

# THE OUTSOURCING CONSPIRACY

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What *The 4-Hour Workweek* and Internet Marketing Gurus Aren't Telling You about Outsourcing

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ABOUT THE AUTHORS

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## TABLE OF CONTENTS

CHANGING EVERYTHING.....	4
SOMETHING DOESN'T FEEL QUITE RIGHT.....	5
THE OUTSOURCING CONSPIRACY .....	7
OBSTACLE #1: IT COSTS MORE THAN YOU'D THINK.....	10
OBSTACLE #2: DO YOU REALLY WANT TO BE A MANAGER? .....	13
OBSTACLE #3: YOU'RE NOT BIG ENOUGH FOR MEDIOCRITY .....	15
OBSTACLE #4: IN THE BEGINNING, EVERYONE IS IRREPLACEABLE .....	16
OBSTACLE #5: YOU CAN'T AFFORD TO PROTECT YOURSELF .....	18
THE PROMISE OF FREEDOM .....	21
OUTSOURCING IS NOT THE ANSWER.....	22
THE MISSING INGREDIENT TO SUCCESS ONLINE .....	23
PARTNERING REDUCES UPFRONT COSTS TO ZERO.....	24
PARTNERING HELPS YOU ATTRACT THE BEST OF THE BEST .....	25
PARTNERING SPARES YOU FROM BECOMING A MANAGER.....	26
PARTNERING HELPS YOU KEEP GOOD PEOPLE.....	27
PARTNERING IS SAFER THAN OUTSOURCING (IF YOU DO IT RIGHT).....	28
THE PROBLEM WITH PARTNERING .....	29
INTRODUCING PARTNERING PROFITS.....	31



## CHANGING EVERYTHING

Haven't you heard? Outsourcing is changing everything.

You don't have to work the 9–to–5 anymore. You can stay tucked away at home, surfing the web from your skivvies and only subjecting yourself to a couple hours of actual work per day.

All through outsourcing.

You can even work on things you want to do. Isn't that something? Just take everything that's confusing, boring, or otherwise undesirable and delegate it all to someone that's happy to do it.

All through outsourcing.

Of course, hiring all of this help is going to cost you a fortune, right? No, not at all! You can hire an army of helpers in India, China, or Russia for the bargain price of only \$5 per hour, and they'll work like you're paying them five times that.

All through outsourcing.

Combined with the powers of the Internet, you can work on whatever you want, from wherever you want, whenever you want. At least, that's what Tim Ferriss and many Internet marketing gurus are telling us. The only question is, do you believe them?

Or are you just a *little* bit skeptical?



## SOMETHING DOESN'T FEEL QUITE RIGHT

It's not like we haven't given outsourcing an honest chance.

We've watched Tim Ferriss traveling around the world, bragging about his mobile lifestyle and mini retirements. You might've even bought his best-selling book, *The 4–Hour Workweek*.

We've read about how you can hire a virtual assistant in India to help you manage your life. You might've even checked out a few virtual assistance companies on the web.

We've heard Internet marketing gurus talking about outsourcing website design, server administration, and even content creation to people on Elance.com. You might've even browsed some of those portfolios.

And, honestly, most of us really would like to believe in outsourcing. The idea of delegating all of the grunt work in your business to someone else and spending time doing whatever you want, from wherever you want, whenever you want sounds awesome.

But... doesn't something about it just bother you?

Maybe it just sounds too good to be true, kind of like a late-night infomercial or something. Nothing can be that good.

Or maybe you don't like the idea of sending jobs overseas. Yeah, you save a few bucks, but what are you doing to the people here at home?

Or maybe you wonder if you can trust them. What if you outsource everything to India, and they just run off with your idea and start a competing business? You can't afford an overseas lawsuit.

Whatever it is, something about the whole pitch for outsourcing doesn't seem quite right. You can't help but feel that somebody is leaving something out.

And you're right, they are. Exactly *what* they're leaving out is the subject of this free report.

It's a little something we've come to call The Outsourcing Conspiracy.

