

# CHAPTER 1

## HOW TO DIFFERENTIATE STRATEGY FROM TACTICS?




Use this 3-part framework to differentiate strategy from tactics:

 *Business Goal* by  *Strategy* →  *Tactics*

Three examples:

 Increase revenue by 20% by  Expanding product line →   
Develop and launch 3 new online courses

 Increase social media followers by 25% by  Influencer marketing  
→  Collaborating with 5 prominent influencers for sponsored  
content

 Improve website conversion rate by 15% by  Optimizing user  
experience →  Simplifying the checkout process and improving site  
speed

## CHAPTER 2

# THE 3 PILLARS TO BEAT CHURN AND INCREASE USER RETENTION: UTILITY, SATISFACTION AND COMMUNICATION

Got churn issues?

That sucks.

Here's the simple 3-step framework I use with my clients to troubleshoot churn.

The 3 components of churn (and by extension, user retention) are:

1. Your product's relevant value exceeds price paid
2. Net positive user experience with your product and company
3. You communicate continued relevant value

### **YOUR PRODUCT'S RELEVANT VALUE EXCEEDS PRICE PAID**

Of the 3 framework components, this has the highest influence on whether a customer sticks with you.

I'll break this component up into its constituent pieces for maximum clarity.

The question you need to ask yourself is:

- In the eyes of your buyer

- ...does your product solve problems (or create benefits) to the extent
- ...that the total perceived value they believe they are getting from your product
- ...is at least equal to the price they paid?

If the answer is no, they'll churn.

In other words, the price they're paying exceeds the total value they're getting back in the form of problems solved or benefits created.

It's important to look at this from the perspective of your buyer, and not how much value YOU think your product provides.

Your opinion of how much value you *think* your creation provides is irrelevant to your users and buyers. It's common for many founders to see their product through rose-tinted lenses, so beware.

## **NET POSITIVE USER EXPERIENCE WITH YOUR PRODUCT AND COMPANY**

User satisfaction is the aggregate of your customer's current and past experiences with your company and product.

On the company side, this could be their experience with customer support (rude reps?), the contract (hidden fees?) or delivery (damaged goods?)

On the product side, this could be a difficult, unintuitive interface, frequent crashes or downtime.

Keep in mind that overall positive user satisfaction isn't just that positive experiences outnumbered negative experiences.

More important is to understand that different individual negative / positive experiences will carry different weights.

For example, a single instance of a data breach will outweigh (in fact, erase) the goodwill generated from multiple instances of fast, empathetic customer support service.

The ultimate question to ask here is: do your buyer's accumulated positive experiences exceed their accumulated negative experiences?

## COMMUNICATING CONTINUED RELEVANT VALUE

This is the act of communicating your continued relevant value to your buyer.

The macro-environment (technology, economics, law, society, etc) evolve and customer preferences change as a result.

As you adapt your product by building capabilities that answer the challenges and opportunities of today and the near future, do you make sure to TELL your customers about these new features (and their benefits)?

This is a trap many product-centric founders fall into.

They myopically focus on their widget while forgetting to communicate the value of their widget to their customers and the market.

Make sure you're not just building a product that offers relevant value to your buyers - you must also tell them that you now offer this new relevant value.

If not, you might end up in a situation where a competitor builds features that offer the same (or similar) relevant value but tells the market (including YOUR customers) before you do.

This is an easy mistake to avoid. Make sure you tell your buyers and your market what new relevant value you've created for them. In the first case, you keep your current customers, and in the second, you potentially bring on new ones.

## SUMMARY

- **Product Utility:** in the eyes of your buyer, does your product offer them total relevant value (in form of problems solved or benefits created) such that it exceeds the price they pay?

- **User Satisfaction:** do their accumulated positive experiences (with your company and product) outweigh their accumulated negative experiences?
- **Communication:** are you effectively telling your buyers about new features that offer them relevant value?

## CHAPTER 3

# AN EASY WAY TO CHOOSE NEW BUYER SEGMENTS: THE WIDE- DEEP FRAMEWORK

"I've just been hired as Global Head of Marketing and I have no idea which buyer segments to pick!" she told me in a semi-panicked state.

From Toronto, I spoke to my client in Asia.

She had just been brought onboard by a healthcare software startup to expand into several new markets across Asia, North America and South America.

She didn't need to tell me she was scared - I could already tell from her eyes and tone of voice.

My client had worked in large corporates her entire career, with all the support and infrastructure that multinationals provided their employees.

So this was an unfamiliar experience for her. This was the first time she had been tasked with leading a Go-to-Market (not to mention, several at the same time) all by herself without backup.

"Relax," I said. "Let's make this decision-making easy for you by boiling it down to the fundamentals. There are two ways to pick your buyer segments: you can go wide or go deep."

## **PICK BUYER SEGMENTS BY GOING WIDE VERSUS GOING DEEP**

Going deep is:

- Pursuing more customers within the current segment(s) you're selling to; and /or
- Increasing the frequency of their purchases; and /or
- Increasing their average transaction value

For example, think of Netflix converting more and more cable TV viewers to their service.

Or how Apple increased the Average Lifetime Value of its existing core customers by selling them new products such as iCloud, Apple Music and Apple TV+.

On the other hand, going wide is pursuing customer segments you are not yet selling to.

An example of going wide is Zoom. The company originally targeted the corporate market but expanded to also serve individuals and small businesses when covid skyrocketed demand for reliable and robust video conferencing services.

## **HOW TO DECIDE BETWEEN GOING WIDE VERSUS DEEP?**

Go deep when you still have untapped opportunity in a customer segment.

Why?

Simple.

Because at a minimum, you've already developed:

- Marketing and sales messaging that resonates with that audience
- Customer relationships that you can turn into referrals
- Awareness of your brand in that market

In my client's case this meant going after more of the same (or similar) private medium-sized to large medical groups in her country because this particular segment still had plenty of untapped opportunities.

In sales parlance, there was plenty of white space to grow within the segment.

In many cases, it's easier to go deep than wide exactly because of the immediate 3 reasons above.

