

Person 2: What's the most important thing when writing my offer ?

Person 1: It's creating a business that follows the rules of capitalism, right?

Person 2: I see. So what's the significance of understanding how capitalism works?

Person 1: Well, if we're not playing by the rules that rewards capital, that is rewarded in capitalism, we're gonna lose long term.

Person 2: Got it. And how does capitalism work exactly?

Person 1: The market is an exchange of value. Simply put, the market is an exchange of value. Try to create something that the market actually values rather than something that we like.

Person 2: Okay, that makes sense. So what happens when we create something that the market values?

Person 1: When you create something that's more valuable than what they currently have in terms of money, you create potential value.

Person 2: I see. But what about when people feel like they've created value in the marketplace, but the marketplace doesn't care?

Person1: The marketplace doesn't reward potential value, right? It's just potential value. The same way if you raise a ball into the air, you have potential energy, but it's not until you let go of it that you realize that energy.

Person 2: Ah, that's a good analogy. So it's not just about creating something valuable, it's about creating something that the market values and is willing to pay for.

Person 1: Exactly. We have to focus on creating value that the market perceives as more valuable than the money they currently have. That's how we win in the long term.

Person 2: I've been struggling to get my business off the ground. I've created something that I think people will love, but no one seems to be buying it.

Person 1: Yeah, I know what you mean. A lot of people think that if they build something, people will automatically come and buy it. But that's not how it works.

Person 2: Exactly! I feel like I've created potential value, but I haven't been able to realize that value.

Person 1: Yeah, creating potential value is just the first step. You also need to market, sell, and distribute your product or service to realize its value.

Person 2: But what if what I'm selling doesn't deliver the promised results?

Person 1: Then everything could fall apart. People buy a product or service because they expect it to deliver a certain outcome, not just a deliverable. If there's a discrepancy between perceived value and true value, customers will be disappointed.

Person 2: So, what's the key to success?

Person 1: The key is to focus on getting your clients' results. People are buying outcomes, not just products or services. If you can deliver the promised results, you'll build trust and loyalty with your customers.

Person 2: That makes sense. But how do I know if I'm delivering the promised results?

Person 1: You need to continually evaluate and adjust your approach to ensure that you're delivering the promised results. This can involve gathering feedback from clients, measuring their progress, and making changes to your process as needed.

Person 2: Okay, I understand. So, it's all about getting clients' results?

Person 1: Yes, that's the most important thing. People are paying for outcomes, not just products or services. If you can deliver the promised results, you'll build a successful business.

Person 2: I've been thinking about starting a business, but I'm not sure where to focus my efforts.

Person 1: Well, the most important thing is to focus on delivering results to your clients. They're not paying for fancy production value or marketing gimmicks. They're paying for results.

Person 2: I see what you mean. So, I need to make sure that what I'm selling has a high perceived value and actually delivers the promised results?

Person 1: Exactly. If you can deliver the promised results and exceed your clients' expectations, you'll have a sustainable business over the long run.

Person 2: But what if I'm not sure how to deliver the promised results?

Person 1: That's where research and development come in. You need to have a clear understanding of what your clients want to achieve and what their expectations are. By setting

realistic expectations and providing measurable outcomes, you can help them see the progress they're making towards their goals.

Person 2: Okay, that makes sense. But how do I make sure that I'm delivering a high value service or offer?

Person 1: By focusing on the client and their needs. When you prioritize delivering results, you can change people's lives in a meaningful way. And when people see that you're able to deliver at a higher level, they take your business more seriously.

Person 2: I understand. So, it's not just about selling and distributing, but it's about actually delivering the value you promised.

Person 1: That's right. When you deliver on your promises and exceed your clients' expectations, you'll build trust and loyalty with your customers, which is the foundation of a successful business.

Person 2: I'm worried about my business. I feel like I'm spending too much time on the wrong things.

Person 1: What do you mean?

Person 2: Well, I keep trying to make my product look cooler or more fancy, but I'm not sure if I'm delivering the promised results.

Person 1: Yeah, that's a common mistake. People often focus on the wrong things and forget that the most important thing is getting their clients results.

Person 2: Exactly! And if I don't deliver the promised results, it could lead to bad reviews and refunds.

Person 1: That's right. You need to prioritize delivering results in a scalable way. It's not just about getting your clients' results, but also maintaining and improving that results rate over time.

Person 2: But how do I improve my fulfillment?

Person 1: You need to obsess over it the same way you obsess over sales and marketing. Look at where your clients are struggling and solve those constraints one at a time. Think of fulfillment as a machine and optimize it to get the highest level of results for your clients.

Person 2: Okay, that makes sense. So, it's not about making things look cooler or fancier?

Person 1: No, it's not. Your clients don't care about the quality of your camera or the design of your logo. They care about getting the promised results. So, focus on solving their problems and delivering the results they paid for.

Person 2: I see what you mean. So, it's not just about getting results, but also improving over time?

Person 1: That's right. Keep looking for ways to improve your fulfillment and get better results for your clients. It's one of the most important parts of your business, and you should obsess over it just like you obsess over sales and marketing.

Person 2: I'm starting to realize that getting results for my clients is the most important thing.

Person 1: Yes, it is. Client results are one of the biggest differentiators between good companies and great companies.

Person 2: So, I need to make sure that I'm obsessing over getting results for my clients.

Person 1: That's right. You need to make it a value to you that customer results and customer obsession are important. And it's not just important, it's the most important thing.

Person 2: But how do I make sure that I'm delivering the promised results?

Person 1: You need to focus on solving your clients' problems and finding ways to get them results. Look at where they're struggling and solve those constraints one at a time.

Person 2: And if I can deliver the promised results, I'll have more word of mouth and more clients coming to me?

Person 1: Yes, that's right. Word of mouth is one of the most powerful marketing tactics, and it comes from delivering great results for your clients.

Person 2: I see what you mean. So, I need to make it a value to obsess over getting results for my clients, just like Amazon obsesses over customer obsession.

Person 1: Exactly. If you focus on client results above all else, you will win. So, write it down in big, bold letters and constantly run it through your head: how can I get more results for my clients?

Person 2: Okay, that makes sense. So, mindset isn't just about making more money, it's about solving problems for our clients and delivering results.

Person 1: That's right. Mindset is something we use in every aspect of the company, whether it's traffic, fulfillment, sales, or anything else. We're always looking for ways to solve problems for our clients and deliver the results they need.

Person 2: I'm starting to realize that getting clients' results is the most important thing, even if it means shutting down an offer that's not delivering.

Person 1: Yes, that's right. You need to be masters of solving problems for your clients and getting results for them. And if something isn't working, you need to have the wherewithal to shut it down and pivot to something that does.

Person 2: But if we're able to get clients' results, everything else becomes easier, right?

Person 1: Exactly. Getting clients' results is the 80/20 principle of offer creation. It's the 20% that gets 80% of the needle moved. If you're able to do this, creating an offer is easy.

Person 2: And the more results we get, the easier it is to charge higher prices and prove our value.

Person 1: Yes, that's right. Proof of results is the biggest differentiator between good offers and great offers. If you're able to deliver valuable results, the market will value your offer and be willing to pay more for it.

Person 2: So, it all comes down to getting clients' results and using a machine mindset to solve their problems.

Person 1: Exactly. Write it down, get clients' results, and make it a value to obsess over solving problems for your clients. If you're able to do this, everything else in your offer creation process becomes exponentially easier.

Creating offer fundamentals

Person 2: So, there are seven components of an offer that we need to focus on?

Person 1: Yes, that's right. These seven components apply whether you're starting from scratch or already have a successful offer.

Person 2: And the first two components are deciding what market we're serving and what result we deliver, right?

Person 1: Yes, that's correct. This is the product market fit, and it's the most important aspect of your offer. If you get this right, you can have crazy results.

Person 2: So, we need to focus on delivering a result that the market values?

Person 1: Exactly. The result that you deliver is the most important thing, and it should be something that the market values and is willing to pay for.

Person 2: And what are the other five components of an offer?

Person 1: The other five components are the offer mechanism, the unique mechanism, the pricing, the guarantee, and the bonuses. These are all important aspects of your offer that can make it more irresistible and valuable to your clients.

Person 2: So, we need to make sure that our offer is not only delivering a valuable result, but also packaged in a way that's irresistible?

Person 1: Yes, that's right. Your offer should be irresistible and solve a problem that your clients are willing to pay for. And if you focus on these seven components, you can create an offer that's not only successful, but also scalable and profitable.

Person 2: So, the number one thing that Y Combinator teaches startups is product market fit?

Person 1: Yes, that's right. Product market fit is the lever that, if you're able to get right, everything else falls into place. It's the boat you want to be in, as Warren Buffet would say.

Person 2: And the second component of an offer is the result that we deliver to the market, right?

Person 1: Exactly. The result that you deliver is what your clients are buying, and it should be something that the market values and is willing to pay for.

Person 2: And the third component is how we deliver that result, which goes into the product market fit?

Person 1: Yes, that's correct. How you deliver the result is an important aspect of the offer and should align with the product market fit.

Person 2: And the fourth component is deciding who is going to create the fulfillment?

Person 1: Yes, that's right. For some businesses, fulfillment may already be in place, but for others, it may need to be restructured or created from scratch.

Person 2: And the fifth component is structuring the fulfillment in a way that's effective and valuable for clients?

Person 1: Yes, that's correct. Structuring the fulfillment in a way that's valuable for clients is important, but the most important thing is whether it delivers the desired result.

Person 2: So, at the end of the day, the only thing that clients care about is getting results?

Person 1: Exactly. Clients are willing to pay for results, and if you're able to deliver them, it doesn't matter how fancy or well-structured your fulfillment is. The most important thing is getting the desired result for your clients.

Person 2: So, the first component of an offer is deciding what market we're serving?

Person 1: Yes, that's right. Choosing the right market is one of the most important things you can do, because it determines how easy or difficult it will be to sell your offer.

Person 2: And what are the two things we should consider when choosing a market?

Person 1: The first thing is targetability. Can we actually get in front of the market and sell to them? The second thing is the level of hunger or demand in the market. Are they a starving crowd that's eager to buy what we're offering?

Person 2: So, we want a market that's both targetable and hungry?

Person 1: Yes, that's the ideal situation. If you have a starving crowd that's also easy to reach and sell to, you're in a great position.

Person 2: And how do we find a hungry market?

Person 1: There are many ways to find a hungry market, such as doing market research, identifying pain points and problems that people are willing to pay to solve, and looking at trends and emerging markets.

Person 2: And what about targetability? How do we make sure we can reach the market we're serving?

Person 1: There are many ways to reach a target market, such as advertising, content marketing, social media, and partnerships. It's important to choose the channels that your target market is most likely to use and engage with.

Person 2: So, choosing the right market is crucial for the success of our offer?