## 3

### THE OUTSOURCING CONSPIRACY

Outsourcing has been sold as the perfect solution for the Internet marketing newbie.

Don't understand how to do all of the techie stuff like HTML and servers and graphic design? Don't worry about it. You can outsource it all to experts that are happy to handle it for you.

Struggling to find time after work to get your business started? Don't worry about it. You can outsource most of the startup tasks to people who work while you're sleeping.

Can't afford to hire employees in your own country? Don't worry about it. You can outsource the work to professionals in Third World countries that are happy to work for a few dollars an hour.

Outsourcing is the catchall answer to any objection that a beginner has. You can be computer illiterate, too busy to work on a new business, and practically penniless, but with outsourcing, you too can become an Internet millionaire. Or so they say.

Is it true? Surprisingly, yes... for some people.

Outsourcing *really* is the perfect solution if:

- You have a budget of at least a few thousand dollars
- You can communicate exactly what you want them to do
- You have time to oversee their work, checking in every so often to make sure they are doing everything you want
- You are satisfied with merely average or slightly above par work
- You are satisfied with an employee who's doing the job, but isn't particularly enthusiastic about it
- You are capable of replacing them quickly and easily whenever they move on to another job or fail to meet your expectations
- You feel perfectly secure that nothing you're doing can be stolen, or if it is stolen, you can protect yourself

“The Outsourcing Conspiracy is that, while outsourcing **does** indeed work for **some** people, it doesn't work for **all** people.”

The Outsourcing Conspiracy is that, while outsourcing does indeed work for some people, it doesn't work for all people. In fact, you might say that it's the least suited to those that need it most: beginners.

- Beginners don't have thousands of dollars sitting around.
- Beginners don't know precisely what they want, much less how to communicate it.
- Beginners need a world-class team, not a mediocre one. Beginners need to be surrounded by enthusiasm, or they'll give up and quit.
- Beginners don't have a big enough network to quickly and easily replace anyone.
- Beginners are worried that everyone is going to steal their idea, and the thought of putting it in the hands of a stranger in a Third World country scares the hell out of them.

So, why is outsourcing set up as the perfect solution for beginners? My guess: nobody considered whether or not it's actually true.

It works for the gurus, so they think it must work for their customers, and their customers see it working for the gurus, so they believe it will work for them. Or, more cynically, you could say the purpose of talking about outsourcing is to conquer the objections to Internet marketing, not the actual problems. Outsourcing sounds good, and when you're selling something, nothing else matters.

The truth?



Intentionally or unintentionally, outsourcing proponents are leaving out one essential fact: outsourcing isn't magic. Just like with any other business strategy, you have to cross several obstacles to make it work. The question is, when you're done crossing them, is outsourcing actually worth it? Or is it possible that another strategy is better suited to beginners?

Well, let's go through some of those obstacles, and then you can decide.

“Intentionally or unintentionally, outsourcing proponents are leaving out one essential fact: **outsourcing isn't magic.**”



## OBSTACLE #1: IT COSTS MORE THAN YOU'D THINK

Supposedly, you can hire a virtual assistant in India for \$5 per hour. With the declining value of the US dollar, as well as rising prices in India, I think that figure is probably changing, but let's accept for a moment that it's true.

Do you *really* want to hire the cheapest helpers you can find?

Let's say that \$5 per hour virtual assistant in India is the equivalent of someone making \$8 per hour in the United States. In other words, a McDonald's employee. Now, don't get me wrong; I'm sure McDonald's employees are fantastic people. But do you really want them in charge of managing your life? Not me.

You want somebody that can *think*, not just mindlessly follow directions, and that's going to cost you extra. In India, the bare minimum is probably somewhere around \$10 per hour for a good virtual assistant.

They'll be the equivalent of hiring a \$15-\$20 per hour virtual assistant in the United States.

Still, that's a pretty good deal, right? Well, not necessarily.

