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Tip Clubbing Dr. Neil McLeod, Your professional In Print

Old-fashioned "leads" clubs are newly in vogue, and no stunt is too silly in the pursuit of new customers. Bad dentist jokes, anyone? by Jennifer Pendleton

Neil McLeod is a Fulbright scholar, a graduate of England's Royal College of Surgeons, a dentist with a successful practice. Impressive credentials? Sure, but it takes a lot more than that to get ahead these days. So Dr. McLeod is going to put on a little show before a rowdy crowd, all small-business folk like himself here in West Los Angeles. He has brought a few props: a skull, some floss, a bottle of

mouthwash. But what really gets the crowd going is a ditty he has penned to plug his skills. "I fix anything in the mouth," he brags. "Except feet."

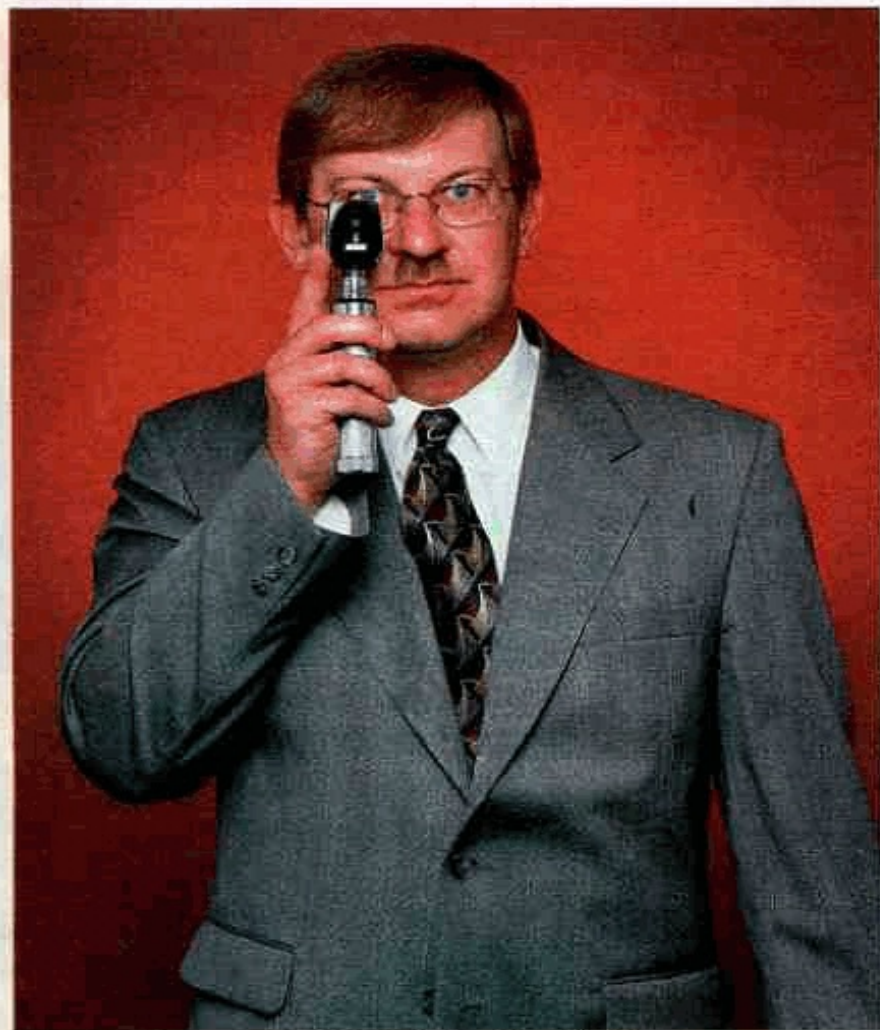
Welcome to LeTip, a club for those who believe the key to success is a firm handshake, a winning pitch, and a couple of good business leads. Every meeting is a carnival of capitalism. Go-getters! Self-starters! High achievers! Thrill to the roar of a ferocious lawyer! Marvel at the jeweler's glittering gold chains! See the pro-

cess server cartwheel across the floor! No stunt is too silly when it comes to self-promotion. After all, the grand prize is a fistful of names of potential new customers.

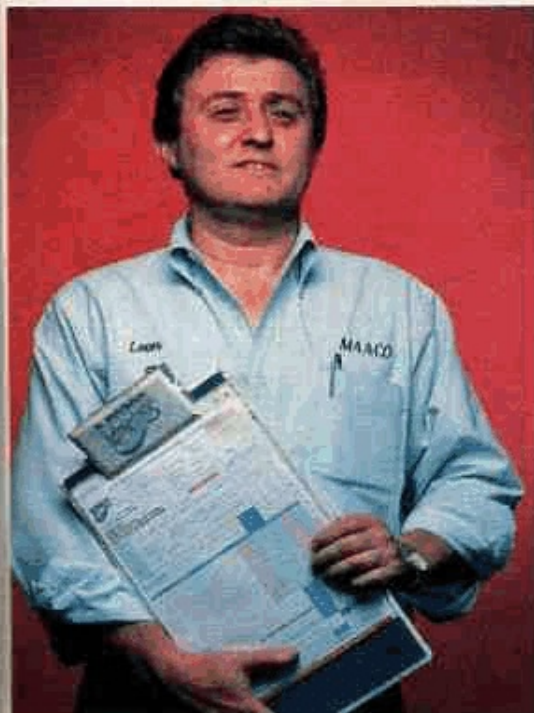
Just another weird fad from the West Coast? Not at all. Leads clubs like LeTip are newly in vogue. Most have been around for decades, but they are seeing a sudden surge of interest during the hotly competitive entrepreneurial economy of the year 2000. Based in San Diego, LeTip is one of the biggest clubs, with 10,000 members in 450 chapters across the U.S. and Canada. Competitor Ali Lassen's Leads Club, a chain based in Carlsbad, Calif., has 6,500 members, up 25% since 1990. Business Network International, also based in Southern California, is another big leads club, with worldwide membership of 35,000.