On the other hand, go wide when all your current customer segments are tapped out in terms of growth potential, or when you want to diversify your customer base.

In Singapore, compared to the number of private medium-sized to large medical clinics, there are only a handful of government-owned healthcare groups.

Most of the healthcare institutions within these government-owned groups are already using solutions so there are much fewer white space opportunities.

Rather than pursuing this particular customer segment that is potentially lucrative, but already saturated by well-entrenched competitors, my client would be better off going after different segments.

In her case, she decided to go wide by instead pursuing medical schools in Singapore.

Finally, can you go wide and deep at the same time?

Yes you can, assuming your team has the capacity and/or inclination to do so.

## **WHAT ABOUT THE SAME USER SEGMENTS BUT IN A DIFFERENT COUNTRY?**

Since my client was responsible for expanding into several new markets within Asia Pacific and the Americas, would going after more of the same customer segments in overseas markets be considered going deep or wide?

I consider it going wide for these 2 main reasons:



- In most cases, you will be building up awareness of your brand from scratch (unless you're a global brand or a recognized regional brand from a nearby country)
- Marketing and sales messaging may need to be adjusted for the specific localized needs of your target audience even though it's the same general category of customer. For example, mid-sized law firms from common law systems vs mid-sized law firms from civil law systems have very different needs

Will you choose to go deep, or go wide?

# CHAPTER 4

## SIX WAYS TO PIVOT YOUR BUSINESS BY UPDATING PRODUCTS AND MARKETS YOU SELL TO

Is your business stuck? Here are 6 ways to pivot your business using real-life examples:

### NEW MARKET + SAME PRODUCT

- **Arm & Hammer baking soda:** Repositioned the exact same product from a cooking ingredient to a versatile, natural cleaning agent and deodorizer

### SAME MARKET + NEW PRODUCT

- **Nestle:** Added to its offerings in the coffee portfolio with the Nespresso machine and capsules, joining their existing Nescafe and Dolce Gusto coffee mixes

### NEW MARKET + NEW PRODUCT

- **Facebook / Meta:** Bought VR hardware company Oculus in 2014 and has since introduced products such as the Quest 2, Quest Pro, Ray-Ban Stories smart glasses and Horizon Worlds

## ENHANCE AN EXISTING PRODUCT + NEW MARKET

- **LEGO:** Enhanced the classic "analog" LEGO building blocks experience by adding in a programmable robotics component with the Mindstorms brand. One of Mindstorms' core markets are institutions offering STEM (Science, Technology, Engineering, and Mathematics) education.

## BETTER PRODUCT (COMPETE ON THE SAME METRICS) + SAME MARKET

- **Apple iPhone:** On the hardware (not software) front, the iPhone has more or less competed year after year with other phone makers on the same broad metrics (CPU speed, camera quality, battery life and storage capacity)

## DIFFERENTIATED PRODUCT (COMPETE ON DIFFERENT METRICS) + SAME MARKET

- **Bose:** Took the technology in their over-ear noise cancelling headphone (QuietComfort 35) and changed the metrics it was originally judged upon by adapting it to an earbud format with the QuietComfort Earbuds while staying in the same wireless noise-cancelling headphone market.

## SUMMARY

Six ways to pivot your product and the markets to which you sell to:

1. New market + Same product
2. Same market + New product
3. New market + New product
4. Enhance existing product + New market
5. Better product (compete on the same metrics) + Same market
6. Differentiated product (compete on different metrics) + Same market

## CHAPTER 5

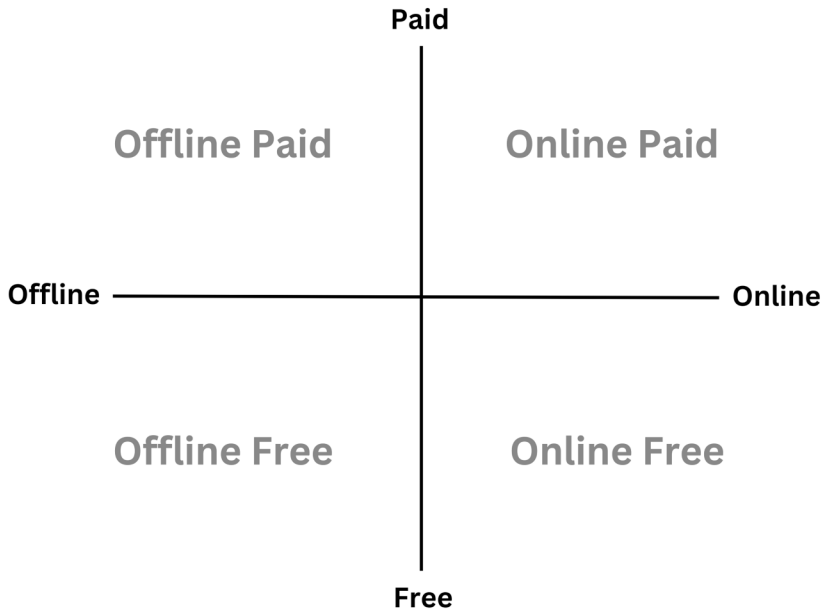
# A GUIDE TO CAPTURING YOUR TARGET MARKET'S ATTENTION WITH THE MARKETING QUADRANT

"What's the best way to get people interested in and buying our product? We don't even know where to find them."

This is a question I often get asked by early-stage startup founders I work with.

Here's the framework I use to help them make a decision:

1. At the highest level, all marketing is split into **online vs offline** and **paid vs free**
2. There are four possible combinations of the above (with examples):
  - **Online and Free:** Posting on LinkedIn, X/Twitter, Instagram. Also blogs, etc
  - **Online and Paid:** Buying paid ads on Google, YouTube, Facebook, etc
  - **Offline and Free:** Word-of-mouth, loyalty programs, partnerships
  - **Offline and Paid:** Snail mail (yes, this still works), industry events, billboards, transit ads, etc



### **PICK ONE OR TWO OF THE FOUR METHODS FROM THE QUADRANT TO START**

You want to focus on the mediums where your target market's decision makers spend their time. For example if you sell:

- Human resources management systems (HRMS) to early-stage B2C startups, then focus on free content marketing on LinkedIn paired with paid ads on LinkedIn or Instagram.
- Legal research software to the more conservative, insular and slower moving legal industry (say, mid-sized regional law firms), then focus on attending industry conferences and buying ads in the relevant industry trade publications.

