



The Ronin Method

Part 3

(The One On Passive Income)

What do Ronin want?

PASSIVE INCOME through ROYALTIES!

When do we want it?

NOW!

How do we want it?

Without making a client or algorithm our master!

For the LIFE of me, I'm not sure why "entrepreneurs" work so hard to escape a "boss" and then pump out videos every day because the Youtube algorithm orders them to do it!

I don't want to sing for my supper or fear going hungry because I've angered the Algo God!

I don't care if the algo god is an SEO algo, a YT algo or Mark Zucks terms of service algo to use FB ads.

What freedom is there in trading one master for another?

I know full-grown biz people who claim freedom is their #1 priority, but freak out if they miss a single day of creating content for the ALGO!

That ain't livin' to me.

I know it's not for you or you wouldn't be here.

Now, most of "gen pop" will tell you passive income is BS.

Gen pop believes the only way is to lower yourself, sing for your supper and hope to please the boss, the algo gods or a client.

Fuuuuuck that!

In parts 1 and 2 we talked a lot about playing cards, and how we want to bring one card to the table and share in the pot.

Let's talk about the playing cards.

In a standard playing deck, there are 52 cards.

In the world of passive income, there are more than 52 cards.

But we only need to focus on a few of them, aren't ya glad?

But there are 3 main categories of cards:

1. Supply cards (This is PRAHDUKT.)
2. Major Process cards (What you do to the supply to turn it into prahdukt people want to buy.)
3. Distribution cards (Where the prahdukt gets in front of eyeballs and gets sold.)

Lemme junior high this because that sounds complicated, ***but it's super important to soak in your noggin'***.

In any business, I don't care if it's cocaine, bananas or insurance...

There is a supply of SOMETHING.

You do some shit to it.

Then you sell it to somebody or put it in the marketplace.

Cocaine is grown in Columbia (or wherever) then it must be transported and distributed.

An auto detail shop has a supply of water, soap, wax and muscle, they use it to clean a car and sell the water, soap, wax and muscle back to the owner of the car.

Facebook has a supply of data. They categorize it. They sell it to advertisers.

Ya dig?

Those are the 3 categories of cards.

Now, each category has PROCESSES.

There are processes for ACQUISITION of supply.

There are minor processes to the major processes of what we're doing to the supply.

There are processes for sales, marketing and distribution.

Still with me?

Changing a process anywhere in those 3 categories can massively improve business cash flow.

It can also DESTROY business cash flow.

Remember NEW COKE?



(Here's the one dude who liked it.)

Now, here's where the ROYALTY part of Royalty Ronin comes in.

Each of those processes...

And there can be hundreds or thousands of combos...

(Which smells like hundreds or thousands of opportunities.)

Make up INTELLECTUAL PROPERTY!

Rumor has it that ol' Colonel Sanders sold his PROCESS of cooking chicken to KFC for 5 cents a bucket.

I dunno if that's true?

But it's useful.

If we love passive income?

And we do...

We want to play with the IP cards!

I don't want to get paid to COOK the chicken Colonel Sanders way...

I want to be paid the 5 cents a bucket, for doing nothing.

IP has tremendous advantages!

Once we have it, we can clone it, use it in other places, and multiply the royalty rent we get by placing it in one more location.

Many times it can multiply on its OWN without our muscles.

When I was in the Navy...

I once had Thanksgiving dinner at a KFC in Singapore.

I doubt if Colonel Sanders had anything to do with the expansion into Singapore, but he still got the 5 cents from the bucket I bought for my Thanksgiving dinner!

We all know George Lucas from Star Wars.

He made a lot of money from the film for sure.

But do you know what made George UNGODLY wealthy in money and time?

When he was negotiating his contract with 20th Century Fox, he wrote in the contract that he got exclusive merchandising rights (IP) in exchange for him lowering his director's paycheck by \$500,000.

(NOTE: Fox didn't want to pay him what he wanted to direct because they thought Star Wars might flop.)

20th Century Fox said, "Yes."

Dumb move for Fox.

Brilliant move for George Lucas.

(George screwed up later because he sold EXCLUSIVE toy merchandising rights to Kenner for a measly \$100,000. DOH! George did retain lots of other merchandising rights.)

George made a heap of money renting out his IP.

In 2012, he sold everything including merchandising rights (IP) to Disney.

