: 31:05 You know Carbis going broke around you. You're in the red ocean and the people who are stuck in the red ocean right now those are afraid of losing their jobs not making enough money. You know I was on the I was in the state department store there the. Department store was empty and I looked at all of these employees they just sit around looking at me I'm looking at them there's no customers and they're saying Man don't you see the red ink you're singing sitting in there dropping all their prices or doing this everything's on sale. They got more stuff on sale and going. And you guys see it next door there's a big I will mention the name big retailer is out that retail shopping center is going to be toast in a little while and they sit there swimming in the red ocean and there isn't you know like when Tim and I is that I was a student of Buckminster Fuller for years and it's really really simple.
- Speaker 14: 31:47 We don't compete. We just look at what somebody is not doing at all financial education today is driven from the banks who just ripped everybody off. And Wall Street was ripping everybody off and these guys are a package mutual funds and UPS. Well if you like that stuff good then you should do what they tell you. But I think and hope I'm wrong. Well we're going into a major major major economic shift. Now we're in the middle of it. And if you think saving money buying a house ETF and mutual funds and job security are

in your future you're swimming in the red ocean sports fans. That's really what I'm saying. Is the rich debt.

- Speaker 14: 32:22 So we talk to entrepreneurs not poor people with like she said. I talked to people who are proactive. You know if like us going to sit there and do the same thing you may as well stand up bend over and kiss your you want goodbye because everything is changing now. And when Kim and I came out with the cash flow board game 20 something years ago we hired this business consultant and all this and he looked at it and says What did he say. He
- Speaker 15: 32:46 said What do you think you're going to build it and they're going to come.
- Speaker 14: 32:49 He couldn't see the man for real financial education. It's not from the school system not from the banks and not from Wall Street. And the idea of job security. Sports fans pretty obsolete idea. You know you can get a pay raise because you're a good employee. I think you're obsolete man you're obsolete. That's red ocean thinking. All you have to do is go to some big departments to look at these poor people click into a job and you can see the future right away. So that's why your true competition is the future. And if you're still clinging to old ideas with go to school get a job save money get out of debt.
- Speaker 15: 33:23 You're swimming and reading right now and that's what I mean that's what Renee was talking about with blue ocean. She's talking all these examples of companies that shifted from reducing to bluish an ocean. What they did is they questioned the assumption. So what you're saying Robert is you as an individual need to start questioning your own assumptions of save money get out of debt invest in mutual funds get a safe secure job buy the house you know have that American dream. All of these assumptions you've got to start questioning your own assumptions because you're actually probably in your own stock in your own red ocean and that's why we have the rich dad company. Is
- Speaker 14: 33:52 that the way where blue ocean is that we just came out with our latest book why the rich are getting richer. We have 10 videos at the back of the book taught by real instructors not phony schoolteachers. What I mean by real is people who are doing the real thing like Kenny McElroy. Every day he is in real estate. Tom we all write every day he's in taxes anti-tamper every day. He's an option. Mark is going up and down. Weeks every day he's in raising and kept raising capital. The problem with most school teachers they're not

doing the real thing they're talking about it. So this cash flow kit. Right now we have people all over the world been doing it for 20 something years. People teaching people bypassing the school system bypassing the banks bypassing Wall Street and all this so you can think for yourself and maybe make your own decisions and by the game one game can teach thousands of people.

- Speaker 14: 34:42 That's a very efficient system of teaching. Or you can go to school and get come down loaded with student loan debt and learn nothing about money. So that's why Kim and I 20 something years ago we launched rich dad Rich Dad company for a blue ocean. We make so much money on top of that we invested in apartment houses not houses. And apartment houses are now the kick butt right everybody is in park and I was like all around my office area 20 years ago there was no apartment houses.
- Speaker 15: 35:07 Now everywhere there's apartment houses right there are there are and you know I look at the rich company and when we started when we set out we said what are we going to do one of the first questions we ask is what is needed and wanted that nobody's doing.
- Speaker 14: 35:17 And how do we reach more people how do we serve more people at a lower price. It's really quite simple. It's not about how much money we can make and what that corporate consultant corporate guy said. Well if you build it they will come. Well I guess so is teaching for now he's teaching for a competitor anyway so that's kind of interesting sports fans I will mention the name but it's an interesting time because most people are not creative thinkers. They can't think differently. Yes. Apple has Apple's think different.
- Speaker 15: 35:42 Yeah. And look at we know we watch Shark Tank sometimes and now you look at those people coming up in are they just a new version of another product or are they really creating something new and innovative that nobody else is doing. Steve
- Speaker 14: 35:54 Jobs was innovative very. And he's his thoughts on. Now that they'll talk about his Bitcoin. It was asking about Bitcoin. I was talking to a banker who says this is one of his is going to be very careful because it's a big scam right now. But it says something about big bitcoin that will destroy the world. I said what is it that is blocking this blocked will put bankers out of business. So it's not so much Bitcoin if want to play bitcoin it doesn't play the stock market flophouses stuff like that. That's bitcoin. But there's a new technology

underneath Bitcoin called Blott chain that if you're a banker right now you think your job is secure. You may want to stand up bend over and kill something good by because it's going to change on you. And that's what the rich that company is saying you better start thinking differently.