### **ADD ADDITIONAL MARKETING METHODS TO THE QUADRANT AS YOU MASTER YOUR CURRENT METHODS**

The ideal "end" situation is to have at least one method in each of the four quadrants. There are two reasons for this:

- **Diversification:** You spread risk across several marketing mediums. One of my mentors recalled the story of his client's \$30 million health supplement business being destroyed when Amazon shut their account down. It was their only source of distribution. Bad idea.
- **Omnipresence:** Be in all of the same places where your target market's decision makers spend their time and attention.

## **CHAPTER 6**

# **A TALE OF TURNAROUND: HOW CONGRUENT ADVERTISING TRANSFORMED AN AD AGENCY'S FORTUNES BY SHOWING, RATHER THAN JUST TELLING**

You're leaving easy money on the table if you fail to show your prospects how you're Capable, Competent and Congruent for their needs.

Not too long ago I spoke to a business owner who was pulling low 5 figures in revenue each month but wanted more.

He sold "done-for-you" TikTok ad packages to small-scale gym owners and got his leads via Facebook ads.

I checked the copy of his Facebook ads and it was good. And the data supported this as just over 50% of prospects booked a discovery call after clicking the ad.

After that, about 40% of these prospects would become paid clients.

### **BUT THERE WAS STILL ROOM FOR IMPROVEMENT**

And that was because he failed to show capability and competence that was congruent with his offer.

Huh?

You see, he ran static text and picture ads while trying to sell his target market on done-for-you video ads.

Wouldn't it be a far better idea to demonstrate his capability and competence in the first place by replacing the static picture with a video ad?

That would show his agency had the capability and competence to do so, in a format congruent with his offer.

- **Capability** = You can do it
- **Competence** = You can do it well
- **Congruent** = You can SHOW (rather than merely assert) you can do it

Capability is binary: either you can do it or not. Like a light switch that flips on or off.

Competence, on the other hand, is measured in degrees. Once you're capable, you're either more competent or less competent on a sliding scale.

And congruence? Well, it's showing indisputable proof you can do it.

Specifically, just because you possess the capability doesn't mean the prospect knows.

Even if you explicitly tell the prospect, that doesn't mean they'll believe you. At that point, they're still merely words.

## **YOU HAVE TO SHOW YOUR CAPABILITY AND COMPETENCE - AND THAT'S WHERE CONGRUENCE COMES IN**

In the case of this agency owner I talked to, this meant replacing his static ad images with video.

In other words, communicating to his prospects in the same format that he proposed to help them grow.



Not only that, but creating a video that would:

- Grab a prospect's attention amongst all the other attention-grabbing clickable content on their Facebook feed
- Deliver a relevant and irresistible offer
- Feature on-camera testimonials from his existing clients for social proof and further demonstration of capability
- Finish by delivering a clear, direct and strong Call-to-Action

So what about you?

How much money are you leaving on the table by failing to show your prospects that you're Capable, Competent and Congruent for their needs?

## CHAPTER 7

# ARE YOU MEETING YOUR PROSPECTS WHERE THEY ARE? UNPACKING THE 5 STAGES OF BUYER AWARENESS

Not all prospects are the same.

Some will need more time and education to move through your sales and marketing funnel before they buy.

Use the Five Stages of Awareness framework to:

- Meet your prospects at their current mind space
- Make them increasingly aware of available solutions
- Box out the competition
- Persuade them to pay you (rather than someone else)

Here's how you can use this model to get more prospects buying from you. We'll use the example of a new water purification device to illustrate:

### STEP 1: PROBLEM UNAWARE

All prospects start here. In this stage, they have no idea they even have a problem - and thus they obviously have no idea about the different possible solutions on the market (including yours). The objective here is to make the prospect aware they have a problem that needs resolving.

**Example:** As a water purification firm, you need to educate prospects in this stage about the importance of clean drinking water. To do so, you may talk about the prevalence of water contamination or its harmful effects on health. The exact medium (social media, blogs, podcasts or paid ads) depends on where your prospects spend their attention and time.

## **STEP 2: PROBLEM AWARE**

They now know they have a problem, but are still not yet aware that solutions exist (and what those solutions are).

**Example:** Here you introduce water purifiers (not necessarily yours) as a solution. To do so, you can use statistics and research studies on how water purifiers can make contaminated water drinkable. The objective is to establish the need for a water purifier.

## **STEP 3: SOLUTION AWARE**

They're aware that there are different relevant solutions on the market that can resolve their problem.

**Example:** Water purifiers have been established in the mind of the prospect as a viable solution to contaminated water. Now you want to position YOUR product as the solution. To do so, emphasize (for example) the effectiveness of your purifier's filter, ease of use or longevity.

## **STEP 4: PRODUCT AWARE**

Aware of your solution but they don't yet want it.

**Example:** They're aware of your product (as well as competing solutions) but they haven't decided to go with you yet. In this stage, you may want to use testimonials, compare your solution with alternatives to demonstrate superiority or offer a free trial to push them to your side over your competitors.

## **STEP 5: MOST AWARE**

They've decided your solution has the necessary features that solves their problem in the way they desire. Now all you have to do is present them an acceptable price.

**Example:** The prospect is essentially ready to buy. You can push them over the edge with discounts, special offers or value-added bonuses (including warranties and after-sales servicing)

## **WRAP-UP**

Keep in mind that not all prospects you encounter will start at the first (Problem Unaware) stage.

Some of them will already be further down the funnel (for eg. at the Problem Aware or Solution Aware stages) when you first encounter them.

In any case, your objective is to move your prospects through the different stages by making them aware of their problem, establishing your product as the ideal solution and then giving them the right incentives that make them buy.