Price per hour isn't the best yardstick for measuring cost effectiveness. You have to consider how much they're getting done in that hour. For example, read the following admission from Tim Ferriss:

“Price per hour isn't the best yardstick for measuring cost effectiveness.”

*The first time I hired an Indian VA, I made the fundamental mistake of not setting an hour cap for three simple tasks. I checked in later that week and found that he had spent 23 hours chasing his tail. He had scheduled one tentative interview for later that week, set at the wrong time! Mind-boggling. 23 hours? It ended up costing me, at \$10 per hour, \$230. The same tasks, assigned later that week to a native English speaker in Canada, were completed in two hours at \$25 per hour. \$50 for more than four times the results. (Source: *The 4-Hour Workweek*, pp. 127-128).*

Suddenly, \$10 per hour is looking a lot more expensive, isn't it?

From my experience, Tim's story is relatively common. Even if you manage to find a competent, productive assistant, communicating exactly what you want and how to accomplish it often takes much longer than it does with a native English speaker. It's not that they're uneducated or stupid. You're just crossing a cultural barrier that gives everyone but the most experienced linguists difficulties.

Can you cross that barrier? Sure, but it's both time-consuming and expensive. Because you see, you're not only paying your assistant to do the work; you're paying them for every moment that they spend figuring out what you want. So, if you e-mail back and forth four times before everyone is clear, then you might have spent \$20 or more, and you haven't even started on the task.

To some extent, you run into the same obstacle when you're hiring someone on Elance.com and paying them by the project. A service provider might post a low bid for the task, and you get excited, only to find out after a few emails that they didn't really understand what you wanted, and the price is now going to be three times as much.

“Outsourcing is never as cheap as it seems. By the time most people add up all of the costs, they still can't afford it.”

Outsourcing is *never* as cheap as it seems. By the time most people add up all of the costs, they still can't afford it.

For instance, let's go back to the virtual assistant example. To accomplish any meaningful amount of work, you're probably going to have to pay for *at least* 20 hours a week. At a price of \$10 per hour, that's a cost of \$200 per week or \$800 per month. Sure, maybe it's not much if you already have a successful business, but what if you're just getting started with your online business, and you're struggling to earn your first paycheck?

Eight hundred dollars per month is a fortune in that case.

The bottom line is that the vast majority of budding Internet entrepreneurs can't afford outsourcing. It doesn't matter if it's a good deal. If you're struggling to pay your bills, and you're trying to bootstrap a new business, then it's simply not a part of your budget.

End of story.



## OBSTACLE #2: DO YOU REALLY WANT TO BE A MANAGER?

We're led to believe that having lots of people working for us is a good idea. Instead of doing all of the work yourself, you delegate the day-to-day tasks to your employees, freeing yourself to focus on the vision for your company and improve your business processes.

Of course, most startups can't afford to hire dozens of employees. Outsourcing is supposed to be the solution. Rather than burdening yourself with the overhead of monthly salaries, you can delegate tasks to a worldwide team that charges by the hour or project. When you have work, you pay them, and when you don't, you don't.

It sounds good, but is it?

When I was doing some freelance web development a few years ago, I outsourced most of the graphic design work to offshore designers advertising their services on Elance.com. I'd post a project, examine the portfolios of the bidders, and choose a winner. They'd do the work, I'd incorporate it into my website, and I'd send it off to the client to review.

Initially, I thought it was wonderful. Working with both local and offshore designers, I was able to rollout some fairly snazzy sites that I would've been incapable of producing on my own. By surrounding myself with an army of freelancers, I was also able to focus on getting more clients, and soon I had several projects going at the same time, producing a fairly steady income stream for only 15–20 hours per week of work on my part.

One day though, I realized I wasn't really enjoying the work anymore. Instead of becoming a freelance website developer, I'd morphed into a full-time manager. I spent all of my time reviewing portfolios, following up with designers, suggesting improvements, and soothing wounded egos.

“Do you *really* want to be a *manager*?”

And I hated it.

Yes, having other people working for you can make your business more profitable, but you have to ask yourself: do you *really* want to be a manager?

