

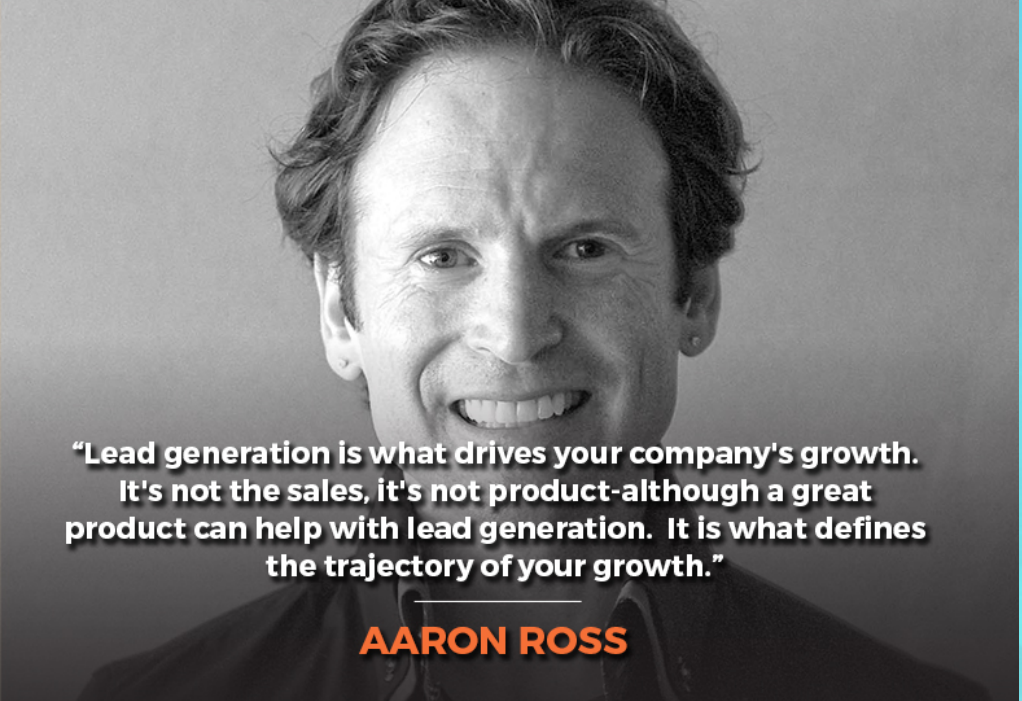
Create Reliable Income Through Lead Generation and Sales Pipelines

Transcript and 10 Point
Checklist
Aaron Ross

Want to gain as much knowledge as possible out of Marketing Speak? Read on below for a full transcript of this episode, as well as a **10 point checklist** that gives the next, real steps you can take to take your marketing to the next level.

MARKETING SPEAK 

HOSTED BY **STEPHAN SPENCER**



“Lead generation is what drives your company's growth. It's not the sales, it's not product-although a great product can help with lead generation. It is what defines the trajectory of your growth.”

AARON ROSS

10 STEPS YOU CAN TAKE TODAY

**Want to step up your marketing game?
Here are 10 steps that can move you closer to your goals – today.**

- Put a dedicated employee in charge of a new task or program within your business. You will nurture a potential leader and take some of the decision making off of yourself.
- Use the 10x Exercise- envision what it would take to find the type of customers who would sign up for a \$10,000 deal, or a \$100,000 deal. Why would they need you?
- Check out Aaron's predictable revenue certification course, Predictable University. This program teaches prospecting, leveraging time, resources, and selling success.
- If you're a new business or you launch a new product, start connecting with your warm market. People who are familiar with your brand will want to hear what you have to say, and can help with referrals.
- If you are currently an employee who wants to move up within a company, always take initiative and look for ways to help. If anything, it will be a great learning experience.
- Create a sales system where prospectors, closers, and account managers are separate. This will allow each person to focus on their specialty, which will bring in more clients.
- To boost referrals, get your client's permission to do a case study or testimonial and ask them to share that with their friends when it's on your website.
- Look towards the future. If your long-term goals are much larger than where your company currently is, start focusing on how your business will have to change now to reach that goal.
- If your background is not in sales, hire someone with a great sales background to help train new employees. A common mistake is not having training systems in place that speak to your brand and company goals.
- Don't be a 'nice to have' product/service, be a 'must have'. Get specific on what your value is by promising 'higher close rates' over 'increase revenue.'