# CHAPTER 8

## HERE'S HOW GENERALISTS CAN STAY RELEVANT ON THE MARKET

If you're a generalist, your highest and best use is as a unifier of the "little bit of everything" you know.

Maximize your highest and best use as a generalist by:

1. Using your understanding of the different moving parts within your domain(s) of expertise to...
2. ...form a birds-eye view of how they all fit (and then work) together...
3. ...with the intention to drive real-world actions that result in desired outcomes

Note that I am speaking of the above strictly in terms of the commercial marketplace where you are remunerated (in fiat money, payment-in-kind, crypto, etc).

If the area(s) where you are a generalist fall under your hobbies, then there is no strong necessity to have the ability to unify your relevant disparate skillsets. Go ahead, just enjoy it.

## HOW GENERALISTS GET PAID

Being a hobbyist is fine, but if you want to get paid for it by creating commercial value in the marketplace (and thus maintaining your relevance as a commercial actor), then your highest and best use of your relevant generalist skills is to help clients (including your "internal clients" - ie. your co-workers) make decisions derived from the big picture understanding of your chosen domain.

Taking myself as an example as a Go-To-Market advisor, I am not a top 1% expert in either sales, marketing, product development, launch, risk management, operational efficiency or consulting.

However, I'm competent in all of these areas - but what's far more important is I can understand how all of these fit together (ie. how they are situated with each other, including sequencing) and their relationships with each other (ie. what processes/components flow between them and in what direction(s)).

From this big picture understanding, I am then able to recommend an action (or set of actions - including order of operations) to my clients to create the business outcomes they hope to achieve.

Now to be clear, this is something that works for ME personally, but it's something you may want to ponder if you are also a generalist.

## CHAPTER 9

# IS YOUR MESSAGING RESONATING? FOCUS ON THESE 3 CORE MARKETING DIALS TO GET MORE LEADS

"We tried everything but we're still not getting enough leads - and the ones we do get, we can't turn into customers!"

When I hear clients say this, there's often something broken in at least one of these three core marketing dials:

1. Picking the right customers who want what you sell
2. Having an offer that is compelling to these buyers
3. Words, images and design that resonate with these buyers

Tweak these 3 dials and you'll have more leads, and more of these leads turning into customers:

### **PICK THE RIGHT CUSTOMERS WHO WANT WHAT YOU SELL**

It all starts with finding the right buyers. In other words, people who have a current or anticipated problem your product can solve and/or who aspire to particular opportunities that you can fulfill.

The more urgent *and* burning these are for them, the more likely they'll act to resolve it.

But this alone isn't enough - and here's why.

The ideal customer segments are also those who have both the willingness *and* ability to pay.

For example, let's say that you help ambitious high school students who want to get into an Ivy League college ace their SAT.

While they have an urgent and burning aspiration to be fulfilled (as well as the willingness to pay) most high school students generally don't have the ability to pay (unless they have a job or freelance income).

Instead, your customer segment is actually their parents. They have a strong desire to help their kids succeed (and perhaps even earn personal bragging rights for sending them to Harvard), are willing to pay for it and - most importantly - have the ability to do so.

Make sure you're properly identifying the actual economic buyers (in this example, the parents) from those who influence the buying decision (their kids).

## **HAVE AN OFFER THAT IS COMPELLING TO THESE BUYERS**

What makes a compelling offer?

At its core, it is one where the value (problems solved and/or benefits created) exceed the cost to the extent where it's an easy "yes" for the potential buyer.

A helpful way to think about cost is not the price (\$99, \$1000, \$25,000, etc) the potential buyer has to pay.

Rather, it's the pain of staying stuck or regressing if they don't buy your solution.

Perceived and real value can be enhanced by value levers such as personalization, increased ease and speed of implementation, as well as support options (for eg. training webinars) and risk reversal (eg. money-back guarantee).

Not all value levers will resonate with your prospects. For example, I've never cared about support options for any business software I've bought because I've always been able to figure them out myself.



The more value levers (that are relevant to your prospects) you can combine into your offer, the greater the perceived and real value your offer has for your prospects.

Finally, the greater the disparity between the stacked relevant value and the cost, the more likely your prospect will buy.

## WORDS, IMAGES AND DESIGN THAT RESONATE WITH BUYERS

Finally, there's ad creative - basically the words, images and design of your marketing (whether it's online ads, Tweets, billboards, customer emails, etc).

There's a particular way I define each of these 3 terms:

- **Words:** Visual text (on your website, emails, social media posts) and your video / podcast scripts
- **Images:** Photos, illustrations and the visual portion of your videos
- **Design:** Split into UX and UI.
- **UX:** How you spatially organize your words and images on the page so that it minimizes any barriers to your prospects taking the action you want them to. For example, putting the Buy button in a place easily seen. Or making your website mobile responsive.
- **UI:** The visual aesthetics including color scheme, font choice, size of borders, etc. For podcasts and the audio portion (not to be confused with the script) of your videos, this would include soundtrack and sound effects.

The PASTOR framework is a helpful way to use words and images to maximize conversions:

- **Problem** = State the prospect's burning problem out loud
- **Amplify** = Twist the knife
- **Solution** = Tell them how you'll resolve the issue / get them what they want
- **Testimonials** = Show them proof you can do what you claim

- **Offer** = What you're selling
- **Response** = Ask them to buy or to take another desired action  
(for eg. give you their email in exchange for your lead magnet)

Then take the words and images you've organized in the PASTOR framework and incorporate it into your UI design such that the visual aesthetic and "vibe" match the traits or qualities your buyers identify with (for eg. rugged, dependable, future-focused, creative, etc)

## SUMMARY

There are 3 fundamental dials in marketing:

1. Picking the right customers who want what you sell
2. Having an offer that is compelling to these buyers
3. Words, images and design that resonate with these buyers

It's important to identify buyers who need what you offer and can pay for it.

We've seen that a compelling offer isn't just about pricing, but about stacking enough value that outweighs the potential pain of staying put.

We've also looked at how to employ words, images, and design in ways that resonate with prospects, including use of the PASTOR framework.