Person 1: Absolutely. If you choose the right market, everything else becomes much easier. You'll have a hungry crowd that's eager to buy what you're offering, and you'll be able to reach them and sell to them effectively.

Person 2: So I'm thinking about targeting a niche market for my business, what do you think?

Person 1: Well, niching down can be a good strategy, but you don't want to be too narrow.

Person 2: What do you mean?

Person 1: If you target a market that's too small, it can be hard to find enough customers to sustain your business. You want to find a balance between being specific enough to appeal to a certain group of people, but broad enough to have a large enough customer base.

Person 2: That makes sense. So how do I find the right balance?

Person 1: Look for a market that has a clear pain point or need that you can solve, but that is still broad enough to have plenty of potential customers. You want to be able to target them easily through things like social media or affiliates.

Person 2: Okay, I see. And what about the buying power of the market?

Person 1: That's important too. You need to make sure that your target market has the financial means to buy what you're offering. Research the demographics of potential customers, like income levels and spending habits, to get an idea of their buying power.

Person 2: Got it. So should I be targeting businesses or consumers?

Person 1: That depends on what you're selling. If you're selling to other businesses, that's B2B. If you're selling to consumers, that's B2C.

Person 2: Thanks for the advice, I'll keep that in mind as I look for the right market for my business.

Person 1: No problem, good luck with your search!
Sure, here's a dialogue based on the text you provided:

Person 1: And now truthfully, business to business they have more buying power, right? It's harder to get in front of, a little bit harder to get in front of them, but they have more buying power and they can buy higher ticket things and they can buy more and more from you, right?

Person 2: Yes, that's correct. B2B customers typically have more buying power than individual consumers, which means they can purchase higher-priced items and buy in larger quantities.

Person 1: And the second one is B2C, right? And that's selling to consumers. Now, they don't have as much buying power. They still have buying power a hundred percent.

Person 2: That's right. B2C customers do have buying power, but typically not as much as B2B customers. However, it's important to note that there are still opportunities to sell to individual consumers.

Person 1: Don't feel like if you're selling to consumers, you're in a horrible spot, but they have a little bit less buying power.

Person 2: Yes, that's true. While B2C customers may have less buying power, there are still ways to market and sell to them effectively.

Person 1: And then for market segments of each of those, there's different business sizes and industries, right?

Person 2: Absolutely. Different industries and business sizes have varying needs and priorities when it comes to purchasing. It's important to understand the specific market segment you're targeting in order to effectively market and sell your product or service.

Person 1: Some industries struggle a lot more than other industries. If you're selling to, if you picked a small, let's use an example of restaurant owners who have one restaurant that's your business size. The small, smallest restaurants in the industry is, you know, restaurant owners. That's rough because the average restaurant has 3% profit margin and they're really, really tight on their margin.

Person 2: Yes, the restaurant industry can be particularly challenging for small business owners due to the low profit margins. It's important to understand the unique challenges and opportunities within each industry when developing a marketing and sales strategy.

Sure, here's a dialogue based on the text you provided:

Person 1: And you pick the smallest size version of them. And if that's the only niche that you serve, it's gonna be kind of hard, you know, to sell them on it cuz they're tight financially.

Person 2: Yes, that's true. If you're targeting a market with limited buying power, such as small restaurant owners or single mothers, it can be more challenging to make sales. It's important to consider the financial constraints of your target market and adjust your marketing strategy accordingly.

Person 1: And same thing with consumer segments. If you're selling to, I'm just gonna use the example of you only help single moms, well, It's gonna be harder to sell to them than it is to sell,

to stay-at-home moms because single moms just purely statistically probably make a little bit quite a bit less money than stay-at-home moms have in terms of disposable income.

Person 2: Yes, that's a good point. Understanding the financial situation of your target market is crucial for developing effective marketing and sales strategies. It's important to tailor your offerings to the specific needs and budgets of your target customers.

Person 1: Anyways, these are the really, the two things to consider. And picking a market's not black and white, like these are the good markets, these are the bad markets.

Person 2: Absolutely. There's no one-size-fits-all approach to selecting a market. It's important to consider factors such as targetability and buying power, but also to take into account the unique needs and challenges of different industries and customer segments.

Person 1: But really run this simulation in your head. And if you're struggling to, you know, to make sales, ask yourself, okay, is it the target ability of my market? Am I having a hard time getting in front of them?

Person 2: Yes, it's important to analyze the reasons behind any sales challenges you're facing. If you're having difficulty reaching your target market, it may be necessary to adjust your marketing strategy or consider targeting a different market segment.

Person 1: And if the answer is yes, all right, can I change my market and just tweaking the market that you're serving? Or is it buying power? You're selling to a very broke segment of the market, right? Am I like, If, if people can't afford what you're do selling to and you offer financing, it's like, all right, am I selling to a market that just does not have a lot of buying power?

Person 2: Yes, those are important questions to ask. If you're struggling to make sales, it may be necessary to re-evaluate your target market and adjust your offerings accordingly. Offering financing options can be helpful for customers with limited buying power, but it's also important to consider whether you're targeting a market that can realistically afford your product or service.

Person 1: And one note before we move on to the next piece here is, I really believe it's far better to fall in love with the market and solve the problems of the market, right?

Person 2: That's a great point. It's important to focus on addressing the needs and challenges of your target market rather than trying to force a solution that may not be a good fit. By understanding your customers and their unique needs, you can develop offerings that are more likely to be successful.

Person 1: You pick a market that has both of these. right? Good, easily targetable has good buying power and it's better to fall in love with that market and solve the problems of that market than to have some solution that you personally have and be trying to force it into a market.

Person 2: Absolutely. By selecting a market that is a good fit for your offerings and focusing on solving their specific problems, you can increase the likelihood of success. It's important to approach business from a customer-centric perspective and tailor your offerings to their unique needs and challenges.

Person 1: Sometimes we love what we do and we're passionate about what we do, but sometimes the biggest constraint in our market or in our business is that we're trying to force what we love on other people.

Person 2: Yes, that's a common trap that many entrepreneurs fall into. While it's important to be passionate about what you do, it's equally important to ensure that your offerings are a good fit for your target market. By focusing on solving their specific problems, you can increase the likelihood of success and build a loyal customer base.

Person 2: And it's not even a, a solution to a market need or market problem or a market desire. So that's a really, really hard thing to sometimes acknowledge.

Person 1: Yes, it can be difficult to admit when your offerings may not be a good fit for the market. It's important to focus on solving the specific problems and needs of your target customers in order to increase the likelihood of success.

Person : But if you have a market and you're selling to exactly what they want to solve, well then that's gonna work almost every single time.

Person 1: That's absolutely true. By focusing on addressing the specific needs and desires of your target market, you can increase the likelihood of success and build a loyal customer base.

Person 2: So something to really keep in mind is your market. And again, these are all components that you should filter this through, and you should be running these mental experiments when stuff is hard and say. why is it hard?

Person 1: Yes, it's important to continually analyze and evaluate your target market and adjust your marketing and sales strategies accordingly. By understanding the specific needs and challenges of your customers, you can develop offerings that are more likely to be successful.

Person 2: Alright, the second thing is the result, right? What results do you actually deliver? Now the result, there's really two results that sell that you can charge high ticket prices for, and really two results only.

Person 1: Yes, the results you deliver are crucial for determining the value and price of your offerings. By focusing on delivering an ROI result or a solution to a high level of pain or desire problem, you can increase the perceived value of your offerings and charge higher prices.

Person 2: Either an ROI result where, hey, you pay me this amount of money and you make this much back. So a lot of times when you're selling b2b, that's what people are buying a lot of times, right?

Person 1: Yes, ROI-based offers can be highly effective for selling to businesses, as they can demonstrate a clear return on investment for the customer. By showing how your offerings can increase their revenue or decrease their costs, you can justify charging higher prices.

Person 2: And then the second one is a solution to a high level of pain slash desire problem, right? With that, in every good market, there's pains, there's desires, there's problems, right?

Person 1: Absolutely. By focusing on addressing the specific pains, desires, and problems of your target market, you can increase the perceived value of your offerings and charge higher prices. By understanding the unique needs and challenges of your customers, you can develop offerings that are more likely to be successful.

Person 2: Now every market, there's, there's, there's pains, there's desires, there's problems, right? If it's, if it's fitness, right? You're selling to like the health market, it's people have a lot of pain, a high level pain attached to where they are, they're at right now, right?

Person 1: Yes, understanding the pain points and desires of your target market is crucial for developing effective marketing and sales strategies. By focusing on addressing these specific needs and challenges, you can increase the perceived value of your offerings and charge higher prices.

Person 2: The higher the emotion is around that level of pain and that desire, the easier it is to sell that solution, right? The more people are willing to pay for that result, the easier it's gonna be to convert people over the phone because they want it so desperately bad.

Person 1: Yes, understanding the emotional component of your target market is crucial for developing effective marketing and sales strategies. By focusing on addressing the specific pains and desires of your customers, you can increase the perceived value of your offerings and charge higher prices.

Person 2: These companies didn't blow up because they came up with an idea, they blew up because they found a market and they found a solution to that market and they had product market fit.

Person 1: That's absolutely true. By focusing on developing a product or service that addresses the specific needs and desires of your target market, you can increase the likelihood of success and build a loyal customer base.

Person 2: And if the constraint is you don't have product market fit, you need to either change the market or you need to change the product, right?

Person 1: Yes, it's important to continually evaluate and adjust your offerings based on the needs and desires of your target market. By understanding the unique challenges and pain points of your customers, you can develop offerings that are more likely to be successful.

Person 2: Thirdly is how you get the result, right? It's the outcome, how do we actually achieve the outcome for our target market?

Person 1: Yes, understanding the specific methods and strategies for achieving the desired outcome is crucial for developing effective offerings. By focusing on developing a unique and effective solution to the challenges and pain points of your target market, you can increase the perceived value of your offerings and charge higher prices.

Person 2: And then there's the coaching or the consulting or the done for you service, etcetera, that implements that solution.

Person 1: Absolutely. By providing a clear and effective method for achieving the desired outcome, and then implementing that method through coaching, consulting, or other services, you can increase the perceived value of your offerings and charge higher.

Person 2: So, the fourth thing is who's going to create the fulfillment, right? Who delivers that result? Like who creates the actual deliverable?

Person 1: Yes, it's important to have a clear understanding of who will be responsible for delivering the results to your clients. This can either be yourself or someone else, depending on your expertise and resources.

Person 2: If you're already an expert, you can create the fulfillment yourself. You already know how to get the results and have the proof and credibility to back it up.

Person 1: That's right. If you're already an expert in your area of focus, creating the fulfillment yourself can be a good option. You can also consider outsourcing fulfillment to someone who's an expert if you don't have the necessary skills or resources.

Person 2: And if you're not an expert, you shouldn't pretend to be. You should outsource fulfillment to someone who's already an expert and knows how to get the results.