Transcript

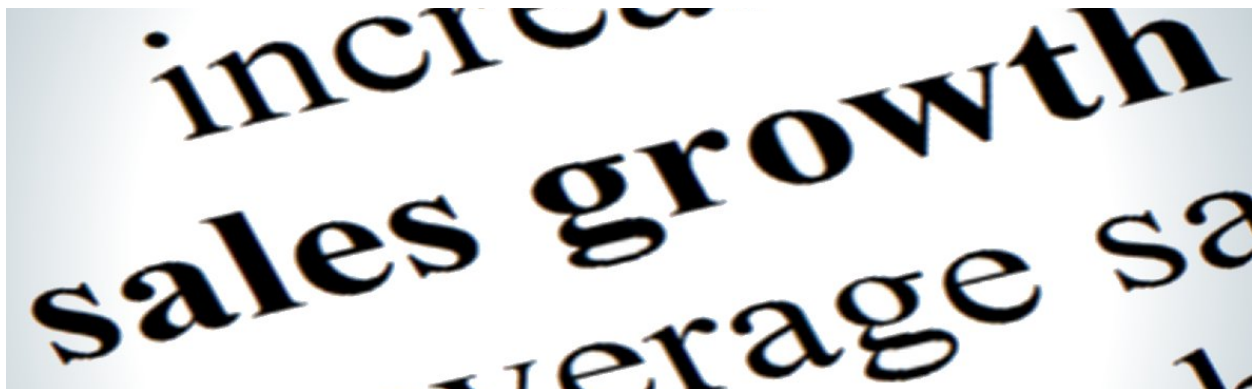
S: Welcome to Marketing Speak! I'm your host, Stephan Spencer, and today, we have Aaron Ross who is a bestselling author. He's got the new book, From Impossible to Inevitable, which I have in my hands. It's a

“He's also co-author of Predictable Revenue, which is oftentimes talked about as the “sales bible” of Silicon Valley.”

great book-I've been reading it. He's also co-author of Predictable Revenue, which is oftentimes talked about as the “sales bible” of Silicon Valley. He co-founded the software company Carb.io. He has a predictable revenue certification company called Predictable University, which actually is just about to start a new set of courses next week, May 16th, so it's definitely something to check out.

He keeps to a 25-hour work week, which, in these days of work addiction, is pretty impressive. He's married with 12 children, mostly through adoption so that in itself is like a full-time job-that's impressive stuff! Welcome, Aaron!

A: Thanks! Oh yeah, I know, it's a double job!



S: I think it's a bigger job like, it's more work. I've only had the experience with four kids-I have three daughters and a step-daughter and that was more than a full-time job. I can't imagine 12!

A: It's all about getting your systems in place. It's not easy but it's doable.

S: Yeah, hats off to you! So, welcome, and let's talk about creating a scale in your business through sales. This podcast is very focused on marketing but sales and marketing go hand-in-hand and if you don't have effective sales, you're not going to do anything with those leads that are coming in through the marketing channels.

A: It's the oxygen of a company.

S: Tell me about some of the biggest issues that companies are facing in terms of their sales-where are they kind of missing the boat?

A: Well, let's break it down to three common situations. The first is an earlier stage start-up or small company. Generally, it's very common for starting up a website or a small consulting company. They don't appreciate the value of sales-of selling. There's this dream of, "Well, if I just create something that's great, people would come in and buy it and I shouldn't have to sell." I think that's one common problem. To sell is so important because a lot of people need help buying or there's this dream of, "If I build it, they'll come," It could be true but usually, it's not and even if it's true, it might take years for people to come to you in a volume that you don't have to sell. That's one.

“They don't appreciate the value of sales-of selling. There's this dream of, “Well, if I just create something that's great, people would come in and buy it and I shouldn't have to sell.” I think that's one common problem. To sell is so important because a lot of people need help buying”

S: Mm-hmm.

A: Another situation is, a company gets off the ground. It's a few hundred thousand, couple million in size and the founder has been doing all the sales and like, "I don't want to do all the sales anymore where we need to grow. I need to hire a salesperson or two or three," and they hire one or two or three salespeople to take over sales and those salespeople all fail out. Usually, that's because the founder-CEO either didn't do enough of the sales himself so he didn't know how to hire the right person, or he sort of took a leap too quickly, or he hired salespeople but over-assumed their capabilities and just let them step in and take over and he didn't train them enough, coached them enough, give them enough 'ramp time' in order to really take over sales, which always takes longer than you think. The third situation is, a bigger company has a sales team. The most common problem there is they are not specializing their salespeople enough, which means instead of your salespeople doing all their own prospecting or even most of it and closing their own deals and maybe even managing accounts, they need to go towards a system where they've got separate prospectors who prospect if they don't close, closers to close new business, and a separate account managers-whatever the title is-people who manage their current customers, and including upselling or cross-selling.

S: Mm-hmm.

A: And specialized sales roles. So, depending on the size of company, those are probably the most common problems but most or almost every company struggles with sales.

S: Yeah. So, one of the big issues that I had when I had an agency that I started in the 90's and grew that to be in three different countries. We had a really big name clients like Zappos, Nordstrom, and so forth. I ended up having to bring on salespeople in order to grow the company more. I was responsible for all sales coming in for the first seven years and that was a lot. I mean, it felt overwhelming. When you hire salespeople, if they don't really see this as an ownership opportunity-I know you talk about this in your book, *From Impossible to Inevitable*, that if they're kind of renting their job instead of owning the job-maybe you could go into a bit more explanation on what you mean by those two phrases because I think that would be very instructive.

