

## **"The Parable of the Pipeline"**

**by Burke Hedges**

**March 30, 2015**

- The next "Tuesday Night Live" meeting at Corporate Offices... is Tuesday April 14 at 7:30 PM
- Dallas Monthly Business Training... April 4<sup>th</sup> – 9 AM – 12 PM at Mannatech Corp Offices or [www.mannatechlive.com](http://www.mannatechlive.com)
- Mannafest 2016... April 6-10 register today!!! Plan to be there!!! Register at [events.mannatech.com](http://events.mannatech.com) Keynote Speaker: Eric Worre. Prices change March 31
- Check out upcoming Mannatech Town Hall Meetings - <http://events.mannatech.com>
- Third BP of Incentive... now is the time to focus! Build your business. See you on the Mexican Riviera!!

"Pipelines are designed to take the worry out of peoples' lives by putting profits into their pockets. But most of all, pipelines are designed to give people personal and financial freedom and lifelong security. In short, pipelines are lifelines."

The Parable of Pablo and Bruno...

1. Who are you...a Bucket Carrier or a Pipeline Builder?
  - a. Do you want to get paid only when you work, or work hard for a year or two and get paid over and over again? Time for money trap.
  - b. No such thing as a secure bucket carrying job...example of dentist.  
Laid off as will happen to 50% of those in jobs today.  
Disaster strikes: health, whatever and the income is gone.
  - c. There must be a better way! Be a builder of residual income.
2. We live in a Bucket-Carrying World
  - a. Monkey see monkey do. 99% are living paycheck to paycheck. It is the reason Bruno (and so many we talk to) had a hard time understanding it.  
"100,000 lemmings can't be wrong!" Yes they can.
  - b. In 2001 when book was written the average worker in America earned \$28,500...after taxes, hardly enough to meet basic needs! So yes, the majority of people are desperate to make more money.
  - c. Statistics
  - d. Fallacy of having a bigger bucket (lawyer or doctor) because they just have more expenses.
  - e. Wealth is NOT INCOME...that will eventually dry up. Pipelines produce wealth.
3. The Power of the Pipeline

- a. The smaller the bucket, the bigger the need for a pipeline. Story of school teacher versus Darryl Strawberry.
- b. Strawberry lived "high off the hog"...paycheck to paycheck. How about you? Strawberry acted as if his bucket carrying days would never end. How about you?  
The school teacher chose to build pipelines while she was still carrying buckets.  
NOW IT IS YOUR CHOICE.

4. Leverage: The Power behind the Pipeline

- a. He used the example of the Gutenberg printing press. Whereas before the press was made, each book had to be hand made, taking years to produce. After the press, 100 books could be made in 2 days...1 day to set up, 2nd day to make 100 copies. The printing press leveraged the printer's time and money, thereby dramatically increasing productivity.
- b. In pipeline building model, no longer 1:1 relationship between effort and results. With leverage, effort at 1 produces 100-1000-1 mill in results.
- c. Leverage: lever meaning to make lighter. In the case of time 1 hour can result in 100 hours of production. In the case of money, each dollar invested can compound to many times the initial investment.

Leverage time: hire employees

Leverage money: invest in stock at \$19 (Berkshire Hathaway), turns into \$100,000 in 10 years.

Find a mechanism to leverage your time and money TODAY...and enjoy a big reward tomorrow.

5. Money Leverage: The Palm Beach Pipeline

- a. The doubling concept (Emperor and the chess game creator). Emperor willing to reward him for creating the game. He chose to receive 1 grain of rice, and double that for each square on the board.  
Emperor said sure. Turned out to be 10 times the amount of rice made in the world! This is same as penny doubled every day for a month or \$1 mill?
- b. PalmBeach Pipeline: Rule of 72

- 1) determine the annual interest rate on your investment
- 2) divide the interest rate into 72
- 3) the result is the number of years it will take to double your investment

<b>Rule of 72 in Action</b>
Step 1: \$100,000 original investment
Step 2: 10% annual return
Step 3: 72 divided by 10 = 7.2 years
Profit: \$100,000 would become \$200,000 in 7.2 years

This is what the rich do....they live great lifestyles and leave 10 times the amount of money to their heirs.

- c. Put money in three jars every month: spend and give, save and invest. Make regular contributions into an investment account every day.

d. Truth is the average millionaire today grew up with no money or average family. More self-made millionaires that ever in history. Most don't hit millionaire status until 50's or 60's. They invest 10-15% of their income starting in their 20's.

e. BUT what if you don't have the money? You still can build a pipeline by leveraging your time!

6. Time Leverage: The People's Pipeline

a. Pablo kept reminding himself that tomorrow's dreams are built on today's sacrifices. Why is this so hard for people? For Bruno?

b. Building a business helps build your pipeline in 2-5 years but sacrifice is a must. Time levels the playing field.

c. "Now's a bad time for me." Ever hear that? True for everyone! It is called life.

What is amazing is how a few minutes here and a few minutes there can add up to a lot of time! We all have it, but do we all discipline ourselves to use it?

Time we spend on small daily tasks:

Total Time We Spend on Small Daily Tasks During Our Lifetime	
6 years .....	eating
5 years .....	waiting in line
4 years .....	cleaning house
3 years .....	preparing meals
2 years .....	trying to return phone calls
1 year .....	searching for misplaced items
8 months .....	opening junk mail
6 months .....	sitting at red lights

Check out productive free time:

d. Time is money. If things are going great "why should I build a pipeline?" No better time than now because when things go bad, then its too late.

e. The Fable of the Ant and the Grasshopper

By leveraging some of your leisure time now, you can build a pipeline that will last for ever.

He calls the internet the biggest time leverage tool in history.

7. e-compounding: the Ultimate Pipeline

a. The internet is the most powerful pipeline today. It is changing the way people live, work and play.

b. Secret to find and create customers: build relationships. The high-tech of internet needs the high touch of personal relationships.

People trust person to person recommendations more than any form of advertising.

"e-compounding": you refer people to a specific site based on your massive numbers of contacts...tens of thousands. How? Find 1 per month, and each new month each finds one...12 months have 4096 contacts.

Rich people leverage money, average people leverage time.

8. Do you Prefer the 50 Year Plan or the 5 Year Plan?
- a. Work for years at low paying job, saving whatever you can and after 50 years, you now retire with extra money to really live it up (50 YEARS LATER). You can become a millionaire by investing \$3.57 a day in a mutual fund returning 12% annually...40 years later you have 1 Million.

<b>How to Accumulate \$1 million by Age 65</b>				
Assuming a 12% annual interest rate*				
Starting Age	Daily Savings	Monthly Savings	Yearly Savings	Years It Takes To Build \$1 Million
25	\$ 3.57	\$ 109	\$ 1,304	40 years
35	\$ 11.35	\$ 345	\$ 4,144	30 years
45	\$ 38.02	\$1,157	\$13,879	20 years
55	\$156.12	\$4,749	\$56,984	10 years

*from The Wise Investor by Neil E. Elmauchi*

\* Considering that the stock market has averaged 11% over the last 70 years and 25% over the last decade, 12% is a fair and reasonable rate of return.

- b. What about those who wait until 55? Some have homestead as pipeline or social security or both and feel that is enough. Why want to wait 50 years?
- c. 2-5 year pipeline. Why not live your dreams earlier?? What about building your 2-5 year pipeline at same time you are building 50 year? Build both long term and short term.