Person 1: Absolutely. It's important to be honest about your expertise and not make false claims to your clients. Outsourcing fulfillment to an expert can ensure that your clients get the results they're paying for and help you build a strong reputation in your industry.

Person 2: There are two main ways to outsource fulfillment. You can arbitrage professional services or hire someone on a contract or full-time basis.

Person 1: Yes, arbitraging professional services can be a good option if you don't have an offer yet and need to get results for your clients. Hiring someone on a contract or full-time basis can be a good option if you have a consistent flow of clients and need someone to handle fulfillment on a regular basis.

Person 2: Overall, it's important to have a clear plan for fulfillment and ensure that your clients are getting the results they're paying for.

Person 1: Absolutely. By focusing on delivering high-quality results to your clients, you can build a loyal customer base and scale your business more effectively.

Partner with proven offer

Person 1: Hey, have you ever thought about partnering with someone who has a proven offer?

Person 2: No, I haven't. What do you mean by a proven offer?

Person 1: I mean partnering with someone who already has a successful product or service that you can promote and earn a profit share from.

Person 2: That sounds interesting. What's the ideal structure for a partnership like this?

Person 1: Well, the ideal structure would be a win-win for both parties. You want to make sure that you're earning a fair profit share, but also providing value to the partner by promoting their offer.

Person 2: That makes sense. But how do you find the ideal person to partner with?

Person 1: It's important to do your research and find someone who has a good reputation and a successful offer that aligns with your audience. You don't want to settle for a partnership that doesn't feel right.

Person 2: Okay, that makes sense. But what if I can't find someone to partner with?

Person 1: If you can't find the right partner, it's okay to start something from scratch. But it's always good to have the idea of partnering with someone in the back of your mind, so you're ready when the opportunity arises.

Person 2: Got it. So what are the first principles of landing a partnership?

Person 1: Understanding the basic principles of partnerships can make it easy to land a deal. You want to lay the foundation for a partnership by building a relationship with the potential partner and understanding their offer.

Person 2: And once you've built that foundation, how do you negotiate the partnership?

Person 1: It's important to negotiate a fair profit share and have a clear agreement in place. You want to make sure that both parties are happy with the deal and feel like they're not taking on too much risk.

Person 2: And what do you do once you've landed the deal?

Person 1: Once you've landed the deal, it's important to promote the offer effectively and provide value to your audience. You want to make sure that you're delivering results for the partner and earning a fair profit share in return.

Person 2: Thanks for breaking down the process for me. It sounds like partnering with someone who has a proven offer could be a great way to grow my business.

Person 1: Have you considered partnering with someone but worried they might not want to give up a percentage of their business without knowing the results?

Person 2: Yeah, that's definitely a concern. What's your approach to making it a win-win situation?

Person 1: We structure the deal to be performance-based, so there's no reason for them to say no. We take 30 to 50% of the profit that we generate, and if anything we test isn't profitable, we cover the losses.

Person 2: That sounds fair. How do you make sure they keep their existing revenue?

Person 1: We only take a percentage of the profit we generate, so anything they're currently making, they keep 100%. And we don't get paid unless we make them money.

Person 2: That's a great incentive for them to partner with you. But what happens if the revenue surpasses a certain amount?

Person 1: If the revenue we generate surpasses a certain amount, we would get a percentage of the company and become actual partners. But until then, we're just generating them money at no risk to them.

Person 2: That's a good way to offer them hope for a higher revenue without putting them at risk. But what if they want to end the partnership early?

Person 1: They can end the partnership at any time for any reason before we reach the revenue target. We want to make sure they feel comfortable and not locked into anything.

Person 2: Thanks for explaining the deal structure. It sounds like a great way to partner with someone without taking on too much risk.

Person 1: Exactly, it's a win-win situation. We generate them profit, and if we do it well, we become actual partners in the company.

Person 1: When partnering with someone, it's important to make sure there's no risk to them and high upside potential. Our deal structure takes on any losses and only takes a percentage of the profit we generate.

Person 2: That sounds like a great deal structure. But who is the ideal person to partner with?

Person 1: The ideal person to partner with is someone who doesn't feel confident in their abilities to market, sell, and scale their offer. They should already have credibility in their area of expertise and an offer that people want but not enough people know about.

Person 2: That makes sense. So someone who needs help with marketing and sales but has a proven offer that can get results.

Person 1: Exactly. You want to partner with someone who has an offer that already works and can provide value to your audience. And if they need help with marketing and sales, that's where you come in to generate profit for both of you.

Person 2: This is great advice. Thanks for breaking down the ideal person to partner with and the deal structure to make it a win-win situation for both parties.

Person 1: No problem. It's important to approach partnerships with a mindset of creating value and finding mutual benefit. When you do that, it's easy to negotiate a deal that works for everyone.

Person 1: When looking to partner with someone, it's important to make sure they have credibility, a proven offer, and scalable fulfillment. And most importantly, you have to trust and align with the person you're partnering with.

Person 2: That's great advice. But what if someone doesn't meet all the criteria? Should you still consider partnering with them?

Person 1: No, I wouldn't recommend it. It's important to partner with someone who meets all the criteria, or just start something from scratch. Caleb and I have made sacrifices before and it's come back to bite us.

Person 2: That's a good point. It's better to be patient and find the right partner than to rush into a partnership with someone who doesn't meet all the criteria.

Person 1: Exactly. It's better to take the time to find the right partner who aligns with your values and has a proven offer with scalable fulfillment. That way, you can create a win-win situation for both of you and avoid any headaches down the road.

Person 2: Thanks for sharing your insights and experiences. It's always helpful to learn from others' mistakes and successes.

Person 1: No problem. We've learned a lot through trial and error and we want to share our knowledge to help others avoid the same mistakes.

Person 1: When looking for potential partners who meet all the criteria, you can start by reaching out to people you already know, searching on social media, networking and asking for referrals, and attending events.

Person 2: Those are great places to start. But once you find a potential partner, how do you approach the negotiation process?

Person 1: It's important to understand that this isn't a sales call, it's a negotiation. You're providing them with a risk-free solution to get them from where they are to where they want to be. So you have to work the deal.

Person 2: That makes sense. So what are the first principles of landing a partnership?

Person 1: The first principles are to understand their needs and goals, establish trust and rapport, and present your value proposition in a clear and concise way. You want to show them how you can help them achieve their goals and how your partnership can be a win-win situation.

Person 2: That sounds like a good approach. So it's all about understanding their needs and presenting your value proposition in a way that aligns with their goals.

Person 1: Exactly. And you want to make sure you're transparent about the deal structure and how it benefits both parties. And if they have any concerns or objections, address them in a respectful and professional manner.

Person 2: Thanks for sharing these principles. It's helpful to have a clear approach when negotiating a partnership.

Person 1: No problem. Just remember to stay focused on creating mutual benefit and building a strong relationship with your partner. That way, you can achieve success together.

Person 1: When negotiating a partnership, it's important to remember that you're providing a risk-free solution to help your partner achieve their goals. And nurturing the relationship and showing your expertise can help build trust and rapport.

Person 2: That makes sense. So being an expert in scaling an offer is key to landing a good partnership?

Person 1: Absolutely. The more of an expert you are, the easier it is to close the deal. People can sense when you're an expert and they want to partner with you because they feel like you're the solution to getting them from where they are to where they want to be.

Person 2: That's a great point. And by becoming an expert, you're also deserving of a good partnership.

Person 1: Exactly. If you want to get what you want, you have to deserve what you want. And by understanding the principles and processes of scaling a business and implementing them in your partner's business, you're providing them with immense value.

Person 2: So it's not just about getting a good deal, it's about providing value and helping your partner achieve their goals.

Person 1: That's right. And if you can do that, your partner will feel like they're getting the better end of the stick, even if you're getting a higher percentage of the deal.

Person 2: Thanks for sharing these insights. It's clear that being an expert and providing value are key to landing a successful partnership.

Person 1: After explaining why the potential partner's current approach won't work, overwhelming them with ideas and solutions, and leaning on the credibility of your expertise and experience, you can present the partnership deal in a simple and logical way.

Person 2: And once you land the deal, what's next?

Person 1: You go through the rest of the training as if it were your own offer, obsessing over every detail and testing and dialing in phases to get results. And you keep nurturing the relationship with your partner by updating them on your progress and setting clear expectations.

Person 2: That sounds like a great approach. And it's important to be transparent about the testing and dialing in phase and not promise immediate success.

Person 1: Exactly. Setting clear expectations is key to building trust and avoiding misunderstandings. And once you have something that works at a small scale, you can duplicate it and scale it up.

Person 2: Thanks for sharing these insights. It's clear that landing a successful partnership involves a lot of hard work and dedication.

Person 1: That's right. But the rewards can be immense if you're able to help your partner achieve their goals and build a strong, mutually beneficial relationship.

Person 1: Once you have something that works, it's as if it's your own offer and you can scale it up quickly. And partnering with someone who already has an offer that's kind of working can save you time and effort.

Person 2: That's a great point. And it's important to follow the deal structure and checklist you provided and to become an expert in scaling an offer to deserve a good partnership.

Person 1: Exactly. And when negotiating the deal, it's important to use the same principles as a sales call and present yourself as the solution to their problems.

Person 2: And once you land the deal, it's important to go through the rest of the training step by step as if it's your own offer and to keep nurturing the relationship with your partner.

Person 1: Yes, and setting realistic expectations is key to building trust and avoiding misunderstandings. And it's important to understand that the testing and dialing in phase is crucial to getting proof of concept and scaling up.

Person 2: That's a great insight. Scaling is binary, and it's either profitable and scalable or not. And by following these principles and processes, we can help our partners achieve their goals and build a successful partnership.

Person 1: Scaling is binary, either profitable and scalable or not. And in the beginning, if the partner's ads aren't working, you'll be testing with organic methods and tweaking the offer.

Person 2: It's important to set clear expectations and communicate with your partner about what you're doing and why. And keeping them excited and certain about the future is crucial to nurturing the relationship.

Person 1: Yes, pitching a vision and keeping them refired up about where you're going is important. And landing a good partnership can be extremely valuable in getting an offer working without having to create one from scratch.

Person 2: That's a great point. Partnerships can be a great skip button if you find the right one and follow these simple principles.

Person 1: Exactly. And by following these principles and nurturing the relationship with your partner, you can achieve great results and help your partner achieve their goals.

Overview on pricing

Person 1: Hey, did you catch the overview on pricing that was just given?

Person 2: Yeah, I did. They talked about how having the right market and result is crucial for pricing.

Person 1: Exactly. Without those, it's going to be tough to set the right price. But if we have those nailed down, we have a lot more control over our pricing and profit margins.

Person 2: Right, and they also mentioned three core concepts we'll be covering: value versus price, price versus profit, and price elasticity.

Person 1: Yes, those are important to understand. Value versus price is all about the relationship between what we offer and what people are willing to pay for it. Price versus profit is a bit counterintuitive, but raising prices can actually lead to more profit. And price elasticity is all about maximizing profit by charging more for leads that have a lot of money and less for those that don't.