A: Yeah. Let's talk about so many companies that are a few hundred thousand to a few million in size and the owner or founder or CEO is still doing most of the sales and perhaps, most of the lead generation himself, or maybe even most of the project execution, and there's a struggle with some employees or contractors like, why don't these people sort of, I say, get it? Why don't they work as hard like myself or take the initiative? Why do they need their hands held? There are many reasons and there are lots of great management books but in this book, *From Impossible to Inevitable*, there are two chapters: There's one chapter for executives or owners and there's another chapter for the employees. As you said, there's this idea and I've managed lots of people and is called, Embrace Employee Ownership, and this idea or this



painful truth around your employees are renting and not owning their jobs. So, what does that mean? Well, a lot of people said that their favorite part of the book is in this chapter where there's, it's starts with this letter from employees to owners. If one of your employees wrote a letter, it would probably say something like this if you're the owner: "Dear Owner, I'm a great employee. I have a lot of ideas. I don't feel like people appreciate them. I'm not really given a chance to execute them but if you give me the chance that will serve the perfect opportunity, I would crush it." That's one letter but then, there's a second letter, which is from the CEO to the employees and that letter would say something like this-my other side of the coin:

“Dear Employee, I wouldn't have hired you if I didn't see you had a great potential. I really appreciate what you do and I'm glad you like working here. I know you get frustrated. I ain't dumb. I see that. But the thing

“if you, as an employee, are trying to advance, how can you make-if I'm the owner-my job easier and solve problems for me, because if I need to tell you what to do all the time, including how to advance your career, you're just making more work for me”

is, what's missing, I know you want to leapfrog in your career but what's missing is for the people who leapfrog in their career don't wait around to be told what to do. They take the initiative to create value for people-customers, owners. They're the ones who are asking forgiveness, not permission, and aren't waiting. They don't need to be told how to be successful.” That's the whole point, which is if you, as an employee, are trying to advance, how can you make-if I'm the owner-my job easier and solve problems for me,

because if I need to tell you what to do all the time, including how to advance your career, you're just making more work for me. There's this idea of how do you start to bring those two sides together in this renting versus owning. Think about this way, which is, if you own a car versus rent a car-how do you treat them differently? When you own a house versus renting apartments-how do you treat them differently?

S: Yeah.

A: Or if you rent an apartment-how do you treat that differently versus if you rent a hotel room? If you have kids, when you babysit your own kids versus other people's kids-how is that different? That is the difference when employees are renting their jobs and opportunities because they don't have that emotional ownership of, “This is mine. I care for it. I'm going to put my best into it. I'm really going to take care of it,” but because they don't own anything, they don't act like owners and they don't truly own anything. The chapter goes into how do you create more of that, not just financial ownership because there's some of that, but really, it's the emotional ownership over “This is my baby! Whatever this part of the business is, this is my baby so I'm going to care about it and I'm going to put my best into it!” It doesn't happen often enough.

S: Right, so how do you create that?

A: Well, one of the ways and I think, if I don't recall, there are five or six points but a couple of the most important are that, a person has to be the single clear owner of something and publicly known. Let's take the office refrigerator-why does it gets trashed? There's no one that really owns it. If you have one person-Beth or James-and everyone knows that James is the owner of the fridge, it's public, there's one person, it's not a team, and it's not a committee so it's a starting point so it could be sales but let's stick with office

fridge-James owns it, he makes the decisions on and the rules, and there is some sort of clear metric, or result, or desire like the fridglet's stick with officee should be clean and without dirty food so it's not simple but I think, there are aspects. What we're trying to replicate is the feeling of, for a CEO who owns a business, that he's got a payroll to meet and he can't hide from that payroll so you either meet it or you fire people. For an employee, how can you create that feeling of true ownership where it's their baby, everybody knows it, and there's something like a result or goal that's pushing them to do their best.

S: Mm-hmm.

A: Some clarity around what's the expectation.

S: Yup! And you talk about forcing function and being critical on this like something that they have to meet in order to be successful and it's exposed to everybody. I think you gave the example of joining a gym to lose weight versus announcing to all your friends on Facebook that you're running a marathon or you're going to do a triathlon in such and such time and you're kind of all-in then. I mean, it's like, public embarrassment if you pull out.