Outsourcing saves you the overhead of employees, but it doesn't spare you the task of managing your team. You still have to:

- Describe the project, the deliverables, the client, and your expectations, so they'll understand what you're doing
- Train whomever you hire to do the work like you want it
- Track the progress of each team member, making sure they're going to finish on time and on budget
- Review their work, make suggestions for improvement, and otherwise filter everything they produce
- Mediate disagreements, soothe wounded egos, and correct (and sometimes fire) team members who do something wrong

Is that really how you want to spend your life?

You might think there's no alternative. The consensus of the business community seems to be that growing a business means hiring people, and as a natural consequence, learning to manage them. It's the natural lifecycle of entrepreneurship.

Or is it?

Maybe not. Let's go through a few more of these obstacles, and I'll show you why.



## OBSTACLE #3: YOU'RE NOT BIG ENOUGH FOR MEDIOCRITY

Outsourcing is supposed to let you focus on what you do best. It's supposed to help you capitalize on your strengths. It's supposed to make your business remarkable.

But it doesn't. It makes you mediocre.

Here's why: the majority of freelancers are mediocre. Yes, there are exceptions. Yes, some freelancers are the most talented people in their industries. Yes, a few of them might single-handedly transform your business.

But most won't. The majority of freelancers are followers—people that wait for you to supply the vision, and then help you carry it out. They don't do any of the truly creative work themselves. That's not their job.

If you're McDonald's, that's fine. You don't need creativity. You have a step-by-step procedure for getting things done, and you need people that can follow directions. Mediocre is perfect.

For a start up company though, it's disastrous. Regardless of whether or not you're starting a business online or offline, you need to surround yourself with not only big thinkers, but big doers. You need leaders—people who are capable of imagining and implementing a new future for your industry.

You don't achieve greatness by filling your company with \$10 per hour freelancers. You achieve greatness by surrounding yourself with people who are so talented you couldn't possibly buy their time. No one can.

You might think finding those people is impossible, but it's not. You just don't find them on Elance.com.

More on this later.

“The **majority** of freelancers are **followers** - people that wait for **you** to supply the vision, and then help **you** carry it out.”





## OBSTACLE #4: IN THE BEGINNING, EVERYONE IS IRREPLACEABLE

When you're a small business, losing just one of your employees is a big deal.

If your computer guy quits, then you have no one to call the next time you hit a technical glitch. If your assistant quits, then you have no one to answer the phone. If your CPA quits, then you have no one to explain the company's books.

It's a big deal for two reasons:

1. You don't have an HR department to replace them by the end of the day. Hiring a replacement means running an ad, interviewing candidates, and training someone new—tasks that consume enormous amounts of your already stretched-too-thin time
2. Nobody but you is around to pick up the slack. You end up tinkering with the computers or answering the phones or doing the accounting. And that's a disaster, because it means you focus less on everything else that needs to be done, like pulling in sales to keep the company alive.

The point? Outsourcing any of these jobs is a bad idea.

Freelancers are by their very nature temporary employees. You hire them today, and then you lose them to a cooler, better paying, or less annoying project tomorrow. It's the nature of the relationship, and there's nothing you can do about it.

Nothing, that is, except avoid it. Before outsourcing part of your business to a freelancer, you should ask yourself if you can really afford for that person to quit without any notice whatsoever. If the answer is no, then outsourcing is a bad idea.

“Before outsourcing part of your business to a freelancer, you should ask yourself if you can really afford for that person to quit without any notice whatsoever. If the answer is no, then outsourcing is a bad idea.”



When you're new, no one knows how cool and smart your company is yet, so it's hard to attract quality people to replace them. If you're going to build a team to help you (and you should), you need a relationship that's much more conducive to keeping people around.

You also need to protect yourself from people not only leaving, but taking your intellectual property with them. Let's talk about that next.



## OBSTACLE #5: YOU CAN'T AFFORD TO PROTECT YOURSELF

The debate over offshore intellectual property theft is a big one.