Focus on these 3 dials and you'll have more leads, and more of these leads turning into customers.

## **CHAPTER 10**

# **WHY WINNING IS THE BEST PERK YOU CAN OFFER YOUR STARTUP TEAM**

As a startup leader, one of the best ways to build cohesiveness and loyalty amongst your team of ambitious colleagues is pretty simple: win.

If you're not yet winning, then demonstrate a trend towards winning.

Perks like generous vacation policies, catered lunches, half-days and pet-friendly offices are great.

But at the end of the day, ambitious people want to get ahead with their careers - and success in their current work is what they use to trade up to better opportunities (whether at your company or somewhere else).

### **IT'S ALSO NOT ENOUGH TO SIMPLY BE THE "NICE" OR "KIND" BOSS.**

Yes, your staff still want to feel valued and listened to because they're human too.

But being in an environment where they're treated well, but consistently losing kind of...well, sucks.

At the end of the day, this personality-type wants to win.

And to do that, the entire team has to win - which means you as the team's leader need to make decisions (and take actions) that lead to wins.

At the very least, you need to show a path towards success.

After all, that's the main reason why they're here for the ride along with you.

It's not primarily because you're a "great person" or because you're "so understanding".

They're here to win with you so that they can win personally too.

So if they can't win with you, then they'll go find someone else they can win with.

Many ambitious performers don't see company-life as a family with unconditional acceptance.

For them, it's more like a sports team where performance is measured, taken into account for personnel-decisions and winning matters.

And there's nothing wrong with that.

# **CHAPTER 11**

## **FIVE PRICING STRATEGIES TO INCREASE YOUR SALES AND SECURE STEADY REVENUE**

Try these 5 ways to make it easier for your prospects and returning customers to say yes to your offers, and for them to say yes more often throughout the lifetime of your relationship with them.

In other words, these are 5 pricing strategies for more sales, predictable income and maximum lifetime value:

### **INCREASE CONTRACT LENGTH**

Offer discounts to buyers willing to sign a longer contract. You can also up discount size as deal length increases.

#### **Example:**

- 1-year deal = no discount
- 2-year deal = 10% off
- 3-year deal = 12% off (+2%)
- 4-year deal = 17% off (+5%)

#### **Advantages:**

- A guaranteed, consistent revenue stream

- Increased customer lock-in as they integrate your solution over the long-term
- More chances to upsell and cross-sell throughout the life of the longer contract

## **TIERED PRICING**

Offer different pricing tiers with varying levels of service.

### **Zoom's yearly plans:**

- Basic: Free (max 40 mins + 100 ppl per meeting)
- Pro: \$149 (max 30 hrs + 100 ppl + 5GB storage)
- Business Plus: \$250 (300 ppl + 10GB storage + Translation)

### **Advantages:**

- Capture more segments who would otherwise not be able to afford you
- Increase perceived value of more expensive options
- Price anchoring: In the Zoom example, the presence of the \$250 plan makes the \$149 option appear more affordable than if it did not exist

## **MODULAR PRICING**

Allow customers to mix and match what goes into their product.

### **Tesla cars (any desired combinations of):**

- Paint job
- Wheels
- Interior
- Steering
- Acceleration

- Enhanced autopilot

#### **Advantages:**

- Maximum agility in price adjustments. The ability to add or subtract individual modules allows for micro-adjustments in price
- Possibility to introduce complementary modules made by partner companies for revenue sharing
- Maximum agility in price adjustments. The ability to add or subtract individual modules allows for micro-adjustments in price
- Possibility to introduce complementary modules made by partner companies for revenue sharing

### **USER-BASED PRICING**

Adjust pricing based on number of users.

#### **Microsoft Office 365:**

- Basic: \$6.00 per user / mo
- Standard: \$12.50 per user / mo
- Premium: \$22.00 per user / mo

#### **Advantages:**

- Lower churn and higher usage per seat. As businesses are charged per user, they are motivated to actively promote product usage among their users, aiming to maximize their return on investment.
- Predictably scale pricing as user numbers increase

## **GIVE NON-MONETARY INCENTIVES**

Instead of discounts, give incentives with high perceived value - but which are relatively inexpensive to you. It could be offering:

- Exclusive content
- Extended support
- Exclusive invitations to events
- Priority access to new features

### **Advantages:**

- Increased perceived value that is difficult to quantify monetarily
- Strong differentiation. Buyers can no longer compare you feature by feature with competitors
- Strong emotional connection, loyalty & word-of-mouth if the incentives are seen as rare & valuable

## **SUMMARY**

For more sales, predictable income and maximum lifetime value (LTV) try one or more of these (you can also combine them):

1. Increasing contract length
2. Tiered pricing
3. Modular pricing
4. User-based pricing
5. Giving non-monetary incentives



# CHAPTER 12

# FINE-TUNING YOUR SALES USING SOCIAL PROOF: THE RELEVANCE AND AUTHORITY FRAMEWORK

Not all social proof (reviews, testimonials, case studies, customer logos, etc) are created equal.

This results in failed conversions and lost repeat sales.

## HOW TO FIX THE PROBLEM OF INEFFECTIVE SOCIAL PROOF CAUSING FAILED CONVERSIONS AND LOST REPEAT SALES

Here's 2 things in your social proof you need to get right:

- Relevance signals
- Authority signals

One of the biggest reasons prospects and customers disengage from you during the sales process despite all the social proof you throw at them is because they lack sufficient Relevance and Authority.

In other words, it's not as simple as throwing any random testimonial, case study or logo on your landing page.

Instead, Relevance and Authority supercharge social proof to validate the following 3 types of choices for prospects/customers.

These 3 types of choices are those they:

- Have already made
- Currently are in the process of making
- Hope to make

Why? Because validating with Relevant and Authoritative social proof means the following:

- Validating past choices = gets them to buy again
- Validating current and upcoming choices = accelerates the buying process AND increases the chances they will choose you over competitors

Relevancy and Authority not only amplify social proof's power, but also determine its overall effectiveness.