A: Yeah, exactly. That's again, what happens if you think about a CEO-so you start a company-let's say it's a company where you have, again, payroll so it's not just like a blog-there's a natural forcing function where if you're not making money, there's going to be issues where you have to fire people, or cut back, or there's an immediate financial impacts if you're not meeting payroll. Again, you can't hide. What people often do-not everyone because there's always mutants like Elon Musk or Richard Branson but most of us, and I'm included, if we have a chance to sort of slack or rest, we really underestimate what we can do when our minds, hearts, and bodies are committed to a goal. It's easy to sit around watching Netflix for hours on a weekend. It's easy to just do the minimum to get by so how do we help people put their best into it? Like you said, forcing function is an idea and really, for me, that is the one key that has really propelled me over the last several years-five, six, seven years-to again, have published multiple books, launched different businesses, have 12 kids, and keep sane. It's the idea of, again, if you want to get a result, if you want to get fit or lose weight-do you just sign up for a gym versus if you signed for a marathon and tell all your friends that you're doing the marathon, and then you're sort of all-in. It's the public accountability. It can be hard to translate it to different employees in different ways but if you can get it right, it's really, really powerful.

S: Mm-hmm. I forget how many different types of employees like the clocker-what are those different types again?

A: Yeah, so, again, if I step back-the book, From Impossible to Inevitable, is really a growth book. What does it take to speed up how fast your company grows? And their sales tactics, there is this thing called nailing your niche, there's marketing tactics on how to increase your deal size, but it's one thing to have some sort of sales tactic that gets to increase the sales today but unless you have your team, your employees, and your culture together, it's not going to be sustainable over six months or six years. This is why there's a chapter on people and culture and again, they're very different from typical management

“for an executive, you can't put equal investment into everybody so I'm trying to help you understand, which types of employees does it make sense to really double down on versus ones that you sort of let them be?”

books. One of these examples you pointed out is, “Okay, I'm an owner-executive, I'm trying to help my employees make the best out of their opportunities because they don't fully own and understand the fact that they've got a way bigger opportunity in front of them-like, they could just apply themselves. They way underestimate how much they could do with their jobs and opportunity here. There are these four types of employees-for an executive, you can't put equal investment into everybody so I'm

trying to help you understand, which types of employees does it make sense to really double down on versus ones that you sort of let them be? In the four types, there's the CEO-type. They're the aspiring entrepreneur and the aspiring CEO. There's the CEO-careerist, there's a clocker, there's the complainer. Let's go quickly through them: Clockers are those who come in, do the basics, and then leaves. Whether they want to or not is immaterial. My wife was a clocker for a couple years in a job. She was a single parent of two kids. There's no way she can do anything extra beyond the bare minimum to get by.

S: Mm-hmm.

A: And then, there's the careerist. The distinction about someone who's done well with their career-if they start off in sales, they became a salesperson then did well, a manager, then maybe a director or VP of sales. Career mini-CEO or CEO-type. Often they're some of the most problematic to manage because they might be thinking differently like just pushing and they probably will be entrepreneurs someday. The last type is, the complainer, which doesn't really need to be explained. I think, where people really have resonated is a, first, if you're an owner and you've got employees, for the clockers and complainers, there's really no point in investing in them near the level of the other two like sort of the careerist and the mini-CEO where there is a ton of potential there. I think even more common and what clicks for people is, if you're an owner

“Often they're some of the most problematic to manage because they might be thinking differently like just pushing and they probably will be entrepreneurs someday.”

and you're sure that CEO-type-there's a CEO-type and there's the complainer and they're very closely related. Both are constantly frustrated but one does something about it and turn their frustrations into solving problems, which is the CEO, and the other just complains and talks about it or thinks about it and spins and doesn't take action.

S: Right.

“that's what powering you to be successful. That's what leadership is. Leadership is, “Here I am but I want to lead you to someplace better,” and then, wherever you get to, you still want to lead”

A: So, I think that's where it lights on for entrepreneurs, “Oh, that's why I'm always frustrated!” Well, yeah, because that's what powering you to be successful. That's what leadership is. Leadership is, “Here I am but I want to lead you to someplace better,” and then, wherever you get to, you still want to lead and you're never satisfied.

S: Right, so a complainer, they'll have a racket-if you're familiar with terminology from Landmark education.

A: Yeah, Landmark-yup!

S: So...

A: So, it's always someone else's fault.

S: Yeah, they're stuck in this racket and they don't even see it. By complaining, they're just perpetuating the problem, they're not stepping outside of it, and becoming part of the solution.

A: They, generally, just going to blame other people rather than taking responsibility.

S: Yeah, and yet, you can shift somebody out of that, potentially, if they're willing with some leadership and with some guidance.

A: Yeah, sometimes. One of the early readers of that section, again, this is part 6, it's called, Embrace Employee Ownership-an early reader, self-identified as a complainer-she said it really shifted her perspective on what it would take to be successful within her company. I've heard that a lot from a lot of



the millennials-the twenty-somethings-that they read this chapter and are like, "Oh, I have a much clearer sense on how to contribute to the company, how to be successful here so that I'm appreciated, and how I can show more value to the owners and the executives!"

S: You mentioned millennials, would you say that there is a trend with millennials to kind of have this sense of entitlement?

A: Yeah. I think, what it is, is a lot of young people know they've got great ideas but they haven't learned the skills-it's really the skills-of how to turn those ideas into to say, revenue or impact. I went through this. What did you call them? Entitled? Which, to some extent, is true but it's also untapped potential.