Person 2: I see. So the goal is to make the most amount of money possible per lead, not just for every client.

Person 1: Exactly. It's all about maximizing efficiency to increase profitability.
Sure, here's a dialogue between Person 1 and Person 2 discussing the leverage of price in advertising:

Person 1: So, after we understand the core concepts, we're going to tweak our offer to make it irresistible and scalable. Then we'll pick our ideal price point.

Person 2: Right, and they emphasized that price is one of the biggest leverage points in any business. We get to determine what we charge, regardless of customer complaints.

Person 1: Exactly. And raising prices can make a massive difference in profitability. Did you hear the story about Frank Kern's client, Brooke Costello?

Person 2: No, what happened?

Person 1: Well, she was struggling to scale her business and couldn't even fill on more clients. When she asked Frank for advice, he simply told her to double her prices.

Person 2: And did it work?

Person 1: It did. She went on to become super successful, making around 50 million a year, just from raising her prices.

Person 2: Wow, that's impressive. It goes to show just how powerful price can be in advertising.

Person 1: Exactly. It's not about pleasing everyone with our prices, but about optimizing for what's most profitable for the business. And price is one of the biggest levers we can pull on to achieve that.

Person 1: she was even struggling to scale her business and couldn't even fill on more clients. When she asked Frank Kern for advice, he told her to double her prices.

Person 2: And did she do it?

Person 1: Yes, but reluctantly. She was already charging a lot and thought she couldn't charge any more. But she decided to give it a shot, and guess what? Her business doubled.

Person 2: Wow, just by doubling her prices?

Person 1: Yes, nothing else changed. She got the exact same amount of clients, but was charging twice as much. And when she went back to Frank for advice on how to grow her business further, he suggested she double her prices again.

Person 2: And did she do it?

Person 1: Yes, and her business continued to grow. It just goes to show how powerful price can be in increasing profitability.

Person 2: Definitely. It's a bit scary to raise prices, but if it leads to significant growth in business, it's worth giving it a shot.

Person 1: Exactly. And even if customers complain about the price, it's important to remember that we're optimizing for what's most profitable for the business.

Person 1: Brooke Costello even doubled her prices three times and her business doubled each time?

Person 2: Yes, that's amazing. It just goes to show how powerful price can be in increasing profitability.

Person 1: Exactly. And in client-based businesses, where what you offer is unique and one-of-a-kind, you have the ability to keep raising your prices.

Person 2: Right, because customers don't have another option. Your solution is one-of-a-kind, so they'll have to buy from you even if the price is higher.

Person 1: Exactly. And it's such a powerful lever that many businesses don't pull on. They're afraid of losing customers, but if you can raise prices and still get the same amount of customers or even less, you're in a powerful business.

Person 2: Definitely. It's important to remember that we're not optimizing for customer complaints about price, but for what's most profitable for the business. And price is one of the biggest leverage points we have in achieving that.

Sure, here's a dialogue between Person 1 and Person 2 discussing the concept of price being a construct of our imagination:

Person 1: Did you know that price is 100% made up? It's not a real thing, but a construct of our imagination.

Person 2: What do you mean by that?

Person 1: Well, as human beings, we've created the concept of price. It's not something that's inherent in the product or service itself. And in reality, we can charge more for it if we wanted to.

Person 2: But isn't price determined by the market and what people are willing to pay for it?

Person 1: Yes, but that doesn't mean that it's a fixed value. We have the ability to set our own prices and charge what we believe our product or service is worth. And if we do everything right, people will pay that price.

Person 2: So, you're saying that price is fake?

Person 1: Yes, that's exactly what I'm saying. People will complain about prices regardless of what it is we're selling. But if the result we deliver is worth more than the price people are paying, they'll end up paying that price.

Person 2: That's a really interesting perspective. So, as business owners, we have the right to charge whatever we want for our services?

Person 1: Absolutely. It's our business, and we have the right to charge what we believe our services are worth. And if we can deliver the value that's worth more than the price, people will pay it.

Person 1: Most people price their offer based on what they think it's worth, but we're going to choose the mathematically best possible price for the buying power of our market and then increase the value of our offer to match it.

Person 2: That's an interesting approach. So you're saying that we should focus on the price first and then increase the value of our offer to match it?

Person 1: Yes, exactly. We're not going to decrease the price to match the value, but increase the value to exceed the price. This way, we're choosing the perfect price point for our market and then making our offer as irresistible as possible.

Person 2: That makes sense. So we're going to be thinking about the price first and then focus on increasing the value to match it.

Person 1: Exactly. And we're going to make sure that our offer is irresistible by going through the checklist and making sure we're ticking all the boxes.

Value vs price

Person 1: Price is relative and arbitrary. It's not a real thing, and our brain has a hard time assigning value to it without comparing it to something else.

Person 2: So, in order for something to have value, it needs to be compared to something else?

Person 1: Yes, exactly. Our brain needs something to attach the value to in order to make sense of it.

Person 2: And if the perceived value is greater than the price and they can afford it, they will buy it?

Person 1: Yes, that's right. If the value is greater than the price and they can afford it, they will buy it. This is why it's so important to understand the relationship between value and price and make sure that our customers are getting more value than what they're paying for.

Person 2: That makes sense. So, as business owners, we need to make sure that we're providing enough value to justify the price we're charging.

Person 1: Exactly. And if we can provide more value than what we're charging, our customers will feel like they're getting a good deal and be more likely to buy from us again in the future.

Person 2: That's a great point. So, we should focus on increasing the perceived value of our offer and making sure that our customers feel like they're getting more than what they're paying for.

Person 1: Yes, that's the key to building a successful business. Providing more value than what we're charging and making sure that our customers are satisfied with their purchase.

Person 1: If you truly understand the value and price equation in capitalism, you will never struggle in business. The key is to make sure that the perceived value exceeds the price and that your customers can afford it.

Person 2: So, if we create something valuable that's more valuable than the price we charge, we can charge a higher price and still sell it to a market that can afford it?

Person 1: Yes, exactly. We just need to generate leads of people who can afford it and make sure that the perceived value is greater than the price.

Person 2: That makes sense. So, if we can create a product or service that's more valuable than what we're charging, it will be an easy sale?

Person 1: Yes, that's right. People will feel like they're getting a good deal and will be more likely to buy from us. And if we can create a value to price discrepancy that's so high that people feel like they're taking advantage of us, that's even better.

Person 2: So, we want people to feel like they're getting more value than what they're paying for?

Person 1: Exactly. We want to create a more than fair trade so that people feel like they're getting a good deal. And if we can make our sales reps feel like they could charge even more for our product or service, that's a sign that we're doing something right.

Person 2: That's a great point. So, it's all about understanding the value and price equation and making sure that our customers feel like they're getting more than what they're paying for.

Person 1: Yes, that's the key to building a successful business. Provide more value than what you charge and make sure that your customers are satisfied with their purchase.

Sure, here's a dialogue between Person 1 and Person 2 discussing the importance of creating an irresistible offer:

Person 1: The offers that convert the best are the ones where our sales team complains that the price is too low, even though we're already charging more than everybody else.

Person 2: That's interesting. So, it's all about creating an irresistible offer that provides more value than what we're charging.

Person 1: Yes, exactly. The key is to make sure that the perceived value is greater than the price and that our customers feel like they're getting a good deal.

Person 2: And if we can create an offer that's so irresistible that people feel like they're getting the better end of the stick, it will be an easy sale?

Person 1: Yes, that's right. The value to price discrepancy needs to be so high that people feel like they're getting more value than what they're paying for.

Person 2: That makes sense. So, it's not just about the price, it's about the perceived value and making sure that our offer is irresistible.

Person 1: Exactly. Most people price their offer based on what they think it's worth, but if we can create an offer that's truly irresistible, the question becomes, can I afford it?

Person 2: That's a great point. So, we should focus on creating an offer that provides more value than what we're charging and making sure that our customers feel like they're getting a good deal.

Person 1: Yes, that's the key to building a successful business. Create an irresistible offer that provides more value than what we're charging and make sure that our customers are satisfied with their purchase.

Sure, here's a dialogue between Person 1 and Person 2 discussing the importance of understanding the value and price equation and pricing your offer appropriately:

Person 1: All that matters is that your value is above your price. If you can create an offer that's more valuable than what you're charging, it will be an easy sale.

Person 2: So, it's all about understanding the value and price equation and making sure that our customers feel like they're getting more value than what they're paying for.

Person 1: Yes, that's right. We need to choose a price point that our market can afford and then increase the value of our offer to exceed that price point.

Person 2: And if we can create an offer that's so valuable that people can't even begin to question its value, it will be an easy sale?

Person 1: Yes, that's the key. We want to create an offer that's so valuable that people don't question its worth. And if we can work with our prospects to figure out how they can afford it, we can solve any logistical objections.

Person 2: That makes sense. So, it's all about creating an offer that's more valuable than what we're charging and making sure that our customers can afford it.

Person 1: Exactly. We need to price our offer appropriately based on our target market and then create something that exceeds their expectations. It's like choosing the price of a car based on the target market and then creating a Ferrari that no one questions the value of.

Person 2: That's a great analogy. So, it's all about understanding the value and price equation and pricing our offer appropriately to exceed our customers' expectations.

Person 1: Yes, that's the key to building a successful business. Provide more value than what you charge and make sure that your customers are satisfied with their purchase.

Price vs Profit

Person 1: The second core concept around price is understanding the asymmetric relationship between price and profit. The number one way to affect profit margin is to increase price.

Person 2: So, if we increase our prices, we can increase our profit margin?

Person 1: Yes, that's right. The more we increase our prices, the more profit we can make. And it's not a linear relationship, it's exponential.

Person 2: That's interesting. So, it's not just about increasing our prices, it's about understanding how the relationship between price and profit works.

Person 1: Exactly. We need to make sure that we're pricing our products or services appropriately to maximize our profit margin. And if we can understand the asymmetric relationship between price and profit, we can make sure that we're pricing our offers appropriately.

Person 2: That makes sense. So, it's all about finding the right balance between price and profit to maximize our revenue.

Person 1: Yes, that's the key. We need to make sure that we're pricing our offers appropriately to maximize our profit margin while still providing value to our customers. And if we can find that balance, we can build a successful and profitable business.

Person 1: The reason why increasing your prices can have a huge impact on your profit margin is because your costs are fixed. Your cost of fulfillment, overhead, and advertising are all fixed costs.

Person 2: So, if we increase our prices, our profit margin can increase exponentially, even if our close rate drops?

Person 1: Yes, that's right. Even if our close rate drops, we can still make more profit by increasing our prices. And we have a lot of room for error because of the math behind it.

Person 2: That's interesting. So, it's all about finding the right balance between price and close rate to maximize our profit margin.