- Speaker 14: 36:31 So we're going to ask Robert you can submit your questions ask Robert at reached at Radio dot com. And for those who have opportunity please get my latest book why the rich are getting richer and possibly join the cash flow club and start learning start doing the real thing out there and learning from real people not schoolteachers. First question Melissa.
- Speaker 16: 36:45 Our first question today Robert comes from Jordan in Boise Idaho. Favorite book Rich Dad Poor Dad. What was your businesses original mission and how has that mission evolved in the time since it has never changed.
- Speaker 15: 36:58 What's a mission going mission is to elevate the financial well-being of humanity. And we came up with that in 1996 and that's still the mission today and we live it we breathe it our company does and that's what we will continue to do whatever our new venture is whatever we take on that's the mission as example rename Osborn was talking about is that in 1996 the economy was booming.
- Speaker 14: 37:19 Everybody was in stocks bonds mutual funds flipping houses and all that. And then what happened was the dotcom boom hit the stock market crash real estate market crash everything we were preparing for came true. So the sole mission of the rich dad company is even more true because if you're sending your kid to school for safe secure a job even schools are changing. You know they're saying you should Dulcinea school for college degrees and your schools can become a plumber or a tradesman or something because a college degree doesn't mean that much. You know all you can do is be an employee working with somebody like me. So people like us are questioning everything right now.
- Speaker 15: 37:51 Well and rich dead poor dead. And the biggest assumptions that you put out there to question was your house is not an asset. That was a big question an assumption because everybody considered their home an asset.
- Speaker 17: 38:02 And it is still so as you said to save money. I didn't say to save money I said use debt to acquire real estate and pay no taxes. That's what the book why the rich are getting richer is just on the right now. Brand new book is the

advanced version graduate school for rich dad out readers but I don't save money because money is trash that printed so much of it during the crash of 2008. Why would you save it. There is more money sloshing around today than ever before and the poor middle class are getting poor. That's because they have all the assumptions. They probably went to school and they can't think differently.

- Speaker 16: 38:33 Next question also our next question comes from Chelsea in Pittsburgh Pennsylvania. Favorite book Rich Dad guide to investing. Did you have major competitors when you started. How did you plan to compete with them and how did that plan play out.
- Speaker 17: 38:47 That's a fantastic question because I really don't. Mean I do what rename Osborne talks about. I don't look at competition. I look at who's not doing the job. You know I'm a little too complex but I don't do what somebody else is doing. It's a principle. It's called angular redundancy. And I'll try to explain that. But if somebody is doing it why would I do it. You know like Kevin I was just in Los Angeles and on one street there were four coffee shops and going that's angular redundancy you don't need four coffee shops on the street was only 100 yards they had four coffee shops. That's somebody else doing what you're going to do. I mean that's stupid.
- Speaker 15: 39:22 And you know we kept looking at what do we want to do what do we want to create. And if somebody is doing it it's not needed. I mean you can do it better if somebody can do it better why let them do it better. You know our competition I look at on what was our competition starting out and really I think the competition although we didn't really look at it that way was the school system that really was our competition was the school system actually in financial and financial ignorance. But that's our blue ocean that's the blue ocean we teach what the rich do. The blue ocean. That's
- Speaker 17: 39:46 what we do differently and what Tony Robbins is doing is telling people to invest in ETF Exchange Traded Funds. That's great but what the Chilbolton ETF is when the markets crashed I think they can't change philosophy of the change you wish to change it. But I wouldn't invest in an ETF because it's my money. I'd rather use debt I rather use the bank's money. I love my banker. Look there's a slight difference in everything. So I don't compete against Tony I don't compete against Dave Ramsey and I don't compete against Suze Orman. But if you cannot control your spending Suze Orman is your teacher. If you don't know

how to use debt. Dave Ramsey is a teacher. You want to just play it safe. ETF says Tony Robbins is her teacher. Sports fans. That's not what the company does. We sell financial education so you can live a better life you know happier.