S: Hmm.

A: If I was an owner, it's not one or the other. It's like, all right, well, first, I don't like this entitlement, let's try to nip this in the bud but they have a lot of potential too so, how can I coach or train them to really think about these ideas and put this impatience to work for me? If they're impatient for results, how do I try to re-channel that so they can help me with the business faster?

S: Yeah.

A: Right. Put them to work, in a way. I think what we will see is this: When a generation grows up a little further and, again, learns more of these impact, results, revenues, and skills, because learning how to

create money is like learning how to play the guitar. It's not sort of magic. Some people learn more with it but most people just learn it over time. The generation millennials will, like every other generation, always put the prior generation to shame.

S: So, what do you mean by that?

A: They're going to be smarter, faster, and better about making money than we were. I don't know if they're there yet-I mean, a few are but I still think that it's mostly, untapped potential, which is why this book-if every millennial read this book, *From Impossible to Inevitable*, it's not a road map, I think, but how do you think systematically about how to make money? How do you create revenue? How do you create sales? Rather than, how do you create money versus how do you earn money?

S: Right, and what would you say the primary differences between creating money and earning money?

A: Well, if I earn money, it's really through a job or through my time, which is isn't bad. Actually, in the book, I even say, again, there's this whole section for employees, a job can be the best way to get paid to learn. There's a lot of bloggers who think jobs are bad and working for companies are bad but when you work for a company, you can and it's possible to get invaluable experience. You get paid to learn but you're going to be kept-you're on someone else's time frame. It's not bad but there's pros and cons. If you learn how to create money, usually creating a product, creating a service, and being basically, an entrepreneur. Whether you're being an entrepreneur for your own company or like I was at Salesforce, being sort of an internal entrepreneur, creating new products and programs for the company you work for so you're learning how to create money out of thin air. If you create a service or program, which you can do quickly, or when you design a product that brings in, or a new kind of marketing program, you're creating money. You're unlocking the potential for yourself or the company you work at.

S: Right. So, like you, for example, write a book and then you create an information product like an online training-Predictable University, for example, and that's a new opportunity to create money where you didn't have that before.

A: Yeah, so the *From Impossible* book, the sequel to *Predictable Revenue*, a lot of it summarizes the lessons of the last five years on why do the fastest growing companies in the world grow that fast versus why do other struggle? A lot of the reasons that companies grow faster, it's not 100% the same but a lot of them are the same reasons why a person would make their careers grow faster. Some of it is because you have a specialty, you know how to create value, you systematize things, and etcetera. The way this book is written is, if owners can help their employees learn how to create money for the company-if I'm an

owner and I have employees rather than me trying to figure how to make money-all the money for the company-if I can, over time, get my employees to learn how to create money for the company it's going to help them and me.

S: Yeah. But then, how do you get people to become emotionally owners versus the actual ownership where I have to give away a chunk of my company in order to motivate this person effectively?

A: Well, I think, a lot of people, even if they own part of a company, it's not as motivating as if they are the single owner of this function. In our company, there's a guy named Rob and he owns this program called the Nail Your Niche Program, and everybody knows he owns this. It is sort of based off in the From Impossible book-part one is called Nail Your Niche, because this is where the most common problem everybody has with growing. There's this painful truth that really, you're not just ready to grow and so, it's sort of this chapter on how do you understand and what does it take to get to a place where you can grow where it's possible to grow faster? But anyway-so, Rob is the single owner for this Nail Your Niche workshops and programs in our company and everyone knows that. He doesn't make any money off of it yet but he owns it and he's the one we responsible for it. We push him to do regular webinars or talks. One of the best forcing functions is when you commit to publicly doing some kind of talk or events-it could be a webinar or it could be in person-and so by pushing him to continue doing these public talks, it's something he can't hide from. It forces him to evolve that program. At some point it may transfer more to more financial ownership but right now, he has a standard compensation plan. Again, a lot of people have some kind of financial ownership and that can be important but we've been ignoring the true emotional ownership. One of the things that is missing is, letting that person make their own decisions about it even if you think they're wrong. An owner is someone who makes decisions about that thing. If Rob comes to me asking me, "When should I do the next Nail Your Niche event?" or "What should I price this thing at?" or "Which should be the content structure?" I give him advice but oftentimes, he has to make the decision or else, he's not going to own it and he'll just keep deferring to me or to the CEO of the company.

S: Yeah.

A: It's really hard for owners to let their employees make decisions, especially when they know it's wrong or when it probably might be wrong. It's this idea that, if someone's an owner, they have to ask for advice from people-they can't just make a decision on their own. They should be asking people for advice but ultimately, they have to be responsible for the results, which means they have to make the decision and be able to live with the result of whatever they decide. If they're not failing at some point, you're doing something wrong because it means you're not taking risks and you're not letting them sort of fail safely on their own or stumble safely. That means, you're not really owning it.