Person 1: Yes, that's the key. We need to make sure that we're pricing our offers appropriately to maximize our profit margin while still providing value to our customers. And if we can find that balance, we can build a successful and profitable business.

Person 2: That makes sense. So, it's not just about increasing our prices, it's about understanding how the relationship between price and profit works and finding the right balance to maximize our revenue.

Person 1: Exactly. We need to make sure that we're pricing our offers appropriately to maximize our profit margin and deliver results for our clients. And if we can do that at a higher level by raising our prices, we should definitely consider it.

Person 1: When you're selling something at a high ticket price, you need to have at least 80% profit margins, bare minimum. If you're below that, you need to raise your prices by 100%.

Person 2: So, it's all about having high profit margins to maximize our revenue?

Person 1: Yes, that's right. When you have high profit margins, you have more room for error and more room to mess up. And if you're selling a high ticket offer, you need to make sure that you're pricing it appropriately to maximize your profit margins.

Person 2: That makes sense. So, it's not just about raising our prices, it's about making sure that we have high profit margins to maximize our revenue.

Person 1: Exactly. And when you have high profit margins, you can afford to invest more in your business and provide more value to your customers. And the more value you provide, the more you can charge for your offer.

Person 2: That's a great point. So, it's all about finding the right balance between profit margins and pricing to maximize our revenue.

Person 1: Yes, that's the key. And when you raise your prices, you can afford to have a lower close rate and still make more profit. It's okay if people complain about the price, they're going to complain either way. So, might as well have them complain at a higher price to make a lot more money at a lot more profit.

Person 1: Business is a game of math and logic, not emotion. Your prices should not be determined by how you feel, but by what's best mathematically.

Person 2: So, it's all about analyzing the math to determine the most profitable price?

Person 1: Yes, that's right. You need to look at your profit margins and analyze how much a 100% or 200% increase in price affects your profit margins. And you need to determine mathematically what's the most likely thing to make your profit margin the best.

Person 2: That makes sense. So, it's all about finding the right balance between price, close rate, and profit margin to maximize our revenue.

Person 1: Exactly. Close rate doesn't matter. All that matters is how much you make on average for every lead that you talk to. And by raising prices, even if your close rate drops, you can still make more money because the math is rigged in your favor.

Person 2: That's a great point. So, it's all about understanding the math and using logic to determine the most profitable price for our offers.

Person 1: Yes, that's the key. And when you raise your prices, even if people complain about the price, you can still serve your clients at a higher level and make more profit. So, don't be afraid to raise your prices and really look at the math to understand how much more you can make by doing so.

Price elasticity

Person 1: Price elasticity is a core concept when it comes to pricing. It's important to understand how price affects demand for your offer.

Person 2: So, it's all about finding the right balance between price and demand to maximize our revenue?

Person 1: Yes, that's right. As you increase your price, your profit margins go up, but your close rate may decline. And you need to understand how price elasticity affects the demand for your offer to find the right price point.

Person 2: That makes sense. So, it's all about finding the sweet spot where we can maximize our profit margins while still maintaining a reasonable close rate.

Person 1: Exactly. And if you offer financing options, you can make your offer more accessible to a wider range of people, which can increase demand for your offer.

Person 2: That's a great point. So, it's not just about finding the right price point, it's also about finding ways to make your offer more accessible to a wider range of people.

Person 1: Yes, that's the key. And by understanding price elasticity and how it affects demand, you can make informed decisions about pricing and find the right balance to maximize your revenue.

Person 1: When it comes to pricing, you need to find the sweet spot on the price elasticity curve. As you increase your price, your profit margins go up, but eventually, the price may exceed the value of your offer, and your close rate will start to go down.

Person 2: So, it's all about finding the ideal price that's at the top of the bell curve?

Person 1: Exactly. You want to find the sweet spot where people can afford your offer and think it's worth the value. And you want to avoid pricing your offer too high, where the price exceeds the value and your close rate starts to go down.

Person 2: That makes sense. So, it's all about finding the right balance between price and value to maximize our revenue.

Person 1: Yes, that's the key. And by understanding the price elasticity curve and how it affects demand, you can make informed decisions about pricing and find the sweet spot to maximize your profit margins and close rate.

Person 2: That's a great point. So, it's not just about finding the ideal price, it's also about making sure that our offer is valuable enough to justify the price.

Person 1: Yes, that's right. And by providing more value, you can increase the perceived value of your offer and justify a higher price point. So, it's all about finding the right balance between price, value, and demand to maximize your revenue.

Person 1: There are two factors that determine the top of the price elasticity curve. The first one is when the price exceeds the value of your offer, and the second one is when too large of a percentage of the market can no longer afford the price you're charging.

Person 2: So, it's all about finding the sweet spot where the price is affordable and justifiable in terms of the value of our offer?

Person 1: Yes, that's right. We want to find the peak of the bell curve where the price is at the sweet spot and people can afford it and think it's worth the value.

Person 2: That makes sense. And financing options can increase the price elasticity because it makes the offer more affordable to a wider range of people, right?

Person 1: Exactly. Financing options can increase the price elasticity because it makes the offer more accessible to people who may not be able to afford it otherwise. And this can increase demand for your offer and push the peak of the bell curve higher.

Person 2: That's a great point. So, it's all about finding ways to make our offer more accessible to a wider range of people without compromising the value of our offer.

Person 1: Yes, that's the key. And by understanding the price elasticity curve and how it affects demand, we can make informed decisions about pricing and financing options to find the sweet spot and maximize our revenue.

Person 1: "I think the key to pricing our services is to make sure that the value exceeds the price. If we price too high, we'll alienate potential clients who would otherwise see the value in what we offer but can't afford it."

Person 2: "I agree. It's important to find a balance between pricing and value so that we can attract and retain clients while remaining profitable. But how do we accommodate clients who can't afford our highest-priced packages?"

Person 1: "That's where downselling and financing come in. By offering downgrades or financing options, we can still serve clients who may not be able to afford our highest-priced packages while maximizing revenue from those who can."

Person 2: "That makes sense. So we want to extract the most amount of money possible from every person we talk to, but we also want to make sure we're not turning away potential clients who can't afford our highest-priced packages. By finding the right balance and offering financing and downgrades, we can serve a wider range of clients while still maximizing revenue."

Person 1: "Exactly. And even for service-based businesses that don't offer financing, the same concept applies. You just have to find the right balance between pricing and value and offer downgrades or different pricing options to accommodate clients who can't afford your highest-priced packages."

Person 2: "Got it. It's all about finding the sweet spot between pricing and value and being flexible enough to accommodate different types of clients."

Person 1: "for example if we're only pitching our \$5,000 a month option, and then if they can't afford it, we downsell to the \$2,000 a month option. We want to maximize how much we make from every lead, whether they can afford a lot or a little."

Person 2: "I see. So it's all about finding the sweet spot between pricing and value, and making sure we're not turning away potential clients who can't afford our highest-priced packages."

Person 1: "Exactly. And we want to make sure we're not leaving money on the table by not charging our highest-paying clients as much as they're willing to pay. But at the same time, we want to be flexible enough to accommodate clients who can't afford our highest-priced packages."

Person 2: "That makes sense. So how do we determine our pricing and test it?"

Person 1: "We'll need to button down our pricing and make sure it aligns with the value we're providing. Once we have that, we can test it and see how it performs. If we're not getting enough leads or our conversion rate is low, we may need to adjust our pricing or downsell options."

Person 2: "Got it. It's all about finding the right balance and being flexible enough to adjust as we go."

Person 1: "Exactly. And by understanding the first principles of why we're making these decisions, we can tweak and test our pricing to maximize our profits while still serving a wide range of clients."

Person 2: "That makes sense. It's all about finding the right balance between pricing and value, and making sure we're not turning away potential clients who can't afford our highest-priced packages."

Person 1: "Exactly. And the key to making this work is to make our offer irresistible. We want to make sure the value to price ratio is high enough so that people see the value in what we're offering and are willing to pay for it."

Person 2: "That's true. People need to see the value in what we're offering and feel like they're getting a good deal, even if they're paying more than they initially budgeted for."

Person 1: "Exactly. And by making our offer irresistible, we can keep increasing our prices while still attracting and retaining clients who see the value in what we're offering."

Person 2: "Got it. So it's all about finding the right balance between pricing, value, and making the offer irresistible. With these elements in place, we can maximize our profits and serve a wide range of clients."

Person 1: "Exactly. And by understanding these principles, we can tweak and test our pricing to find the sweet spot that works for us."

Fixing your offer

Person 1: "Now that we have our pricing strategy in place, it's time to make our offer irresistible and infinitely scalable. We want to make the value of our offer so high that people feel like they have to find a way to pay for it."

Person 2: "That makes sense. We want people to see the value in what we're offering and be willing to pay for it, even if it's a high ticket price."

Person 1: "Exactly. And the key to making this work is to make our offer infinitely scalable. We don't want to get stuck at a certain revenue level. We want to keep growing and expanding."

Person 2: "That's true. And it's important to focus on scalability from the beginning, so we don't run into constraints later on."

Person 1: "Exactly. And to make our offer irresistible, we're going to use Hermo Z's value equation. It's a simple and effective way to craft an offer that provides maximum value."

Person 2: "I haven't heard of that before. What is it?"

Person 1: "It's essentially a formula that helps you determine the value of your offer based on the benefits it provides, the pain it relieves, and the emotional transformation it creates. By using this equation, we can make sure our offer provides maximum value and is irresistible to potential clients."

Person 2: "That sounds really helpful. I'm excited to learn more about it and see how we can apply it to our offer."

Person 1: "Definitely. By using this equation and focusing on scalability, we can create an offer that is not only valuable but also profitable and scalable in the long run."

Here's a dialogue between Person 1 and Person 2 based on the text:

Person 1: "The key to success is not just about closing deals, but about having an offer that people actually want to buy. We need to focus on making our offer great and irresistible to potential clients."

Person 2: "That makes sense. We want to put in the effort to create an offer that truly provides value and makes it easier to sell."

Person 1: "Exactly. By following Hermo Z's value equation and understanding why things are the way they are, we can create an offer that hits all the checkboxes and provides maximum value."

Person 2: "I agree. It's important to not just go through the motions of following the value equation, but to really understand it at a first principles level and objectively evaluate whether our offer hits all the elements."

Person 1: "Yes, and by doing so, we can avoid the pain of trying to close an offer that no one wants to buy. We can save ourselves time and effort by putting in the work upfront to create an offer that is irresistible to potential clients."

Person 2: "That's true. And with a great offer, we can not only increase our revenue but also scale our business to new heights."

Person 1: "Exactly. And in the next video, we'll dive into Hermo Z's value equation and learn how to apply it to our offer to make it truly irresistible."

Hormozi's value equation

Person 1: "Heromo Z's value equation is like Einstein creating $E=mc^2$, but for creating offers. It's a simple and effective way to increase the value of our offer and charge higher prices."