- **Relevance:** Do your case studies, testimonials and logos precisely answer the following 2 relevancy questions. First, can you solve your prospect/buyer's pain points? Second, can you create desired benefits for them?
- **Authority:** Do the people or companies behind the testimonials, case studies or logos have sufficient credibility and standing with your prospect/buyer?

### THREE EXAMPLES OF VARYING DEGREES OF RELEVANCE AND AUTHORITY IN ACTION

- **Example 1 (JUST Relevance):** If you're selling billing software to global law firms, using a testimonial from an entry-level billing coordinator at a top-10 firm saying how much time your product saved compared to their prior solution.

In the above example, there's relevance (a peer or near-peer organization in the same industry), but not enough authority (testimonial from a junior)

- **Example 2 (JUST Authority):** If you're selling cloud storage to small software development agencies, using logos from McKinsey, Goldman Sachs and Morgan Stanley.

In this example, there's authority (all elite firms) but no relevance (completely different industries and organizational sizes)

Instead, you need both relevance and authority:

- **Example 3 (BOTH Relevance + Authority):** A testimonial from a law firm senior partner from a top-10 firm saying how your product helped them increase cash flow because you made it much easier to track and collect accounts receivable.

See how this works?

And if we were to rework the cloud storage example from Example 2, we can achieve both relevance and authority by using logos from similarly-sized peer, near-peer or more elite software development agencies serving the same client niche.

## SUMMARY

- Lost sales and failed conversions happen despite all the social proof (case studies, testimonials, logos) companies throw at them because prospects don't feel certain
- To solve this, make sure prospects and customers feel certain by validating (using social proof with Relevance and Authority) their past choices, and current + upcoming choices.
- Validating past choices = gets them to buy again
- Validating current and upcoming choices = accelerates the buying process and increases the chances they will choose you over competitors

## CHAPTER 13

# ATTRACT MORE BUYERS WITH RESONANT NICHE, POSITIONING AND MESSAGING

The 3 steps to drawing in buyers like iron fillings to a magnet are correctly picking your Niche, Positioning and Messaging.

Why does this work?

Because your Niche influences your Positioning, which then influences your Messaging.

### NICHING

Your Niche is a description of WHO you're selling to, the specific PROBLEM(S) they have and the WHAT of your solution.

- **Example:** *“Operations managers at mid-sized supply chain companies in the iron ore industry + Who need help managing their communication with purchasing agents around the world + an API that integrates directly into Microsoft Teams and Slack”*

(Let's call our solution "Minerva". And yes, you've seen me use this particular niching example before)

## POSITIONING

Positioning takes the descriptive nature of the Niche, and packages it into a compelling, high-level marketing angle you communicate to your target audience of what it can OVERALL do for them and summed up in one or two sentences.

- **Example:** *“Minerva gives operations managers in the iron ore mining industry the ability to simply manage dozens of complex text, video and audio communications with third-party purchasing agents around the world using their existing internal tools”*

## MESSAGING

Messaging includes the specific feature-related benefit(s) of your product and is derived from your Positioning.

In other words, it's the specific benefits embedded within your high-level Positioning.

Here's 3 examples of features-benefits messaging:

- **Message #1:** *“Minerva simplifies long, back-and-forth conversations by organizing them in individual threads, which means your team can ultimately handle a greater volume of conversations at the same time”*
- **Message #2:** *“Minerva integrates directly into your existing Microsoft Teams or Slack account which means you save subscription costs and onboarding expenses normally associated with the introduction of new tools”*
- **Message #3:** *“Minerva visually tracks the real-time movement and paperwork status of your iron ore shipments so that you can easily align conversations with purchasing agents as the shipments get unloaded at various global ports.”*

## **HOW DO YOU KNOW IF YOUR NICHING, POSITIONING AND MESSAGING ARE WORKING?**

Very easy - the most definitive measure is if people are paying you. And the more dialed in each of the three elements are, the more frequently and/or larger your individual sales are.

## **CHAPTER 14**

# **TURN MORE PROSPECTS INTO CUSTOMERS: A 3- STEP FRAMEWORK FOR HELPING PROSPECTS ENVISION THEIR DESIRED FUTURES AND OVERCOME SELF-DOUBT**

Raise your number of sales and sign-ups with this 3-step marketing framework that you can use on landing pages, ads and social media.

Here's the 3 components you need to know:

- Build your prospect's desire for your product
- Overcome doubts and uncertainty they have about themselves
- Help them imagine themselves experiencing the full benefits of having already used your product

Here's a breakdown of each step:

### **BUILD THEIR DESIRE FOR YOUR PRODUCT**

Your prospect may be discovering you for the first time and know little about either your brand or product. Your job in Step 1 is to build their desire for your offering, and then amplify that desire in the here-and-now.

Use things like high-quality imagery and video, endorsements, testimonials/case studies and compelling sales copy that focuses on your product's benefits (ie. positive implications), not just the features.

Ever wonder why you start salivating and always seem to want to drive down to the local McDonald's after watching an ad for Big Macs?

Well, the close-up shots of the sizzling 100% beef patty, crisp lettuce and ripe, juicy tomatoes with tangy special sauce sandwiched between two perfectly perfect sesame seed buns probably had something to do with it.

Then pair all of the above with more close-ups shots: this time of a large, overflowing cup of icy Coca-Cola and crispy, "just right" golden straight-cut fries tumbling out of the iconic red McDonald's container.

Plus, it didn't hurt to have McDonald's pay millions of dollars to Michael Jordan, Heidi Klum and BTS to eat this stuff as official "brand ambassadors" (ie. celebrity endorsers).

And now you know how to leverage Step 1.

## **OVERCOME DOUBTS AND UNCERTAINTY ABOUT THEMSELVES**

It's not that your product isn't great - I'm sure it is.

But often what holds people back from buying and using something is because they have their own personal reasons for why they don't see themselves as "the right person" for your offering.

For example, the root cause that holds many people back from joining (and then consistently going) to the gym is not just that they are uncomfortable with how they currently look - but it has more to do with the much deeper reason of feeling they will be judged by others.