S: Right. So, Rob is in charge of the Nail Your Niche program-let's talk a little bit about nailing a niche because that's an important part of the book.

A: Yeah. Super important!

“They've got a beta product and it's got a few hundred thousand in revenue and they come to us and say, “We want more leads!” and we look at the company and we're like, “Oh, yeah! I'm ready to generate leads because you're not ready. You haven't really solidified the product, the market, and your value.” They don't really know who they're selling to, why they're buying, and if they got more leads, what to do with them. ”

S: Of your curriculum-so, could you dive in a bit more on this?

A: Yeah, and this is why it's part one of the new book. There's seven parts to it and each part has a painful truth. This painful truth is, again, you're not ready to grow because most people or most companies that are struggling to grow are struggling because they're not ready to grow. I can't tell you how many companies like the tech companies who have a product. They've got a beta product and it's got a few hundred thousand revenue and they come to us and say, “We want more leads!” and we look at the company and we're like, “Oh, yeah! I'm ready to generate leads because

you're not ready. You haven't really solidified the product, the market, and your value.” They don't really know who they're selling to, why they're buying, and if they got more leads, what to do with them.

S: Mm-hmm.

A: Like, why they're different? That's a pretty common situation. Usually, if you're a tech company, once you get to one or two million in revenue and a few dozen paying customers, that is often the point-there's always exceptions-but usually, we have enough data to know. All right, so, we signed up 50 customers-20 of them were just complete failures but we learned, right? Good news is, we know what to avoid. Twenty are okay and there's 10 that are ideal so now we know that we go after these ten in order to grow and we know where to find them with their values and so on. Ultimately, where the problem comes from is, for companies to grow up-let's stick to smaller companies now so a few hundred thousand to a few million under ten million-usually, most of the customers have come from word-of-mouth, as they should. It's the easiest place to get started. People who know you in some way or part of your networks or friends of

friends but the challenge is, having mostly word-of-mouth sort of leaves in customers-whether you're getting your current customers who are super excited in telling others or whether they're your friends-

“The reason why is because there’s difference between selling or sort of generating leads and selling to people where there's some sort of prior relationship”

makes it easier to sign them up but it can also be a crutch for future growth. Let's say, you get to five million off of mostly organic growth, and then you're like, “We're going to start to grow! Let's raise some money. Let's hire more salespeople, spend more money on prospecting or marketing,” and pretty commonly, what happens is, you spend a bunch of money on sales and marketing and it's pretty much wasted. The reason why is because there's difference between selling or sort of generating leads and selling to people where there's some sort of prior relationship-it's so much easier there compared to when you're marketing or selling to people who've never heard of you.

S: Right.



A: And there's this idea we call the Arc of Attention. It's a difference between if you asked a friend or if a friend asked you to help him out with a presentation for an hour, you probably would but if it's someone you don't know-let's say, at Whole Foods, someone with a clipboard asks you to talk for ten seconds, you probably won't. It's the same as when you're marketing. When you're working with word-of-mouth, it's a lot easier to sign people up because they're like, “Yeah, I'll give you half hour to explain what you do!” but as soon as you start to market it to people don't know you? They might not give you 0.3 seconds, or a second, or three seconds. Where people go wrong is they vastly underestimate-the difference is, the challenge in

going from that relationship-based sale, whether something, even if it's a referral like when you're purely targeting cold people-it's not like you're moving from LA to San Diego, it's like moving from LA to China, right? You have to assume that for a lot of companies, it takes a year longer than you expect. It's way longer and way more expensive to learn the skills to market and sell to people who've never heard of you.

S: Mm-hmm. Yeah. That makes a lot of sense. What would you advise a company that's going through that painful process to shorten the time span and the waste of money?

A: Yup. You know, there's a bunch of ideas in the chapter but one, I think, is probably the simplest to begin with is, you're being really diligent or discerning in identifying when, what situation, or with what kind of customers are you in need to have where you are a top priority because they have to have you or at least, you perceive the need to have versus when are you a nice to have because especially with earlier-stage companies-and by the way, this also happens with companies like SAP and Oracle-people want to sell and there's a lot of hope. Well, yeah, everyone can use this. Everyone can use SEO. Everyone can use sales training. Everyone can use this product. However, when you're marketing and selling to people where you're a "nice to have," they might-and pretty commonly, you know you're a "nice to have" when they see the demo or talk like, "Hey, this is cool. This is great!" and then they never buy because something else comes up and you're always going to fall to the bottom of the list if you're a "nice to have" versus when you're in situations where you're a "need to have" and they have the interest and the need to go through all the energy and time to evaluate purchase or buy in increments, whatever you offer. You know your stuff. You're excited about it. It's easy to overestimate other people's excitement or underestimate how much time and energy it takes for them to get everything and a whole team involved to, again, evaluate, buy, and implement. It's when you're a "need to have," you can stay on top of the list and it takes discipline to say, "You know what, in these situations, we're a "nice to have" so here's what we can do to avoid these. We're going to nail your niche and we're going to focus. It doesn't mean thinking small, it means being focused on where can we be a big fish in a small pond?" It's a lot easier to make the pond smaller than it is to make the fish bigger.