Person 2: "That's true. If we can increase the value of our offer and charge higher prices, we can scale our business and crush our competition."

Person 1: "Exactly. And the key to understanding value is to focus on the dream outcome, the perceived likelihood of achievement, time, delay, effort, and sacrifice."

Person 2: "That sounds like a lot. How do we measure all of that?"

Person 1: "It may seem overwhelming, but it's actually a simple equation. We take the dream outcome, which is what the client wants to achieve, and multiply it by the perceived likelihood of achieving it. Then we divide that by the time, delay, effort, and multiply it by the effort and sacrifice required to achieve it."

Person 2: "I see. So it's all about understanding what the client wants and their perceived likelihood of achieving it, and then factoring in the time, effort, and sacrifice required to achieve it."

Person 1: "Exactly. And by understanding this equation, we can create an offer that provides maximum value and is irresistible to potential clients."

Person 2: "That's really helpful. I can see how we can apply this equation to our offer and make it even better."

Person 1: "The dream outcome is the first variable in Hermo Z's value equation. It's all about understanding how desirable the result is for the client."

Person 2: "That makes sense. It's important to focus on the outcome we're offering and how desirable it is to potential clients."

Person 1: "Exactly. And the more desirable the dream outcome, the more value there is in solving it. For example, losing weight and feeling better is a highly desirable dream outcome for many people."

Person 2: "That's true. And that's why liposuction can charge such a high price for their services, because the dream outcome is worth it to the market."

Person 1: "Exactly. And that's why it's important to focus on the dream outcome and not just the service we provide. We're selling a result, not just what we do."

Person 2: "That's a good point. So what's the second variable in the equation?"

Person 1: "The second variable is the perceived likelihood of achievement. It's all about how much the client believes they can actually achieve the dream outcome."

Person 2: "I see. So it's not just about the outcome, but also about how likely they are to achieve it. That's important to consider when creating our offer."

Person 1: "Exactly. The perceived likelihood of achievement is crucial in determining the value of our offer. If the client doesn't believe that they can achieve the dream outcome, then the offer is essentially worthless."

Person 2: "So how do we increase the perceived likelihood of achievement?"

Person 1: "We need to have a clear and proven process for achieving the dream outcome. We need to provide social proof and testimonials from past clients who have achieved the dream outcome. And we need to provide a sense of confidence and assurance that we can help them achieve the dream outcome."

Person 2: "So the bottom side of the equation is all about time, delay, effort, and sacrifice. The more time, effort, and sacrifice required, the less valuable the offer becomes."

Person 1: "Exactly. People want things with the least amount of time and effort required. That's why done-for-you services are often easier to sell, because you're doing the work for them and they don't have to deal with the effort and sacrifice."

Person 2: "That makes sense. So it's all about finding the right balance between providing value and minimizing the time, effort, and sacrifice required."

Person 1: "Exactly. And the most important variable in this equation is the dream outcome. People are not buying what we sell, they're buying the result we promise. And we can't create market desires, we can only harness them. We need to figure out what dream outcome the market wants and find a way to deliver it."

Person 2: "That's a great point. It's all about understanding what the market desires and delivering it in a way that provides maximum value with minimal time, effort, and sacrifice."

Person 1: "Exactly. we want to know how to apply these variables to our offer and create a high-value proposition that's irresistible to potential clients."

Person 2: "So it's all about going market first and understanding what the market desires. It's not about coming up with a cool idea and trying to sell it to the market."

Person 1: "Exactly. The reason why our last four out of five offers were successful is because we harnessed the desires that were already in the market. We gave the market what they already wanted."

Person 2: "That makes sense. So it's all about understanding what the people in our market want the most and figuring out how to give it to them."

Person 1: "Exactly. People don't care about the service or the product. They care about the result. They're buying an outcome. Whether it's escaping the pain they're in or achieving a desired result, that's what they care about."

Person 2: "So it's all about focusing on the outcome and delivering it in a way that provides maximum value with minimal time, effort, and sacrifice."

Person 1: "Exactly. And that's why the dream outcome is the most important variable in the value equation. It's all about understanding what the market desires and delivering that result in a way that provides maximum value."

Person 2: "That's a great point. So it's all about going market first and harnessing the desires that are already in the market to create a high-value proposition that's irresistible to potential clients."

Person 1: now let's talk about how to apply these concepts to our offer and create a high-converting sales funnel that generates consistent revenue for our business."

Person 2: "So it's all about understanding that people are buying a change in circumstances, not the product or service itself. They're buying an outcome."

Person 1: "Exactly. It doesn't matter if they're a Fortune 500 company or a single mom trying to lose weight. They're both buying a result. And it's important to ask yourself if you're selling the dream outcome that the market wants or if you're trying to force something on the market that they don't actually want."

Person 2: "That's a great point. So it's all about understanding the market's desires and delivering the dream outcome in a way that provides maximum value."

Person 1: "Exactly. And sometimes what we do already delivers the dream outcome, but we're selling the thing rather than the dream outcome. We need to get clear on what we're actually selling and make sure it aligns with what the market desires."

Person 2: "That makes sense. So it's all about selling the solution to the market's problems, not just the product or service itself."

Person 1: "Exactly. And the biggest mistake in marketing is trying to create a market desire rather than harness an existing one. We need to understand what the market wants and deliver it in a way that provides maximum value."

Person 2: "That's a great point. So it's all about understanding the market's desires and delivering the dream outcome in a way that provides maximum value and solves their problems."

Person 1: how do you think we can create a high-value proposition that's irresistible to potential clients and that generates consistent revenue for our business?."

Person 2: "are you saying that the reason why most businesses fail is because they're basing their business off of an idea, not a market desire?"

Person 1: "Exactly. And a good dream outcome is something that people would pay for if it was guaranteed instant success with zero effort and sacrifice. We need to understand how much our market would pay for that result and make sure it aligns with our value proposition."

Person 2: "That makes sense. So it's all about understanding the value of the result we're delivering and making sure it aligns with the market's desires."

Person 1: "Exactly. we'll dive deeper into how to create a high-value proposition that's irresistible to potential clients and generates consistent revenue for our business."

Person 2: "So it's important to figure out what problems in your marketplace have a high level of pain and desired outcomes. Different markets have different problems, and some have a stronger desire for a solution than others."

Person 1: "Exactly. And it's crucial to get this piece right because nothing else matters if people don't actually want the dream outcome or wouldn't pay for it more than the price you're charging. You need to make sure you're harnessing a market desire, not trying to create one."

Person 2: "That makes sense. So it's all about understanding what the market desires and delivering the dream outcome in a way that provides maximum value."

Person 1: "So how to create a high-value proposition that's irresistible to potential clients and generates consistent revenue for our business?"

Person 2: "It's not about selling the thing, it's about selling the dream outcome. If it's not an ROI-based offer or a high level of pain/desire problem, then it's going to be an uphill battle to sell it."

Person 1: "Exactly. And we want to do most of the selling and hard work upfront by creating the offer and choosing the result we deliver, so that when we get on the phone or do our marketing, it's easy because everybody already wants it."

Person 2: "That makes sense. And it's all about finding the starving market, the one who's desperately trying to solve their problem or is willing to trade a dollar for \$2."

Person 1: "Exactly. And that's the number one advantage you could ever get. If you understand the market's desires and become a master of their pains and problems, it's easy to create what they want and speak to their pains and desires."

Person 2: "That's a great point. So it's all about understanding the value of the result we're delivering and making sure it aligns with the market's desires."

Person 1: "Exactly. Now let's dive deeper into how to create a high-value proposition that's irresistible to potential clients and generates consistent revenue for our business."

Person 2: "So the dream outcome is the most important piece of the value equation. It's crucial to make sure your offer hits one of these two boxes and doesn't try to create a market desire that's not there."

Person 1: "And if you are trying to create a market desire that's not there, you need to figure out what your market desires are and how you can appeal to those. The second most vital component is the perceived likelihood of achievement."

Person 2: "That makes sense. So even if you have a million level of excitement for a dream outcome, if the perceived likelihood of achievement is zero, then it's still zero."

Person 1: "Any ideas about how to increase the perceived likelihood of achievement and make sure that your offer delivers on the dream outcome that you're selling?."

Person 2: "It's not just about having a high dream outcome, but also ensuring that people believe they can achieve it by buying our offer. We need to provide a clear path with proof and credibility to back it up."

Person 1: "Exactly. Shopify is a great example of this. They became a multi-billion dollar company by providing a clear path with their print on demand t-shirt campaign. It was a very clear path for people to start a store and exactly what to do."

Person 2: "That makes sense. So it's all about providing a clear path that people can see with their own eyes and have proof and credibility to back it up. Otherwise, they won't trust the bridge to get to their goals on the other side."

Person 1: "Now let's talk about how to provide a clear path with proof and credibility to increase the perceived likelihood of achievement and make sure that your offer delivers on the dream outcome that you're selling."

Person 2: "So customers need to see a clear step-by-step path of how to achieve the dream outcome. They need to feel like there are no missing pieces and that every step is accounted for."

Person 1: "Exactly. If there are holes in the bridge, they won't trust it. That's why at Air you, we've mapped out every single piece of the process, and we have proof and credibility built around it. We've gone through all those things ourselves and helped others scale to millions of dollars a month. That's why our customers believe it works."

Person 2: "That makes sense. So it's all about providing a clear and complete path with proof and credibility to back it up."

Person 1: "It's also important to provide proof and credibility to increase the perceived likelihood of achievement and make sure that your offer delivers on the dream outcome that you're selling."

Person 2: "So it's important to map out a clear step-by-step path to achieving the dream outcome and provide proof and credibility to back it up. This increases the perceived likelihood of achievement and makes customers more likely to buy."

Person 1: "Exactly. And as an expert, it's important to instill certainty in your customers by asking the right questions and coming across as knowledgeable in your field. This adds to the proof and credibility of your offer."

Person 2: "That makes sense. And it's important to not just offer a quick fix solution, but a clear solution that fully fixes the problem."

Person 1: "Exactly. And in the next video, we'll dive deeper into how to conduct the call correctly to instill certainty in your customers and increase the perceived likelihood of achievement to make sure that your offer delivers on the dream outcome that you're selling."

Person 2: "So to increase the perceived likelihood of achievement, it's important to have a clear and repeatable process that people can trust. People want a specialist who has seen their problem a thousand times and knows exactly what to do to get them to their dream outcome."

Person 1: "Exactly. And if we can provide a clear process with proof and credibility to back it up, people will be willing to put in the time, effort and sacrifice to achieve their dream outcome."

Person 2: "That's true. And it's important to make sure that the process is clear to the customer, not just in our own heads."

Person 1: "Exactly. We want to make it as clear as possible for the customer so that they can see the overall path and believe that we can help them achieve their dream outcome. And in the next video, we'll dive deeper into how to make the process clear and provide the necessary proof and credibility to increase the perceived likelihood of achievement and make sure that your offer delivers on the dream outcome that you're selling."