For \$4 BILLION.

George Lucas has a reported net worth of \$10 billion and is the #1 richest director of all time.

That wasn't from George clocking in and out as a director.

Now for every dollar in passive income George made, there are dozens, if not hundreds of other folks who made passive income from the IP.

One category is **LICENSING AGENTS**.

George didn't get R2D2 and C3PO on sheets, lunch boxes, kid's clothes and 1001 other places all on his own.

He got help.

Help from LICENSING AGENTS.

A TYPICAL LICENSING AGENT gets 30% to 50% of the income streams they set up!

Did you know the singer Jimmy Buffet is a billionaire?

Do you think he made his billion SINGING in concert?

Nope.

LICENSING and MERCHANDISING RIGHTS to Margaritaville pump money into his bank account while he's sleeping or sucking down a salty margarita!

And somewhere there are licensing agents getting 30% to 50%...and they probably can't sing a lick!

So, there are acquisition IP, process IP and distribution IP cards.

Ronin can make a fortune in passive income with any of these.

But, if you're impatient like me...

I want to set up deals TODAY!

I want to do the LEAST amount of work possible.

I prefer making my fortune quietly, without calling a lot of attention to myself and without bog down of delivering stuff.

I know a lot of very loud business people who do very, very well financially...

...but the dark side is that they very often have MULTIPLE LAWSUITS against them.

Google "Grant Cardone Lawsuits" and you'll see what I mean.

Ronin don't want to spend their life in a lawyer's office or in court.

I want to live well.

My ego doesn't need the applause.

If I didn't HAVE TO TEACH...I wouldn't.

It's in my nature though.

I can't not teach.

For all these reasons...

I look for partners or to TAP into distribution streams.

This is the fastest way known to man to produce passive income, in my experience.

Distribution is the CLOSEST to the "wallet."

Owning rights to an "ebook" could be awesome (prahdukt)...

But you are a loooooong ass way from the wallet.

Plus...

Ebooks don't MOVE on their own!

But parades of people and distribution are always moving.

Why is that important?

**Because money is only made when things
MOVE!**



If something is not already moving...

That means I have to move it!

If KFC is paying me to work the register...they need ME to move fast!

That is not passive.

I made tens of millions selling "ebooks."

But what made it VERY PASSIVE for me was TAPPING INTO OTHER PEOPLE'S DISTRIBUTION!

The PURPOSE of a PRAHDUKT is to get distribution!

So, I don't look for PRAHDUKT first.

I look at marketplaces.

I study marketplaces.

I don't just look at the buyers and what they're buying.

I look at the SELLERS and what they're selling.

Sellers are buyers.

What I look for with the buyers is what do they WANT TO BUY that doesn't exist in their marketplace?

Then I don't prefer to sell it to the consumer, onesie, twoesy.

I want to TAP into the existing seller's distribution!

My first big "ebook" was in the relationship advice space.

At the time, almost all relationship advice was in 2 categories: How to get laid for the dudes. How to improve your relationship or marriage for the dudettes.

But with online dating, there was a huge demand in the marketplace for Long Distance Relationships, fixing boyfriend/girlfriend relationships and BREAKUPS in LDRs.

And almost nobody was serving that demand.

But I didn't want to sell "ebooks"...

I wanted to tap distribution.

(This BTW was my first original definition of TAPPING!)

I reached out to a few of the top relationship advice gurus.

I simply asked them if their customers and subscribers ever asked them for help on LDRs? or breakups?

There was a RESOUNDING OMG! If you have that I want to promote it!

"Ding muther trucker DING!"

It also so happened I'd leveraged some IP to build an audience of SEO and affiliate folks.

(I'd built up a nice list of them by letting people USE my IP for no charge, but for a mention or link back to my site.)

They already knew how to do SEO.

I asked them if they were looking for something they believed in that they could promote?

Their answer was, "YES!"

By the hundreds.

So, I knew I'd have all the DISTRIBUTION I needed.

Now, this is a crucial reframe for wealth!

My product wasn't an EBOOK!

It was a "sales funnel" I could "rent out" to my distribution partners.

We'd split the front end 75/25.

(I got the smaller amount of money, but I also got ALL THE CUSTOMERS!)

In essence, I had hundreds of “licensing agents” work for ME.

People who think I’m just selling an “ebook” call these folks affiliates.