S: Yup, that's so true. Folks need to read the book-I mean, obviously-and they should...

A: It will change your lives!

S: And the sale certification that you're doing through Predictable University-they should do that too because it's much more experiential. What would you advise somebody who's getting most of their business from referrals and they just need to take a baby step to get more referrals so that they can fund some of these larger initiatives to grow their business-like, maybe get twice as many referrals per month

than they're getting now? What would you advise somebody to do there?

A: Referrals are tough in the sense that, they're harder to control. It's not like outbound prospecting where if you have prospect working, you can double or triple it or some kinds of marketing programs where you can invest more and get more. With referrals, it's a little bit more-so, you get what you get and you don't get upset. I think, the best way, and this is in the new book, is if you can systematize customer success to some extent. If you're small business-smaller just means, the more you can make your customer successful and then also document that because it can be tough. If you have to get people's permission to even do a case study or testimonial and hopefully, they share some real details because if it's just too vague, it may not be that useful. Getting more case studies and testimonials from your customers is a big starting point but I think-us included-it just takes energy. Most companies wait too long to invest in doing more case studies, testimonials, and trying to get the details in place because it's really those details that make them compelling.

S: Right, and also, joint speaking engagements where you have your client on stage with you-that would be powerful.

A: Mm-hmm. Yes.

S: You have this terminology called, The Predictable Pipeline-what do you mean by that?

A: All right, so part one is Nail Your Niche so let's say, you know who needs you and you're like, "Okay, this is the type of customer!" so part two, the painful truth is, overnight success is a fairytale. Again, there's this dream of, "Oh, if I put up this blogpost, or this viral video, or this app, or this free trial, there's going to be a bunch of people who beat down my door!" It doesn't work out that way so unless you have a way to create predictable pipeline and to systematically create leads or opportunities for yourself, you're always going to be at the mercy of fate or whatever happens to you. How can you get in control, define, and make more opportunities for yourself? Create predictable pipeline like a sales pipeline and there are three sections to this. You want to talk about three types of leads: seeds, nets, and spears. However, the section is really about how to create predictable lead generation. Whether it's through word-of-mouth or systematizing customer success-it's number one. The second way is through marketing or inbound marketing. The third way is through outbound prospecting, which is sort of my background. It's a system I created in the Salesforce that can be a very predictable way to create your sales pipeline when it works for you.

S: Right. You were at [Salesforce.com](https://www.salesforce.com) for how long?

A: Four years. In the mid-2000's.

S: So, those were the very early days of Salesforce. You were one of the early people there. What would you say would be the most important lesson that you learned from being at Salesforce?

A: Before I went to Salesforce, I started an internet company called Lease Exchange, and raised a venture capital. It was about four or five million dollars in funding ultimately and that company failed. One of the reasons was because I, as CEO, didn't really understand sales like, professional sales. Every entrepreneur is a natural salesperson but I don't understand professional sales or lead generation so I went to



Salesforce to do sales to learn it. The only sales job they had was the most junior entry-level and I'm answering to a hundred-line job when I took it just to learn. I think, I learned a lot about lead generation first-of all types-then building and working in a sales organization and managing one, and then finally, just what's it like to be inside a big company and for a big company to buy something. You know, Salesforce is really hard to sell too because inside Salesforce, it's really hard to buy things. Those are some of the things I learned. I started with Salesforce when they had about 150 people and left when there was about 2,000 people.

S: Yeah, it's crazy how that company grew!

A: Yeah, and it keeps growing. Right now, I think, there's 15,000 or 17,000 people and like, \$8-9 million.

S: Yeah.

A: It's really amazing what Marc Benioff has done!

S: Yeah. So, lead generation versus lead nurturing-can you differentiate these two concepts?

A: Okay, so lead generation is, how can you go out and generate new leads where it's really people who are interested in finding out more about your product or service. Let's just stick to outbound prospecting because that has been my specialty for years-that is the team and system I created at Salesforce. The best thing about that is, you can generate-at Salesforce, it was hundreds of millions of extra revenue. It almost doubled their growth with outbound prospecting and it's very predictable. However, when you're out and talking to people, a lot of times, there are these people-there are three types: there are people you talk to who are just

“The best thing about that is, you can generate-at Salesforce, it was hundreds of millions of extra revenue. It almost doubled their growth with outbound prospecting and it's very predictable.”

not a fit and never will be. Maybe they don't have salespeople. That's one category. There are people who are a great fit and they're interested in the pipeline but a lot of people are a good fit but they're not ready yet so lead nurturing is, so lead generations get in those first appointments, and then if it turns out that they're a good fit but just not yet-you know, in the future, nurturing is working to keep in touch with them every once in a while-whether it's every month or three months because

everybody is different-so they don't forget you and they remember your name and your company's name so that when they are ready to do something, you're there or they think of you.