Person 2: "So if you can provide a clear path to achieving the dream outcome and limit the time, effort, and sacrifice required, it will be an easy offer to sell. Getting clients results is the most important part, as it provides the proof and credibility needed to sell the offer."

Person 1: "Exactly. And at Air U, we've been able to sell our offer easily because we have a clear path to getting our clients results and the proof and credibility to back it up. And in the next video, we'll dive deeper into how to provide the necessary proof and credibility to increase the perceived likelihood of achievement and make sure that your offer delivers on the dream outcome that you're selling."

Person 2: "So at Air U, we've been able to sell our offer easily because we have a clear path to getting our clients results and the proof and credibility to back it up. We've been through all the ups and downs and know that if you focus on the core things and implement the tactical stuff, you'll crush it."

Person 1: "Exactly. And it's important to journal on these two most important pieces - providing a clear path to achieving the dream outcome and limiting the time, effort, and sacrifice required."

And in the next video, we'll dive deeper into how to tweak our offer to make sure that we're hitting every single point of the value equation and making sure that our offer is scalable."

Irresistible offer checklist

Person 1: "What's the first thing on the offer checklist?"

Person 2: "Having a clear path and methodology for getting people results."

Person 1: "Why is it important for all questions to be answered in the head of the prospect?"

Person 2: "So they feel like the piece you're helping them with is everything they need to get the result."

Person 1: "What should you do if there are missing pieces in the bridge?"

Person 2: "You need to be able to answer every single one of them."

Person 1: "Do you have to do everything for your ideal avatar?"

Person 2: "No, you can specialize in one area as long as there's a clear path and methodology to getting the result."

Person 1: "What should you do next?"

Person 2: "Pause the video and make sure you can answer every single question your ideal avatar might have about your offer. In the next video, we'll dive deeper into the next step of the offer checklist to make sure your offer is irresistible."

Person 1: "What questions do they have about how the split testing works?"

Person 2: "They might ask how the process for split testing works and if you just randomly test stuff."

Person 1: "What do you need to give them?"

Person 2: "A clear process and methodology for how you do split testing."

Person 1: "How can you do this?"

Person 2: "Map out a clear path for how you do it, such as doing two split tests once a week and following a specific process."

Person 1: "Why is it important to have a clear path for getting people results?"

Person 2: "The clearer the path is, the more people will believe it and the more likely they are to get the desired result."

Person 1: "What's the next thing on the offer checklist?"

Person 2: "Adding in bonuses that handle the biggest objections."

Person 1: "How do you come up with bonuses?"

Person 2: "Write out all the biggest objections people have about your method after explaining it to them, and then write out ideal bonuses that would make the offer irresistible, even if you don't know how to fulfill them yet."

Person 1: "What should you do after making a list of ideal bonuses?"

Person 2: "Brainstorm how you could create each bonus, not just if you can create it."

Person 1: "What questions should you ask yourself while brainstorming?"

Person 2: "Ask yourself who you know who can help fulfill the bonus, or if you can find someone in Facebook groups who can fulfill it."

Person 1: "How can you fulfill a bonus if you don't have the expertise?"

Person 2: "You can find someone who does have the expertise and make a deal with them to fulfill the bonus for your clients. This is a win-win situation where the expert gets free traffic and your clients get a valuable bonus."

Person 1: "What should you do after brainstorming how to fulfill each bonus?"

Person 2: "Pick the best four to five bonuses that you can fulfill and that handle people's objections. These should be the bonuses that are most likely to push people over the edge who are on the fence about buying your offer."

Person 1: "What should you do once you have the method and the bonuses figured out?"

Person 2: "Commit to creating three to five bonuses and figure out how to get them done as quickly as possible. Don't let it slip through the cracks and don't take two months to get it done. Find unique ways of delivering the bonuses and partner with someone if needed."

Person 1: Hey, have you ever thought about creating an offer that's more "done for you" for our customers?

Person 2: What do you mean by that?

Person 1: Identifying all the steps that a customer would need to take in order to achieve results through our process, and then brainstorming ways to make each step as close to "done for you" as possible while still being scalable.

Person 2: That sounds interesting. Can you give me an example?

Person 1: Sure, for instance, if one of the steps involves creating a funnel, we can't create a custom funnel for every single customer, but we could provide them with funnel templates for their copy and everything they need to write, which would make it almost "done for you" and they just need to plug in some of their unique stuff.

Person 2: I see. What about other steps that are more complex?

Person 1: We could also provide them with a pool of video editors for instance, that they can interview and hire for part of their project. That way, we're not doing the video editing ourselves, but it still feels more "done for you" on their part and simplifies the process for them.

Person 2: That's a great idea. It sounds like it would make the process easier for our customers and increase the likelihood of achieving results.

Person 1: Exactly. And the less time, effort and sacrifice they feel like it's going to take, the more likely they are to commit to our process and stick with it until they achieve their desired results.

Person 1: Have you considered making our services more scalable?

Person 2: What do you mean by that?

Person 1: Well, we need to list out all the deliverables in our offer that aren't scalable and replace them with scalable alternatives. For example, if we're doing one-on-one coaching, we should consider switching to group coaching as it's more scalable and offers many advantages.

Person 2: I see. But won't people find group coaching less valuable than one-on-one coaching?

Person 1: Not necessarily. Many successful coaches do group coaching and charge high-ticket prices for it. People can actually get better results learning from the collective of the group, and it's more efficient for us to do it that way.

Person 2: That makes sense. What about other aspects of our offer that aren't scalable?

Person 1: We need to list out everything that requires our time and is custom for each client. For example, if we're custom building a funnel for each client, we should create a scalable funnel template that can be used for all clients.

Person 2: That's a good idea. So we need to brainstorm scalable solutions for each of these aspects to make our services more scalable and efficient.

Person 1: Exactly. This will help us avoid breaking our offer when we scale to a million a month, and it will also provide more value to our clients as they'll have more time and resources to focus on other aspects of their business.

Person 1: How can we make our coaching services more scalable?

Person 2: If we have done-for-you aspects, we can remove the parts that are completely custom for each individual and make it cookie-cutter for everyone.

Person 1: What do you mean by cookie-cutter?

Person 2: We'll create scalable, done-for-you aspects that are templates or one-time work that we don't have to do every single time. We'll remove custom work that's too difficult to scale and usually not what clients are paying for.

Person 1: So we'll still offer done-for-you aspects, but they'll be more scalable?

Person 2: Yes, that's the idea. We want to provide scalable solutions that can be used for all clients, without having to do custom work for each one.

Person 1: How do we figure out what aspects can be made more scalable?

Person 2: We need to brainstorm and solve problems. As humans, we're good at finding solutions if we spend enough time thinking about it. We need to identify what parts of our coaching services are custom and figure out how to make them more scalable.

Person 1: How do we know if removing certain aspects of our offer will kill the sale?

Person 2: We need to ensure that the top part of our offer is strong enough. If removing one piece lowers the effort and sacrifice or time delay, but kills the sale completely, it means we didn't do the first two parts of our offer right.

Person 2: What are the first two parts of our offer?

Person 1: The top part of our offer is the dream outcome that clients are buying. The second part is the perceived likelihood of achieving that outcome. We need to make sure these two parts are strong enough before we start making our offer more scalable.

Person 2: So making our offer more scalable is still important, but we need to make sure it doesn't kill the sale?

Person 1: Yes, we want to decrease effort and sacrifice as much as possible, but we also need to ensure that removing certain aspects won't kill the sale. We can still make our offer more scalable while providing high-level service and achieving the dream outcome for our clients. We just need to restructure our offer in a way that still feels "done for you" and delivers the value clients are paying for.

Person 2: What's the importance of having a strong guarantee in our offer?

Person 1: A strong guarantee can help sell our services dramatically. It's easy for clients to believe in the dream outcome and perceived likelihood of achieving it if we have a strong guarantee in place.

Person 2: How do we create a strong guarantee?

Person 1: We need to make it results-based, meaning it's tied to the outcome that clients are paying for. We should also make it ridiculously strong, which means it should be risk-free for clients and offer a significant level of protection.

Person 2: Can you give an example of a strong results-based guarantee?

Person 1: Sure, for example, we could offer a "double your money back" guarantee if clients don't achieve the desired outcome within a specific timeframe. This shows that we're confident in our services and are willing to put our money where our mouth is.

Person 2: That sounds like a strong guarantee. What other benefits does it offer?

Person 1: It can also reduce the perceived risk for clients and increase their trust in us. They'll feel more comfortable investing in our services knowing that they have a safety net and won't lose money if they don't achieve the desired outcome. This can also lead to more referrals and repeat business.

Person 2: What are the benefits of having a strong guarantee?

Person 1: A strong guarantee can increase clients' trust in us and reduce their perceived risk, which can lead to more sales and referrals. It also shows that we're confident in our services and are willing to take on the risk. However, it's important to have great fulfillment to back up the guarantee.

Person 2: Can you give an example of a results-based conditional guarantee?

Person 1: Sure, it could be something like "if you follow our process and don't achieve your desired result within a certain timeframe, we'll give you double your money back or work with

you for free until you do achieve your desired result." The guarantee should be tied to the outcome that clients are paying for and should be easy to understand and follow.

Person 2: How can we make our guarantee more powerful and irresistible to clients?

Person 1: We need to get creative and make the worst-case scenario better than clients' current circumstance. For example, if our guarantee is tied to achieving a desired outcome, we could offer to work with clients for free until they achieve that outcome or offer a double money-back guarantee. The goal is to make clients feel like they have nothing to lose and everything to gain by investing in our services.

Person 2: Can you give an example of how this could work?

Person 1: Sure, let's say our coaching service costs \$100,000. We could offer a guarantee that if clients follow our process and don't achieve their desired outcome within a certain timeframe, we'll give them double their money back or work with them for free until they do achieve their desired outcome. This makes the worst-case scenario better than their current circumstance because they'll either get their money back or get the desired outcome. It's a win-win situation for them.

Person 2: How can we manufacture urgency in our offer?

Person 1: We can give people a shorter timeframe to make a decision, which can increase their likelihood of buying. Urgency and scarcity sells because human beings are innately procrastinators and want to delay taking action. We can use urgency in our copywriting and marketing to create a sense of urgency and make clients feel like they need to act now to avoid missing out on a great opportunity.

Person 2: Can you give an example of how to use urgency in our marketing?

Person 1: Sure, we could offer a limited-time discount or bonus for clients who sign up within a specific timeframe. We could also emphasize the consequences of not taking action now, such as missing out on our services or the desired outcome. Another way to create urgency is to limit the number of spots available or open enrollment periods for our services. The key is to create a sense of urgency without being pushy or manipulative.

Person 2: How can we help clients overcome their tendency to procrastinate and delay taking action?