On one side, you have old-school business types who are terrified of letting their intellectual property out of their sight. Putting it on the Internet, much less sending it overseas, is incomprehensible. To them, lower costs can't possibly justify that amount of risk.

On the other side, you have outsourcing proponents that point to the surprisingly low number of incidences of theft and say that your intellectual property is safer overseas than it is at home. To them, paranoia over offshore intellectual property theft is just ignorance and maybe a little bit prejudiced. Companies need to loosen up.

Who's right? Well, here's my take:

As far as I can tell, your data really is safer in India than it is with most companies in the US. Recognizing the effect of theft on commerce, law enforcement agencies in developing countries also seem to be getting tougher on criminals. If I ran a big company, and I had a task suitable for outsourcing, I'd be willing to risk it.

But if I were a small startup with limited funds, I wouldn't outsource anything sensitive to anyone, regardless of whether they're at home or overseas. The issue isn't the probability of intellectual property theft. It's your inability to enforce your rights when you're small.

The sad fact is lawyers cost money, and when you're a startup, you don't have any. You could be outsourcing to your next-door neighbor, and if they decided to rip off your intellectual property, you probably wouldn't have enough money to pursue them in court. When you're in that position, the probability of it happening doesn't matter; if the theft of their work would endanger your business, the best policy is to avoid putting that work in the hands of a freelancer.

“Until you can afford to sue people that steal your intellectual property, forget about outsourcing and stick with a small group of people that you know you can trust.”

It's not because freelancers are more likely to steal. It's because their business model resists due diligence. When was the last time you saw a freelancer on Elance.com offering a full criminal history? Or volunteering phone numbers for several of their clients, so that you can verify their track record?

Never, right?

They're not trying to hide anything. Such a high degree of due diligence just doesn't make sense.

When your business consists of a series of small jobs with multiple clients, you don't have time to submit to a full background check for every potential client. Your clients would also be foolish to ask for it. Spending 20 or 30 hours on due diligence for a job that only takes 20 or 30 hours to complete is counterproductive.

Of course, you can always go beyond Elance.com and hire a more professional outfit with impeccable credentials. They're more than happy to submit to due diligence... for the right price. The problem is paying that price essentially eats up all of the cost savings that makes outsourcing beneficial.

The simple solution? Until you can afford to sue people that steal your intellectual property, forget about outsourcing and stick with a small group of people that you know you can trust.

I'm not talking about employees or contractors, either. Most people seem to believe there are only three options for finding help:

1. Do the work yourself
2. Hire employees
3. Outsource the work to freelancers/contractors

It never occurs to them that there is a fourth option, one that's been around for thousands of years and helped millions of entrepreneurs build profitable businesses. Not only is it suited perfectly to beginners, but you might even say that it's the perfect replacement for the failed promise of outsourcing.



## THE PROMISE OF FREEDOM

“You look at what's happening online and think, **"This is my way out."**“

The first time you begin to grasp the possibilities of doing business online, you can't help feeling euphoric. It's not about making millions of dollars or earning money while you sleep or any of the things Internet marketing gurus usually pitch.

It's about freedom.

You look at what's happening online and think, "This is my way out." Build an online business, and you can quit your job, spend more time with your family, and travel the world. To you, the Internet isn't just a business opportunity. It's your passport to freedom.

Or so it appears for a little while, until reality sets in. You buy a couple of courses, start putting the theory into practice, and realize that it's not as easy as it seems. You're trying to do everything the gurus tell you to do, but you have a day job and a family to take care of, and it seems like you can never find enough time to get everything finished. Every time you think you're getting close, the Internet changes, and you have to revamp your entire strategy to stay current.

## 10

### OUTSOURCING IS NOT THE ANSWER

“It's a **strategy** that delivers on all of the **promises** of outsourcing without all of the **obstacles**.”

Supposedly, outsourcing is the solution. Gurus will tell you that no one has time to do it all themselves and that you need to outsource as much as you can to experts that can help you get it all done.