S: Right. If you had to pick one to focus on as a starting point for scaling up your sales-would it be lead generation or would it be lead nurturing?

A: Oh, lead generation, by far.

S: Right. And why?

A: When you can generate new leads, that's the most important thing. It's getting new leads because if you don't really know how to generate new leads, it doesn't really matter how well you nurture them if they're limited but if you can generate new leads, you can always figure out later how to nurture them.

S: Yup!

A: Like, how do you get into companies who aren't calling you? How do you go talk to people who have never heard of you? Or, if you're doing inbound marketing, connect with people who are interested in you- whatever your specialty is. Lead generation is what drives your company's growth. It's not the sales, it's not product-although a great product can help with lead generation. If there's a great product that generates word-of-mouth leads, it still generate leads, but lead generation is what defines the trajectory of your growth and for most companies as well-How effective are you generating new leads and the quality of those leads?

S: Yeah, that's the primary limiter. Got it! Increasing deal sizes is the last question-what would you say is the most important thing there? I know you have a whole section in the book about this.

A: Yeah, it's part four. So, part one is nail your niche; part two is about creating predictable pipeline lead gen; part three is about making sales scalable; and now, part four is about increasing deal size. The painful truth about part four is, it's hard to build a big business out of small deals. Learning how to double your deal size is important because for most companies, as soon as you can go up market, you should. When you have lots of smaller customers, you generally have higher attrition, more service issues, and they tend not to get as much value out of your product. But when you work with bigger projects-usually, bigger companies-and big and small are all relative to your business. For some companies, a ten-dollar deal is small and a hundred-dollar deal might be big but for others, \$20,000 is small and \$100,000 or \$200,000 is big.

S: Mm-hmm.



A: But the bigger deals in teams usually might take longer to decide but when they do, they're more invested, they're more committed, there's more resources, and there's more at stake so you generally have better results with them, they stick around longer, they are able to pay upfront, and hopefully, if

they're a brand name, there's a better brand recognition. However, it can take a while so the exercise that we have in the book and around one of the ways to think about it is, we call it the 10x Exercise. It simply means envisioning first, what would it take to-if your biggest deal today is \$10,000 and it has lifetime value-what kind of customers sign up for a 10x-size deal? For a \$100,000 deal? Why would they need you? What kind of customer would need that much value from you and why? Plus, what would it take for you to deliver that? So, it's trying to get you out of the day-to-day and it's a little bit of a longer term vision because it might take months or years to get to that point but it's trying to think, what would it take to get to target and proposed to and sell to someone who signed up for a much bigger deal? Plus, will the business have to change some way to deliver it? For a lot of companies, even if they do nothing different but when they start targeting bigger deals, they'll start selling bigger deals. It may not be 10x or it might be 50% bigger or a double-that's pretty common. As soon as you start looking at market, you'll start going up market.

S: Right. There's a lot of work here for a company to do to build their business and we just scratched the surface. I know we've got to wrap up here but I really appreciate your time, Aaron, so if folks want to work with your company more closely-we mentioned a couple times Predictable University, the sales certification, and the book, how else could they end up working with your company to scale up their business?

A: I really would make sure that they start with the From Impossible book. It's on Amazon and other places but just FromImpossible.com-it's a website we've got. If you already have like an outbound prospecting team, you could find us at PredictableUniversity.com. Those are the two best places to start. The book is the best place to start. I mean, it really will change people's lives if you just go through and read it.

S: Yeah, it's a fantastic book! I strongly encourage all my listeners to pick the book up and really dive in. Well, thank you very much, Aaron. It's been really great content. Thank you for sharing your wisdom. Listeners, go ahead and visit MarketingSpeak.com for the transcript. We created a checklist of the main action items to take from this episode and of course, the show notes with the links will be available on Marketing Speak as well. Until next time! Thanks for listening!

A: Yeah, and thank you!

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Stephan Spencer is an internationally recognized SEO expert and bestselling author. He is the co-author of [The Art of SEO](#) (3rd edition - August 2015), author of [Google Power Search](#) and co-author of [Social eCommerce](#), all published by O'Reilly. Stephan founded Netconcepts, an SEO and interactive agency in the 1990's, and sold it to Covario in 2010. He invented a pay-for-performance SEO technology called GravityStream that was also acquired and is now part of Rio SEO. Stephan's recent SEO clients have included such retail giants as Zappos, Sony Store, Quiksilver, Best Buy Canada, Bed Bath & Beyond, and Chanel. Stephan has spoken at countless hundreds of Internet marketing events, including all the major search & e-commerce conferences (SES, SMX, PubCon, Internet Retailer, Shop.org, eTail, etc.). He's been a contributor to the Huffington Post, Multichannel Merchant, Practical Ecommerce, Search Engine Land, DM News and MarketingProfs, to name a few.

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