Person 1: We can create a sense of urgency by emphasizing the consequences of not taking action now, such as missing out on our services or the desired outcome. We can also offer limited-time discounts or bonuses and limit the number of spots available or open enrollment periods for our services. The key is to make the discomfort of not moving forward more painful than the discomfort of making the uncomfortable decision to take action.

Person 2: How can we make sure we're not being pushy or manipulative in our use of urgency?

Person 1: We need to be genuine and honest in our approach and focus on the benefits of taking action now rather than the consequences of not taking action. We should also provide value and show clients how our services can help them achieve their desired outcome. It's important to create urgency without resorting to false scarcity or manipulation tactics.

Person 2: Can you give an example of how to add urgency to our offer by creating a consequence for not taking action?

Person 1: Sure, we can create a consequence, such as a price increase or the offer going away, for not making a decision on the call. The consequence needs to be painful enough to motivate clients to take action. We also need to provide a reason for the consequence, such as a scholarship or limited availability. The key is to make the consequence and reason genuine and aligned with what we want to happen, without resorting to manipulation or false scarcity.

Person 2: How can we create scarcity in our offer?

Person 1: We can create scarcity by limiting the quantity of our offer or making it available for a limited time. For example, we could limit the number of spots available for our service or offer a limited-time enrollment period. We can also emphasize the rarity or uniqueness of our offer to increase its perceived value. The key is to make sure the scarcity is genuine and not artificially created.

Person 2: How can we turn our disadvantages into advantages by using scarcity?

Person 1: We can set a constraint on the number of packages or spots available for our service, which turns our limited supply into an advantage. For example, if we only sell a few packages a month, we can set a finite number of packages for that month and create scarcity. As we start to sell more, we can raise the scarcity amount. The key is to make sure the scarcity is genuine and aligned with our goals and value proposition. This can increase the urgency of clients to make a decision and also increase the perceived value of our offer.

Person 2: How can we make sure the scarcity and urgency are genuine?

Person 1: We can make the consequences and reasons for urgency and scarcity genuine and aligned with our goals and value proposition. For example, we can create a punishment for not buying on the first call or emphasize the rarity or uniqueness of our offer to increase its perceived value.

Person 2: How can having a monopoly on our offer help us?

Person 1: Having a monopoly on our offer means we can control supply and price, which gives us an advantage over businesses that sell commodities. We can emphasize our unique value

proposition and create an offer that is not easily replicated by competitors to stand out in the market.

Person 2: How do we determine the scarcity amount?

Person 1: We can set a goal for the month, increase it by 50%, then divide it by the cost of our service to determine the number of spots available. We can then count down the number of spots available on calls to create a sense of urgency.

Person 2: Why is it important to combine these tactics?

Person 1: Combining tactics like urgency, scarcity, a strong guarantee, bonuses that handle objections, and a clear path to results creates an exponential effect that makes our offer really powerful. It's what Charlie Munger calls the Lollapalooza effect - the combination of cognitive biases that create an exponential effect.

Person 2: Why is it important to have an easy-to-sell offer?

Person 1: Having an easy-to-sell offer makes our lives as business owners easier. It makes setting, closing, advertising, and hiring easier and less stressful. It allows us to go with the flow of the market and give them exactly what they want, which leads to higher leverage and less uphill fighting.

Person 2: How can we create an irresistible offer?

Person 1: We shouldn't skimp on the process of creating an offer. We should aim to perfect it and spend time going through a checklist to make it irresistible. We should also spend time figuring out how to deliver on our promises and make our offer feel "done for you." This includes adding bonuses that handle objections and creating a clear path to results.

Person 2: Why is it important to create an irresistible offer?

Person 1: Creating an irresistible offer is vital because it makes it easier to sell, set, close, advertise, and hire. It also prevents problems down the line and allows us to be geniuses who prevent problems instead of just solving them. We want to create an offer that people feel stupid saying no to, and that's why it's important to take the time to perfect it and get it right.

Picking your ideal price point

Person 2: What do we need to do before determining our price point?

Person 1: We need to have an irresistible and scalable offer with urgency and scarcity. We should feel confident that our offer provides high-perceived value and the least amount of time, effort, and sacrifice needed to achieve the desired result.

Person 2: How do we determine our ideal price point?

Person 1: We should consider the value we provide and market demand. We can research competitors' pricing and adjust accordingly. We should also consider our target audience's willingness to pay. We need to find a balance between pricing too high or too low, and we can test and adjust as necessary to find the sweet spot.

Person 2: How do we find our ideal price point?

Person 1: Pick a starting price point slightly outside of your comfort zone and get used to it. Then, test big increases until you find the top of the bell curve. It's better to take bigger jumps you feel comfortable with. You can always go down if needed

Person 2: What are some recommended starting price points?

Person 1: For an ROI-based offer, we recommend starting at \$9,800. For a package or a "done for you" offer, \$9,000 is a good starting point. It's important to remember that we can always downsell and that our goal is to find the top of the bell curve and rig the math to maximize our revenue while not pricing out potential customers who can't afford higher prices.

Person 2: What is a recommended starting price point for high paying desire-based offers?

Person 1: We recommend starting at \$5,800 to test the waters. With these types of offers, you can keep raising the price in comparison to the value you deliver. However, you may reach a limit quicker than with ROI-based offers.

Person 2: How do we determine pricing for a retainer-based offer?

Person 1: For a retainer-based offer, we recommend starting at \$3,000 to \$5,000 per month for the core offer. If you're more experienced and can justify higher prices based on results, you can charge upwards of \$10,000 to \$25,000 per month. It's important to remember that these prices are reasonable for business owners and that we should always aim to raise our prices and get uncomfortable.

Person 2: How do we downsell from a higher retainer-based offer?

Person 1: We recommend starting the core offer at \$3,000 to \$5,000 per month and having the ability to downsell to as low as \$1,000 per month for smaller business owners or those who can't afford the higher price point. It's important to be able to downsell to any client budget, but only to lower price points because they can't afford the higher price, not because they don't see the value.

Person 2: Why is downselling important in pricing strategies?

Person 1: Downselling is important because it allows you to sell to potential clients who may not be able to afford your initial price point.

Person 2: What is a recommended starting price point for an ROI-based offer?

Person 1: A recommended starting price point for an ROI-based offer is \$9,800, which is a solid testing price point and comes out to around \$250 per month.

Person 2: What is a recommended starting price point for a non-ROI-based offer?

Person 1: A recommended starting price point for a non-ROI-based offer is \$50 to \$100, which is a good starting point for offers that solve a pain or desire within a marketplace.

Person 2: How can a business determine a down sell price?

Person 1: To determine a down sell price, a business should figure out how they can tweak their offer slightly to downsell to as low as 50% of the initial price or even lower in some cases. This could include offering a shorter package or taking out some of the bonuses.

Person 2: Why is it important to stick firm to the initial price point?

Person 1: It's important to stick firm to the initial price point because it shows that you value your offer and the results you can deliver. However, if a potential client genuinely can't afford the initial price point, you can downsell to whatever their budget is.

Person 2: What is the key to being flexible in downselling?

Person 1: The key to being flexible in downselling is to figure out what your down sell options are so that you can downsell to whatever the potential client's budget is. This could include offering a shorter package, taking out some of the bonuses, or even offering a discount and allowing them to pay the rest later when they get results.

Person 2: Can you explain how downselling works if a potential client can't afford the initial price point?

Person 1: If a potential client genuinely can't afford the initial price point, you're not going to downsell them to a lower price point that you have pre-determined. Instead, you're going to find out how much they can afford and downsell to that budget. For example, if your program costs \$30,000 and a potential client can only afford \$25,000, you would downsell to that price point and make slight changes to the offer. It's important to get clear on your main price point and downsell options before getting on a call with a potential client so that you know exactly what to downsell them to and at what price point to present it.

Person 2: How do you determine the main price point and downsell options?

Person 1: You need to figure out what price point makes you feel uncomfortable but is still justifiable based on the results you can deliver. For ROI-based offers, a recommended starting price point is \$9,800, while non-ROI-based offers can start at \$50 to \$100. To determine downsell options, figure out how you can tweak your offer slightly to downsell to as low as 50% of the initial price or even lower in some cases. The key is to be flexible and figure out what your downsell options are so that you can downsell to whatever the potential client's budget is.

Person 2: Is downselling done upfront or only if a potential client can't afford the initial price point?

Person 1: Downselling is not done upfront. You're not going to assume that a potential client can't afford the initial price point and immediately downsell them. Instead, you present the main price point, and only downsell if a potential client genuinely can't afford it. If someone can't afford the initial price point, you should find out how much they can afford, and then downsell to that budget. It's important to be clear on both your main price point and downsell options beforehand so that you know exactly what to present and at what price point.

Person 2: Can you explain why having higher prices can lead to a higher close rate when downselling?

Person 1: Yes, when we have higher prices, we can close more deals at the initial price point because when we do downsell, the potential client perceives it as a good deal. For example, if we downsell from \$30,000 to \$25,000, the potential client may think that they are getting a great deal because they are getting a 50% discount and still receiving the same coaching or service. By having the ability to downsell, we're not losing out on potential clients who can't afford the initial price point. Instead, we're giving them an opportunity to purchase at a lower price point, which they perceive as a better deal.

Person 2: Can you explain the benefit of having a downsell option if a potential client doesn't get approved for the full amount?

Person 1: Yes, if a potential client doesn't get approved for the full amount, having a downsell option allows you to still close the deal. For example, if a potential client agrees to purchase at \$10,000 but can only get approved for \$8,000, you can downsell to \$8,000 and make slight changes to the offer, such as reducing the coaching period or bonuses. By having a clear downsell process, you can ensure that you don't lose out on potential clients who can't get approved for the full amount.

Person 2: What is the importance of offering a no commitment, no contract option and a discount for the first few months?

Person 1: Offering a no commitment, no contract option and a discount for the first few months can help you close more deals because potential clients feel less pressure to commit and can try out your service or coaching without feeling locked in. By offering a discount, you're giving them an incentive to purchase from you instead of going with another agency.

Person 2: How do you make the downsell process easy to implement?

Person 1: Make slight changes to your offer and have a clear downsell process in place, so potential clients can easily purchase at a lower price point. It's important not to make it a crazy custom thing.

Person 2: How can having a clear downsell process help you maximize revenue from existing leads?

Person 2: By having a clear downsell process, you can extract the maximum amount possible from a lead based on their budget. This can help you collect more from the leads you currently have rather than trying to spend more on ads to get more people through the door. You want to make the most possible from each lead, rather than just wasting leads trying to find the people who can pay in full.

Person 2: Why is it important to have clarity on your prices and downsell flow?

Person 1: It's important to have clarity on your prices, commit to them, and know your downsell flow so that you can maximize revenue from each lead based on their budget. Without clarity on your prices and downsell flow, it can be difficult to downsell and you may miss out on potential revenue.