

Module 3 - Strategies for Maximum Profit

Lesson 9 – Stay Above the Law

Let's talk about something that's not very fun to talk about for a moment, and that is what are the legal responsibilities that we have as membership business owners and business leaders to provide for our members? So I want to talk about some of the laws that govern what we do inside recurring revenue and inside the membership business. First, and let me give you this disclaimer. I am not a membership expert on the legal laws that are governing us, whether it be federal laws or state laws. I am a membership expert when it comes to guiding your business and helping you multiply your membership and your revenue, so let me say to you this.

I want to encourage you to look at what are your state laws and what are the federal laws that may govern your business? You may find out that there's really nothing out there on a state level, just federal level. That's fine, but I want you to do that research for yourself, one, because you need to know that. Second, it's because our laws are constantly changing. I could give you some advice and I'm going to give you some, not legal advice, but I'm going to give you some best practices that you can follow to just make sure that you're above reproach as best as possible.

Going through this lesson, I want you to know that you not knowing the laws is not a reason for you to not be caught by the law, okay? So you can't claim innocence. Take for example if you driving down the highway, and let's say you were going 57 miles an hour, but all of the sudden you got pulled over and you thought that the speed limit was 55, so you were going two miles over, but the police officer pulls you over and he says, "Do you know how fast you were going?" You were to say, "Yes, I was going 57 miles an hour." He said, "Well, do you know what the speed limit is?" "Yes, sir, I do. It's 55, isn't it?" He says, "No, it's actually 35." Now, technically you would have been ignorant of the 35 mile speed limit zone, right? But you still violated the law.

Your ignorance doesn't mean that you're not caught under the law. Under the law, you have a penalty there. You were a couple of miles over the speed limit. Same with our business. Just because you don't know the laws that govern it, doesn't mean you are exempt from following the laws, so I want you to follow the laws. I want you to be knowledgeable of it, but let me give you some best practices as you do it.

For those of you who have your membership signup and you're having people sign up online, do not use small print. Do not use small print or different color print when it comes to the terms and conditions of your

offer. In other words, you may have seen it that, "I'm going to give you two free months of membership," and then all of the sudden down in really, really size six font it says, "and then it will continue at \$99 per month after that." The law does not look friendly upon that. It may be legal, it may not be legal, but I'm just telling you right now the law does not look friendly on that.

By the way, the last I checked it was illegal to be doing anything like that, so make sure that you don't use small print or different color print. I've seen some membership business where when they go and they have it, it's not small print. It's the same size print, but it's just a different color. It's all of the sudden where everything else on the page was black; this is like barely gray and you have to squint to read it because it's got a white background and it's barely gray print. That's frowned upon as well. You do not want to be using small print. Don't try. Just do this. Don't try to cover it up. It's an offer. It's an opportunity. Put the terms out there. Don't cover it up and don't try to hide it.

Next is I want you to have a cancellation policy. Put it on your membership site. If you have a brick-and-mortar business, just put it somewhere where people can have access to it. You might even have like a brochure or have it on a brochure as part of how you onboard your members. Somewhere along the way you need to have a cancellation policy that people can refer to, and so make it prominent. By the way, if you're working with any of the credit card processors and you start to get chargebacks on that, then they're going to be asking you about your cancellation policy, and where is it and how is it being communicated? So you need to have this cancellation policy not just to be above the law, but also just being a good merchant provider and having a good merchant provider relationship.

Have a terms and condition policy, so what are the terms? Is it a 12 month term or is it an ongoing term? What are the conditions of the policy? Now again, these are all legal things. I would say consult a lawyer to find out more what is covered by your state, local laws, and by all means, federal laws, but I want you to have a terms and conditions practice and policy on your website or somewhere that your members can have access to.

Next, I want you to know your local laws. I want you to know them, that maybe there's a city ordinance that is being passed. Maybe there are federal laws and you need to know your federal laws, as well. I want you to make it easy for people to cancel. Make it easy for people to cancel. Don't have this cancellation policy where you must call between 11 o'clock and 2

o'clock, 11:00 AM and 2:00 PM Eastern time and speak to Jane Doe in order to cancel your membership. No. Make it easy for people to cancel. Now, I want you to make it easy for people to cancel, but I want you to always follow up, as well. I don't want you to just let people cancel and then you not follow up with it. My one-liner on that, and some of you, you know this, is never process a cancellation without a conversation. Never process a cancellation without a conversation.

Now, I'm not suggesting you don't cancel the actual membership. You just don't fully process it. Maybe you discontinue the billing, but before you totally remove them out of the membership, I want you to have a conversation. You might say, "Well, Scott, well, I really don't know what to say." Well, great news. I've got a training that is separate from this. I've got a training on that, that it'll teach you exactly what to do and how to rescue the quitter from canceling your membership program, so you might be interested in picking that up.

By the way, I always give my members the best opportunities, so just shoot me an email and I'll make sure that you get the best opportunity to pick up that resource. Those of you who have it, you know it. I've seen your emails and I've seen your response about how people are staying in your membership all because you now are having this conversation with them and you're going to through my training and my steps that I give you on how to rescue them and keep them from quitting your membership program. So, process the cancellation, but always, always follow up.

Then I want you to, just in the way of staying above the law here, I want you to do what you say you're going to do. Do what you say you're going to do. If it is within reason, I mean, if you're making some offer available, then honor the terms and conditions of the offer. This is where people get, they get caught just to say it. You might think, "Well, you know, I'm just a business out here, that nobody is going to pay attention to me." Well, listen, that's not being a person of integrity, so just do what you said you were going to do. Honor the deadline. Honor the end period of that trial membership coming to an end for now. It's not to say you can't offer it again later. It's just, do what you said you were going to do.

If you do these things, you'll be very close. Again, there's no excuse for you to not know the law that governs what we do as business leaders, so go find that out. Again, they may have changed by the time you look at this recording, and so I want you to always be up to par and up to speed on the local laws and the state and federal laws that govern your business, so go do that, be a person of integrity, and let's make a commitment that we'll always going to best serve our members.