But... we've already established that, for the average Internet marketing newbie, outsourcing doesn't work. There are too many obstacles to overcome when you're small.

Consciously or not, I think most people who are turned off by outsourcing realize this, and they become cynical. Seeing how much work has to be done and realizing how you'll never finish it all yourself, you feel like giving up. You believe you don't have what it takes to succeed online.

But it's not true.

You're just missing a strategy that's indispensable for beginners. It's a strategy that delivers on all of the promises of outsourcing without all of the obstacles. Unlike outsourcing, *anyone* can use it to succeed online.

What strategy am I talking about?

Partnering.



## THE MISSING INGREDIENT TO SUCCESS ONLINE

Offline, entrepreneurs have been using partnering to build successful businesses forever. We have Sears and Roebuck, Ben and Jerry, Bill Gates and Steve Ballmer... the list goes on and on. We all know that almost no one builds a successful business entirely on their own.

But for some reason, we forget that fact online. Seeing all the case studies and success stories of people who are living the life of their dreams, we get inspired and think we can do it too, all by ourselves.

It never occurs to us that almost no one we admire for their success online got started on their own. For example:

- Before Jeff Walker started Product Launch Formula, he partnered with financial experts to create newsletter subscriptions, where they provided the analysis for the content, and he did everything else
- Rich Schefren wasn't always one of the most respected Internet marketing and business productivity gurus in the world. For years, he worked behind the scenes with legends like Jay Abraham, Yanik Silver, and Mike Filsame, helping them make millions online for a cut of the profits.
- Brian Clark is one of the few bloggers in the world to make over \$100,000 per month. He doesn't do it by selling advertising. He does it by partnering with other people to create exceptional products that his audience needs.

Those are three people who have climbed to the top of their industries online, and none of them did it by themselves! Now that they're successful, each of them also has an entire staff of people helping them build and market their products. They've had partners almost every step of the way.

It's no coincidence. The fact is, partnering either reduces or completely removes the obstacles that make outsourcing fail for the majority of the beginners.

## 12

### PARTNERING REDUCES UPFRONT COSTS TO ZERO

“Stop thinking about **paying** anyone and offer **equity** in your venture to the **right people** instead.”

Most beginners are in a quandary. You don't have time to do everything yourself, but the only way you can hire anyone to help you is by charging it to your credit card. Sure, it's a worthwhile risk if your business succeeds, but what if it doesn't? You don't want to out-source yourself into bankruptcy.

The solution? Stop thinking about *paying* anyone and offer *equity* in your venture to the right people instead.

Let's say you're designing an online course, but you need someone to install and maintain the course software, administer your newsletter, design your website, and so on. Even outsourced to India, paying someone to do all of that would cost thousands of dollars. If you don't have it, the best solution might be to offer the right person a portion of the profits in exchange for their help on an *ongoing* basis.

The same is true for other types of work. You can partner with a writer to draft a book for your course, a promoter to attract affiliates, and other experts to help you develop the content. Yes, you whittle away your own ownership with every new partner, but it's better than never getting started at all. And frequently, that's what happens when you try to do it all yourself.



## 13

### PARTNERING HELPS YOU ATTRACT THE BEST OF THE BEST

“Yes, you have to give up some of the control and profits, but if you can organize a team that virtually guarantees the success of your business, then it's worth it.”

We've already established that outsourcing is a great way to hire mediocre people. But what if you want to hire *great* people? What if you want to build a team that can change the world?

When you're small, it seems impossible. Talented people want big salaries, big perks, and big opportunities, all things that only big companies can afford to offer them. You certainly can't. So, how are you supposed to compete in the war for talent?

The answer: partnering.

In every industry, you'll find a group of people who can't be hired. They're the best of the best, the people whose projects and ideas influenced the landscape of their industries. Usually, they're already financially secure, so the offerings of big companies don't interest them. What's important is finding that *special* project - something they just *have* to do.