- Speaker 16: 40:28 That's question Melissa our next question comes from Braxton in San Francisco. Favorite book Richa out poured out. What made you take the leap into entrepreneurship.
- Speaker 15: 40:37 Well it's because we didn't do very well with our jobs.
- Speaker 17: 40:41 Well both Tim and I our fathers lost our jobs you have no idea. If you haven't lost your job you really have no idea what it does to a family. So I came back from Vietnam in 73. My dad was unemployed Ph.D. and he was unemployed. And that guy did not know what to do. He bought a franchise and lost everything he does. He was not a businessman. And I said if I don't do it my rich my poor dumb ass was going to school get a job get my Ph.D. and work for the government I'll wind up like my Dad Poor Dad. And I said I'm not going to fall in your footsteps but you can.
- Speaker 15: 41:10 Well my dad lost his job when he was in his 50s and it was it was devastating. And he he at that point he kind of went from job to job and and he did OK because back then he had pensions you had pensions and they worked and he still had that and he had the insurance so he was OK for me. You know you talked about never getting you know what it's like to get fired I got fired not once but twice. And for me that was the best thing that could have happened because it kind of turned the lights on and said oh maybe this is not the path I need to go and that's when I started pursuing entrepreneurship. And
- Speaker 17: 41:36 the reason I mentioned block chain or I could be in bed and you look at Huber and all these things. Everybody was there clinging to the old ideals you're toast you're toast. You know I was talking to him. Now we're talking about Home-Based because Eric B and B you got to be kidding me. There's no I mean I saw one of our friends taking the air B and B class her house. That's not me.
- Speaker 7: 41:56 I'd rather live 500 apartment house. Come on you be so good renting a bike. So how about Airbnb. Am
- Speaker 14: 42:02 I in bitcoin. No. Because I use debt and I like gold and you know like I said Bitcoin is block chain and bankers are soon going to be out of business. I don't know if you know this

but the first law school closed in California because they can't find jobs for lawyers. Now I think that's a good thing. On the bad side is going to make lawyers more and more competitive and to be ambulance chasers and we have more lawsuits. That's why I listen to Garrett Sutton about how to cover your assets and start to control your own business. Because we're going to be more tenuous. We're going to have civil unrest we already see it all over the place. So that's why sports fans you know smell the coffee look around it's changing. If you think you have job security I think you're dreamland. You're really really dreaming. Next

- Speaker 16: 42:40 question Melissa our next question comes from Jerry in Ogden Utah. Favorite book rich and poor dad. What would you say is the number one reason people do not quit their current job and run their own business full time.
- Speaker 17: 42:51 Well number one not everybody should. You know I mean look most people don't have to be entrepreneurs. It's too hard. The regulations are too tough. The education requirements are too high. And so that's why people like my poor dad bought himself a franchise. It was a Swenson's ice cream franchise. He lost his but because he was not a businessman. So if you don't know business then those two things you should do first of all starting now join a network marketing company. So at least you learned how to handle rejection and sales and work as a team. Secondly you may want to consider a franchise but franchises are very very expensive for good.
- Speaker 15: 43:24 Well they say and they say with franchises that the people that do best in franchises are like middle managers because they have some business experience but they also have a very a system that they don't have to create it's already there for them in a box.
- Speaker 17: 43:35 We had a kid and I had her nieces wedding in Charleston South Carolina and I was really happy. I met a basketball coach who became a became a McDonald's franchise. He was doing well. It was funny I laughed. I said you know how much I was making a basketball court. Not much is nothing. And now I don't like seven franchises. I'm a. And I said do you like McDonald's he says love McDonald's. You know. Well you know McDonald's is unhealthy as well. It's all relative sports fans you know. I would love to own a McDonald's franchise because because the training you get I would love to go through a hamburger University. You know I mean so that's why you and that's why you do something it's for the education you get not the money.

- Speaker 15: 44:10 Yeah. And that's a really good point because if you're going to start your own business if you're starting it and the goal is because of money forget it it's going you're going to quit. So you've got to have a really really strong reason why you're going into business you've got to really believe in what you're doing. Because as soon as that first obstacle comes up and it's hard and all of a sudden you've got to you've got to think and you're going to you're going to quit if it's just about the money.
- Speaker 17: 44:27 And the first lawsuit the first the first employee who sues you for sexual harassment the first employee who sues you just got one. Why am I in this business. So once again I want to thank Rene Marsh born fantastic book blowing and shift and strategies or web sites blogging strategies dot com. And thank you for that. So they are some questions to ask Robert. You can submit your questions ask Robert at twitched at Radio dot com. And thank you all for listening. Remember there's a big blue ocean of abundance out there swimming that.