Nearly all clubs boast a waiting list. One reason: They typically accept only one representative of a profession, to prevent squabbling over leads. The LeTip chapter on Wall Street in New York City says it has more than a dozen people waiting to join, despite annual dues and fees of \$1,000. But some people don't have a long wait, because turnover tends to be high. One of every four new members of the East Coast LeTip clubs drops out within seven months. "Some people have unrealistic expectations," says LeTip director Patrick Carney. Florists and others who sell relatively inexpensive items tend to get new business quickly at a leads club. For professionals such as accountants and lawyers, leads may not pan out for months.

Leads clubs have special appeal for small-business owners, partly because many have limited resources to put into advertising. And few have time for the old-fashioned service and social clubs that oiled the wheels of commerce a generation ago. Besides, a word-of-mouth referral is known to be one of the most effective tools for building a business. Annual dues are fairly reasonable, ranging from about \$300 to \$1,000. Not surprisingly, these clubs are most popular with those under constant pressure to find new customers, such as real estate brokers, stockbrokers, and insurance salespeople. But more doctors and lawyers are joining, re-



PAUL CERANI: Many members join because they hate cold-calling.



LEON GASHKEVICH: No squabbling over the leads

flecting the competitiveness of professions that not too long ago discouraged any kind of advertising or self-promotion. Nowadays white-collar professionals are grubbing for new clients just as eagerly as car salesmen are. LeTip's roster lists not only plumbers, locksmiths, bill collectors, process servers, and massage therapists but also psychologists, accountants, and lawyers. Lorelle Michaelson, a plastic surgeon from Clifton, N.J., and a LeTip member, says, "This is a time-efficient way to make contacts."

There is some debate about who started the first leads club, but most sources point to Ali Lassen, a struggling single mother with four young children to support in Huntington Beach, Calif., in the 1970s. She was selling fine arts and Shaklee health products to try to make ends meet but needed new customers. Discouraged from joining the city's service clubs, which were all male, she founded Ali Lassen's Leads Club in 1978, which was just for women. Within a few years, it had become so successful that Lassen devoted all her time to boosting

the new leads business. (In 1984 the organization began accepting men.) Today, her club has 400 chapters, in Australia, Europe, and the U.S.

LeTip also got its start in 1978 when Ken Peterson, a Milwaukee insurance salesman, decided some new faces would help his bottom line. "Dollars in your pocket" is his

and end at 8:31. Founder Peterson believes that discipline and structure motivate people to do their best. So latecomers are fined a dollar, and those who fail to make a scheduled presentation at a meeting are fined \$10. There's a dress code. Shorts and sandals are out. So are tank tops. LeTip may be a circus, but it's business attire only under this big top.

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motto, and apparently his club more than makes good on that promise. Dentist McLeod says one-quarter of his practice comes from referrals he gets at the club. Stockbroker Leonard Cautela of West Essex, N.J., says he joined a local LeTip chapter to find new clients without having to make the cold calls he dreaded. Two of his biggest accounts, clients with stock portfolios in the millions, came from LeTip leads.

For all the tomfoolery that goes on at meetings, LeTip is oddly regimented. Weekly meetings start precisely at 7:16 P.M.

Every member gets a moment in the spotlight—16 seconds—to promote his or her business. So osteopath Karen Sandler tells a joke. Carpet cleaner John Grider gives tips for removing offensive odors from carpets. Dr. McLeod pulls out a harmonica and serenades the crowd with a tune from his native Scotland. "If you want your teeth when the saints go marching in, come and see me," he says.

There are no fundraisers for disadvantaged children cluttering the agenda, only getting and giving business leads. And members take the obligation seriously. LeTip clubs have a "tip master," who is responsible for keeping a log of the leads traded at each meeting. Leads must meet a certain standard. Members vouch that "my business tip is a company or person who is interested in a specific service or product and is expecting a call from a LeTip member." Slackers aren't appreciated. LeTip requires each member to contribute a minimum of two leads a month. Members who get but don't give leads can get the heave-ho.

Meetings may be all about business, but friendships do spring up. When a member of the Morris County, N.J., LeTip club died unexpectedly a few years ago, he was buried by a fellow member, and nearly everyone in the club paid his or her respects. For years he'd sold suits at a discount to his fellow members—and most of them turned up at the funeral wearing them. Says funeral director Stephen J. Priola: "He would have loved that."



BEATRIZ CORDERI: Members vouch for their business tips.

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