You might think it's impossible, but if you provide them with that special project, you might be surprised at their eagerness to partner with you. Industry leaders regularly partner with up-and-comers who have the special edge they're looking for. It keeps the leader at the front of the pack, and it elevates the up-and-comer to a new position of authority.

Yes, you have to give up some of the control and profits, but if you can organize a team that virtually guarantees the success of your business, it's worth it. The best part is there are no pre-qualifications other than great ideas and some evidence you have talent. Almost anyone can build an all-star team through partnering.



## PARTNERING SPARES YOU FROM BECOMING A MANAGER

“Instead of hiring a bunch of mediocre freelancers and trying to manage them to greatness, why not just partner with A-players that don't *need* to be managed?”

With outsourcing, you often spend so much time describing the project and explaining how to do it that, by the time you're finished, you probably could've done it yourself. Worse, you're spending all your time managing other people, not doing all of the important stuff that other people can't do.

It's frustrating, but what are you going to do? You don't have any choice but to play the manager part for a while, right?

Actually, you *do* have a choice.

One of the greatest myths in the history of business is that, to get anywhere, you have to manage people. Yes, it's one way of doing business, but it's not the *only* way. You can build a business just as effectively through partnering.

Instead of hiring a bunch of mediocre freelancers and trying to manage them to greatness, why not just partner with A-players that don't *need* to be managed? Abandon the whole idea of bosses and underlings and build a team of equals. You do your job, everyone else does their job, and then you all combine your efforts to produce something great. No one *manages* anyone.

As an entrepreneur, the impact on your daily life is enormous. You can stop worrying about making everyone else productive and start focusing on doing what you do best. It's not just exponentially more productive; it also makes starting a business fun again.

## 15

### PARTNERING HELPS YOU KEEP GOOD PEOPLE

Losing good people can kill your idea.

It's not a topic that gets a lot of press in startup magazines, but any longtime entrepreneur will tell you that it's true. Since you're small, the loss is usually much more noticeable, not only because you lose their input, but you frequently have to pick up the slack yourself, doing their job until you can find a replacement.

It's awful.

The problem with depending on freelancers is you lose them *all the time*. You might find someone who does a good job for you on one project, but when you try to hire them for another, they've already moved on to another job and can't spare the time to help you. It's happened to me personally too many times to count, and on several occasions, it left me in a serious bind.

My recommendation?

Don't use freelancers. Partner.

Where outsourcing is temporary by design, partnerships are generally more permanent. None last forever, but most partners intend on working together for a few years, minimum. The reason is they're being paid through equity, not cash, and their stock is probably worthless until you've built a successful company. Since that takes a while, people have an incentive to stick around.

As a result, you can depend on them. You rarely have to worry about your partners disappearing to a new job without any notice or going on vacation just before a major deliverable is due. In my experience, the opposite usually happens. Partners turn down opportunities and cancel vacations just to make sure the business keeps moving.

You won't find that sort of dedication anywhere else. It's also indescribably important when your business is in its infancy.

## 16

### PARTNERING IS SAFER THAN OUTSOURCING (IF YOU DO IT RIGHT)

Regardless of whether you're working with people at home or overseas, the scariest part of outsourcing is that someone might steal your intellectual property. It isn't that freelancers are untrustworthy; most of them are. The problem is that, because you're only working together temporarily, everyone has a tendency to skimp on due diligence, and you might accidentally hire someone you shouldn't.

Plus, you probably can't afford to defend yourself, so if a freelancer does steal your intellectual property, there's nothing much you can do about it except grit your teeth and move on. It's a vulnerable feeling, and most online entrepreneurs deal with it by only outsourcing work they can afford to lose. Of course, that also defeats the purpose.

For most beginners, partnering is a far better alternative, at least if you do it right. The reason isn't that partnering makes people inherently more trustworthy; it doesn't. Statistically, partners are just as likely to steal from you as freelancers. The primary advantage of partnering is it's a business model that's much more receptive to due diligence.