But that’s not how I view them.

I rented out my funnel to radio stations.

They’d run ads when they had unsold airtime.

I rented out funnels to dating sites.

I rented out funnels to astrology sites which get massive traffic.

The reason I’m harping on this is because it’s a game changer.

We want to see that “ebook” or “prahdukt” like candy or soda in a vending machine.



Now...

A vending machine out in the Sahara Desert will make almost no money!

BUT!

A snack machine inside of a corporate office with 1000s of office workers with the closest restaurant a mile away will do quite well.

But you don't want to get in the business of MANUFACTURING VENDING MACHINES!

You don't want to get in the business of MANUFACTURING the snacks, the candy, the sodas or whatever is selling inside the machines.

You don't want to be responsible for FILLING the machines even.

Are you following?

This is super important to YOUR passive income!

It took me 3 decades plus of saying, "I know this already BEFORE I actually put this in practice!"

When I ACTUALLY DID IT, everything changed!

I would even suggest with all the love in my heart...

That if you don't have all the time...and money you want...



(Please don't press that "I know this!" button.)

It would be a shame to press the "I know this" and then go back to manufacturing the vending machine...or manufacturing the candy...or stocking the vending machine.

The **first card** we are looking for is DISTRIBUTION/TRAFFIC/EYEBALLS/PARADE.

We want to look for MOVEMENT of people!

We want to look for MOVEMENT of people pulling out their wallets.

There is quality of distribution based on R.F.M.

Recency: How long ago did they pull out their wallet? If you can tap into flow when their wallet is already out, you will make far more than if it was 5 days ago...or 5 months ago...or never.

Frequency: How often do they buy? My “ebook” distributors would buy dozens or hundreds of copies per month. This saved me selling onesie, twosie.

Magnitude: How BIG do they buy? What’s the transaction size? Renting out a vending machine for a cut of the profits to an airport and having it stocked with iPhones and battery chargers is likely to make more than selling candy for \$1.

Let’s go back to thinking of the vending machine business...

Because it’s a super helpful analogy for a Ronin.

Again, you don’t want to manufacture the machines, the prahdukt or stock the damn things.

You want to be the “locator.”

You want high-traffic areas of hungry people with no other convenient options.

But you are making the DEAL with the owner of the “traffic flow”.

Now, a great clue is there is already a vending machine located!

(RFM)

The owner is already demonstrated RFM.

Now, we just need to look at what the market wants but is not finding.

Maybe they’ve got a candy machine but no soda machine to quench their thirst after a salty snack?

Don’t you think that’d be a “thirsty” market?

Maybe they don’t have any healthy drink options?

Maybe they’re asking for a sandwich vending machine?

So now you negotiate and make an RFP (risk-free proposal) to the distribution owner.

A test would be awesome!

You could just set up a table of sammiches for a few days.

If they sold, great.

Work out a rev-share deal with the distribution owner.

With that deal in hand...

YOU'VE GOT LEVERAGE!

And...

You then go work a deal with a sandwich vending machine dealer.

Or you use the leverage and sales data from your test to get an investor to buy a used sandwich vending machine.

In a low interest rate environment this isn't hard.

Then set up someone to stock it for you.

If the test doesn't work out, next.

Your first step!

Your job is to locate the vending machine in the right spot, in front of the right people at the right time!

Then collect, collect, collect.

Now the damn awesome good news is...

With INTELLECTUAL PROPERTY, we do the same thing, but we don't have to buy vending machines over and over...we don't have to stock it with candy...

...and another very important advantage IP has over any other asset type.

Intellectual Property has a tiny footprint!

Our IP “vending machine” is likely just CONTENT and it can be:

- * a PS in every email that goes out
- * a landing page in an upsell flow (I’ve made a heap of money like this.)
- * an email or ten in an autoresponder
- * a sales insert in products delivered to customers doors
- * I’ve bought LINKS on web pages that made me hundreds of dollars a month in profits for years
- * a link in a Youtuber’s description.
- * a pinned post in a FB group set up for buyers
- * an ad on a carryout menu or Uber Eats bag
- * a snail mail letter or postcard that goes out to buyers immediately after purchase
- * **a Google Doc in the middle of their transaction flow. I’ve made millions putting a G Doc Vending Machine in the right traffic flow.**

Our little tiny IP vending machines don’t take up much space, but they can make us passive income and build assets for us, while we sleep, for a long time.