It is what they feel on this deeper level which drives their actions (or lack of action) – and this is what you need to address.

In other words, your job as a founder, marketer and salesperson is to ALSO help your prospect overcome their doubts and uncertainties



they have about THEMSELVES being suitable FOR YOUR OFFERING – not the other way around.

If you did Step 1 correctly, they already see the product as the right choice for them, but they also need to see themselves as the right choice for your product.

So maybe you organize gym classes three times a week that are open exclusively to new joiners. The intention is that they can work out in an environment that is as non-judgmental as possible until they get their sea legs (so to speak).

Or perhaps you set aside a physical space that is for "newbies only".

But Step 2 is basically anything to help your prospect say "Yes, I clearly see myself buying and using this product or service. I see that I am suitable for this offering and this offering is suitable for me."

## **HELP THEM IMAGINE THEMSELVES EXPERIENCING THE FULL BENEFITS OF HAVING ALREADY USED YOUR PRODUCT**

The final step is to (to the full extent you can) "future pace" your prospect - i.e. paint a compelling future for them in which they not only see, but ideally experience, themselves fully enjoying the comprehensive benefits of having already used your product.

This would include not only the immediate product-based benefits derived from using your offering, but also the ancillary benefits that consequently flow from it on a physical, emotional, psychological and spiritual level.

If you are an owner of a resort in Bali, you could do the above by making your prospect feel this:

*"You step onto the veranda of your 3rd story suite, drinking in the verdant green vista of tropical foliage in front of you, framed between the sunlight skies of mid-afternoon and the shimmering, turquoise waters of the sandy bay.*

*Behind you quietly slips in the resort attendant bearing a large spread of the choicest tropical fruits - pungent, creamy durians, succulent, melt-in-your-*

*mouth mangos and sugary, thirst-quenching guavas.*

*This is the prize for your years of entrepreneurship grind - the late nights, rejections by prospects and near brushes with financial death. But unlike others, you emerged fully victorious - and here you are, living and reveling in a life open only to the small minority who successfully made it through a combination of hard work, grind and wits.*

*You are part of a small, select group and you deserve every part of today."*

In effect, we are taking Step 1 (Build their desire for your product) and putting it on steroids by not only amplifying the immediate benefits of using your product, but taking the prospect by the hand and vividly painting for them the medium and long-term lifestyle they could unlock if only they bought your offering.

Give this 3-step framework a try. I think you'll be pleasantly surprised by how well it works to get your prospects excited about buying what you're selling.

# **CHAPTER 15**

# **A FRAMEWORK TO BUILD PRODUCTS THAT RESONATE WITH YOUR TARGET AUDIENCE BY DELIVERING THEIR DESIRED OUTCOMES**

As founders, how do we determine what creates value for users and buyers?

The solution to this question is to think about what kind of desired outcomes users and buyers (who are not necessarily the same group) want, and then to add features, services and/or experiences to fulfill these desired outcomes.

## **WHAT ARE DESIRED OUTCOMES?**

By "desired outcomes" I mean those that:

- Solve their current problem(s)
- Solve their anticipated problem(s)
- Generate future opportunities that they want
- Fulfill a need or want (for eg. hardcore golf aficionados don't have problems to be solved per se, but they do have a want for the latest and greatest golf technology)

Often desired outcomes belong to the categories of:

- Health
- Wealth
- Relationships

These can then be further broken down into the subcategories of:

- Convenience (ease of doing - for eg. effortlessly find a romantic partner)
- Savings (scoop out more of from a *fixed* pie – for eg. time)
- Enhancement (create more of with no limit to the upside – for eg. money)

Ideally, it is only your product that can create these desired outcomes - this is when you can really make it rain money with a monopoly.

## IT'S IMPORTANT TO FOCUS ON THE "DESIRED" PART OF "DESIRED OUTCOMES"

Why?

Because you can solve a problem or create an opportunity that doesn't benefit them in the way *they want*.

An example is solving a customer's termite problem by burning down their house.

You've gotten rid of their termites alright, but not in a way that they want (unless they're weirdos).

The other possibility is that you create outcomes that either aren't important and/or aren't relevant to them.

There's a distinction between important and relevant.

**Important** means that the issue has some sort of significant consequential bearing on their lives.

**Relevant** means whether they care about the issue.

Here's are examples to explain:

- **Important + Relevant** = Feeling pain in your left chest (could be a heart attack)
- **Important + Irrelevant** = Failing your medical school exams, but you don't care because you were going to drop out anyway to become an artist
- **Unimportant + Relevant** = Deciding between pizza or bibimbap for lunch
- **Unimportant + Irrelevant** = What your next-door neighbor had for lunch

## IS IMPORTANCE OR RELEVANCE MORE IMPORTANT?

I would say that the bigger test to watch out for in the immediate term is whether something is relevant to your buyer or user.

What they care about in the here and now they will take action on - and what they don't care about, they won't - no matter how important.

An example that deftly illustrates relevance (or lack thereof) are the large number of high school kids these days pumping themselves full of steroids.

The prospect of major health problems (including organ failure) is just too far removed into the future so it's not relevant to them in the here and now even though it's deathly important (literally)

## SUMMARY

Don't start by thinking of exact features or capabilities to add. Instead, begin by considering what outcomes your users and/or buyers desire.

Then come up with features, services and experiences that answer the following questions:

- **For prospects:** What is it that will benefit my prospect such that they want to start doing business with me?"
- **For existing customers:** "What is it that will benefit my client such that they will want to continue doing business with me and/or do more business with me?"

In other words, value in a product comes not necessarily from features per se, but features that solve problems that matter to users and buyers.

Using the above framework as the foundation of your thinking, you can then expansively generate (whether in-house or in partnership with others) completely new offerings (or enhancements to existing offerings) that ultimately benefit your prospect and/or customer.

Give it a try.

## CHAPTER 16

# FIVE BUYING TRIGGERS TO ACCELERATE SALES, RAISE PERCEIVED VALUE, AND ENHANCE LOYALTY

Try these psychological triggers to make prospects more eager to buy, to buy more quickly, to buy more frequently and to buy at higher prices.