Where most freelancers balk at a lengthy due diligence process, potential partners are usually ready and waiting. You expect to be thoroughly examined before somebody hands you ownership in their project or company. You're also working together for a much longer period of time, so spending a few days on due diligence makes sense. As a result, you can usually weed out people that might steal from you before they have the chance.

A secondary advantage of partnering is that you're working with a smaller group of people, so the overall probability of running into a bad apple is less. With outsourcing, you might be working with dozens of freelancers over the course of several years, and the likelihood of hiring someone who steals from you is fairly high. In contrast, you might only have two or three different partners, each thoroughly vetted before you partnered with them, making the chances of getting cheated relatively small.

The bottom line? Your intellectual property is safer with partnering than it is with outsourcing, especially when you're a beginner.

## 17

### THE PROBLEM WITH PARTNERING

“The problems with outsourcing are **impossible** for most beginners to overcome, but the problems with partnering are **not**.”

By now, you might be thinking that this sounds like the pitch for outsourcing all over again. We've told you all of the ways partnering overcomes the obstacles of outsourcing and made it seem like The Fairy Godmother that will transform you from a struggling beginner into a successful online entrepreneur that everyone admires. You might even think the pitch sounds suspiciously familiar to that of outsourcing.

But, as we've already established, nothing is *that* perfect. So... what's the downside?

The downside is different depending on your individual situation, but the largest problem for most first-time online entrepreneurs is this: partnering is hard. Yes, it's the closest thing we have to a magic bullet for beginners, but when you're starting out, the idea of finding partners and convincing them to work with you can seem next to impossible. You're a nobody. How are you supposed to convince anyone of value to partner with you?

Outsourcing doesn't have this problem. You can go to a site like Elance.com, post a project, and sit back as the bids come in. The process for choosing the freelancer you will hire is almost effortless. Most of the time, you don't have to *persuade* them to work with you. The money you're offering does that for you. It's much easier than partnering.

Of course, if outsourcing doesn't work for beginners, then the ease of doing it doesn't matter. So, what's the solution? It seems like you're in for a rough ride either way.

Well... not necessarily. The problems with outsourcing are impossible for most beginners to overcome, but the problems with partnering are not.

You see, one of the reasons partnering seems so difficult is that no one has taught you how to do it. It's one of the most universal business strategies in existence, but for some reason, it receives very little press. I suppose entrepreneurs like to keep their partnering secrets close to the vest.

Another problem is a lack of community. No one has created a website like Elance.com to help people interested in partnering connect with each other. Right now, if you're looking for the right partner to help you build your online business, you're on your own. You not only have to find the right person, but you have to convince them of the merits of partnering. If you're a beginner, that's tough.

Fortunately though, a lack of education and community are two problems that are easy to solve. It's just that no one has... until now.



## INTRODUCING PARTNERING PROFITS

You've probably figured it out by now. The whole purpose of this free report wasn't just to convince you about the superiority of partnering to outsourcing. We're also setting you up to buy our super-duper, mega-expensive training program, right?

Actually, no. At least, not yet.

Yes, we've developed a training program and community dedicated exclusively to helping online entrepreneurs build successful partnerships. It's called Partnering Profits. And yes, we'd love for you to buy it... eventually.

The fact is, you're not ready yet. We've only touched on the tip of the iceberg in this free report, and before you can make an educated decision about whether or not Partnering Profits is for you, we'd like you to hear the rest of the story.

You see, partnering isn't just a replacement for outsourcing. Properly used, it's a business strategy that helped build some of the most successful businesses in history, including McDonald's, Microsoft, and Google. We'd like to show you how you can use the same strategies to build your own online business in half the time.

A little doubtful? That's fine.

The first two chapters of the Partnering Profits training program will prove it to you. We'd like to give them to you, absolutely free of charge. [Click here to download them now.](#)

Best Regards,  
Jon Morrow and Brian Clark

PS: Oh, and just so you know... this isn't a lead-in for a mega-expensive course. Partnering Profits is cheaper than a dinner for two at a nice restaurant. We've deliberately priced it so that anyone can afford it.

Once again, [here's the link for the free two chapters.](#)