We are looking for eyeballs belonging to parades of buyers preferably.

We want to know what they want to buy, but can’t find.

Here’s a huge tip!

Just ASK!

It’s stupidly ingenious...

Ask the distribution owner, ***“What are your customers/people asking for, but you don’t have time to locate or provide?”***

or...

“Do your peeps have this _____problem?”

or

“What problem do your peeps keep bringing up that you recommend or refer to someone else?”

Then when they tell you...

UNDERSTAND...

This is the TAIL THAT WAGS THE DOG!



Here's why I say that...

If the owner of the office park says, “We open our suggestion box once a week and there are a dozen suggestions for a sandwich machine.”

Now...

You can go to any sandwich machine vendor...

...and **open a convo as a BUYER of something**...(which gets you 10 times the response as trying to open a convo as a seller of something.)

“I’ve got an owner of a big office park with 1000 employees and they get a dozen requests for a sandwich machine every week. Would you be open to discussing this?”

Do you see how that is way more likely to get a response than a “buy my shit” cold email?

We’ve been chatting for a bit together now.

PLEASE DON'T RUSH THROUGH THIS!

Do you see how simple this can be?

When you **get distribution first?**

Example:

I met a young man named Kuda from South Africa at a small event my buddy Ryan Daniel Moran put on.

He was in his early 20's.

He'd come over from South Africa and went to work for the company that owns the licensing for the Crock Pot. (I can't remember the company name.)

The first job they gave him was to work out a joint venture with a company that does pre-made food that would cook well in the crock pot.

In a matter of WEEKS, he's set up a multi-million dollar deal.

It's NOT HARD to get meetings when you say, "I represent one of the biggest cookware companies in the world and they're looking for a pre-made food company. Would you be open to discussing?"

Royalty Ronin is very much like being a "licensing agent"...

The margins are huge.

The IP does the work.

It just needs to get into circulation.

Royalty Ronin get paid (over and over) to "locate" our IP vending machines.

We don't get paid to make the machine, the product or stock the dang things!

We don't get paid to WRITE THE COPY either!

We can do all those things.

But I don't recommend it!

We get paid by putting all those cards together!

Do you see the Ronin Magic Trick a little clearer now?

Our magic isn't being amazing copywriters.

Our magic isn't being amazing content creators.

Our magic isn't being amazing product creators.

Ronin MAGIC IS seeing the BIG PICTURE, TAPPING Into Distribution by Placing an IP Vending Machine that makes everyone happy and produces stable, long-term royalties.

It seems boring.

It doesn't SEEM like enough.

But today...

People are so busy.

People are so scattered.

That if you put 1000 influencers, business owners or people in general into a room.

Probably 50 or 100 will actually SEE the big picture.

And out of that 50 to 100 people...

They don't have the TIME, ENERGY or KNOW HOW to work the big picture.

They are praying for someone like us to come along and make an RFP that will give their audience something they've been asking for, but don't have time to make happen!

This is why VERY OFTEN I will place an IP vending machine and guess what I stock it with?

Prahdukt that's already inside their own "warehouse".

So, I sell THEIR prahdukt, to THEIR traffic and still get paid 30% to 50% by placing G Docs and other content which serves as the vending machine.

I never have to deliver the prahdukt.

I don't have to buy ads.

I don't even HAVE to write the copy!

They are okay with me using THEIR copy!

What I've got...

My ten of hearts...

Is the BIG PICTURE VIEW!

They don't have that card!

Not because they're dumb.

They are just too close (and too busy) to their prahdukt, their company, their problems, to see the big picture.

Today with so much big-ticket and recurring "Candy" we can stock...

Today with 1,000,001 traffic streams we can place our "machines"...

We've got unlimited opportunities to set up...

Little Freedom Machines

Most folks could take care of their bare living expenses with ONE LFM (Little Freedom Machine).

Get 2 or 3 LFMs placed and you can be earning a doctor's income without looking down patient's throats or up their butts!

And still have most of your day free!



Questions?

Thoughts?

Breakthroughs?

Please let me hear them using this [POST in the Ronin Dough-Jo](#).

Ready to put it all together and get your first
(or next) deal?

===> [Continue on to Ronin Method Part 4](#)