### **RAISE THE BUYER'S SOCIAL STATUS**

Increase the buyer's real or perceived social standing by leveraging their human desire for more:

- Power
- Respect
- Influence
- Recognition

**Example** - Apple products such as the MacBook, iPhone or Apple Watch are equated with:

- Creativity
- Good taste
- Sophistication
- High performance
- Being on trend with current design & tech trends

### **Advantages:**

- Can command a significant price premium since jockeying for social status is hardwired into all humans regardless of their ambition
- Generate strong buyer loyalty for the same reason as above

## **HARNESS SOCIAL PROOF**

Leverage others' opinions to influence buying decisions.

The higher the real or perceived status of the other person, the more effective this is.

All of us have at least one area of life where we look to others to validate our choices / potential choices.

**Example** - For prospects, Amazon product reviews:

- Reduce perceived risk and doubt
- Give instant decision-making confidence
- Circumvent need to do the hard work of manual research

### **Advantages:**

- Instantly builds trust
- Lets your customers do the selling for you
- Allows you to stack together dozens (if not more) 3rd-party validations of your product
- Perceived as more impartial (and thus, more truthful) than your sales material

## **LEVERAGE "US VERSUS THEM"**

Create a sense of exclusivity and loyalty by encouraging buyers to identify with qualities valued by our in-group ("us") versus undesired out-groups ("them").



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### **Example - Slack vs Microsoft Teams:**

- Casual vs formal
- Agile vs traditional
- Open integration w/ 3rd-party apps vs more of a "walled garden"

### **Advantages:**

- Less likely to churn because of higher than average level of loyalty
- Strong word-of-mouth as mere buyers are turned into devoted, evangelical advocates
- Increased customer responsiveness to buying new products and services

## **EXPLOIT SCARCITY**

Drive more and faster sales by limiting availability of a product to raise its perceived value.

We are especially vulnerable because we:

- Desire what we can't have
- Fear disadvantaging ourselves to others who successfully buy and use it

### **Examples:**

- **Rolex:** strict control over annual production of watches so that demand always exceeds supply
- **Starbucks:** limited time seasonal drinks such as Pumpkin Spice Latte
- **Expedia:** shows the number of rooms left at a given price

## TAP INTO CURIOSITY AND NOVELTY

Tap into our desire to seek out new and interesting things.

Also leverages our desire to discover more by "pulling back the curtain".

### Examples:

- **Apple:** creates suspense for new products with teaser ads and cryptic news releases
- **Taco Bell:** "Mystery Item" campaign used suspense-laden 15-second trailers leading up to the 2016 NFL Super Bowl

### Advantages:

- Creates powerful viral sharing from ongoing buzz and word-of-mouth
- Ignites higher than average exploration from consumers who "want to know more"
- Increases brand memorability by exploiting power of unanswered questions ("open mental loops")

## SUMMARY

Five buying triggers to accelerate sales, raise perceived value and enhance loyalty:

1. Raise the buyer's social status
2. Harness social proof
3. Leverage "Us versus them"
4. Exploit scarcity
5. Tap into curiosity and novelty

## CHAPTER 17

# THE MYTH OF SELLING BENEFITS: WHAT ACTUALLY WORKS WHEN SELLING OUTCOMES

Decades of traditional sales and marketing has wrongly told you that it's enough to simply list the different benefits of your product to prospects.

Just communicating general benefits (even if done well) doesn't work.

Why?

Because selling benefits to prospects is most effective when you concentrate on the ones that speak directly to an explicit need that they have said they have.

People don't buy *potential* pay-offs.

They instead buy to get pay-offs that can actually resolve or improve an issue they're personally dealing with.

Therefore, you don't need to tell your prospect all the possible benefits that your product has.

Just focus on the ones that can improve/resolve needs and desires they've explicitly told you about.

All other benefits you're so eager to communicate are superfluous.

# CHAPTER 18

## A GREAT PRODUCT ISN'T ENOUGH: EXAMPLES OF TARGETING, POSITIONING, AND CHANNEL SELECTION DONE RIGHT

Building a great product isn't enough - you also need these 3 ingredients:

1. Right buyers
2. Right positioning
3. Right communication channels

### RIGHT BUYERS

Does your product:

- Solve current
- Solve anticipated problems
- Create desired benefits

Lots of owners say they sell to "everyone". But "everyone" is not a market. Instead, pick specific, identifiable groups that your product can obviously help.

. . .

### Examples:

- Fitness buffs who want to track workouts
- Freelance copywriters who need 1-click invoice creation
- High school students who need test prep for college entrance exams

## RIGHT POSITIONING

Explain why YOU (rather than competitors) are uniquely suited to solving your buyer's specific problems or creating desired benefits.

Sell your strengths and downplay your weaknesses.

Your target buyers care most about certain specific things - not everything.

### Examples:

- **Fast food:** Quick service & reasonable prices matter most to office workers on lunch break
- **Cleaning products:** Kid-safe, eco-friendly floor cleaners matter most to parents of young kids

## RIGHT COMMUNICATION CHANNELS

Your buyers congregate on certain preferred platforms.

Meet them where they are:

- LinkedIn for B2B business owners
- Twitch for under-35 video gamers
- X/Twitter for SaaS copywriters

## **SUMMARY**

A great product alone isn't enough. You also must:

- Sell to the right people
- Position yourself as uniquely suited for them compared to competing products
- Meet them at the places where they spend time and attention

## CHAPTER 19

# THE UNSEEN ANCHOR: HOW DWELLING ON YESTERDAY'S SUCCESSSES WILL DESTROY YOUR BUSINESS

One of the most dangerous things you can do as an entrepreneur is holding onto beliefs and practices that no longer serve you or your business.

MySpace. Kodak. Blockbuster. Blackberry.

These companies were once household names in their heydays, but all are shadows of their former dominant selves.

Often they're cited as cautionary tales of hanging too stubbornly onto obsolete ways of doing things.

Economics, technologies, laws and societies change with time.

As a result, customer preferences change.

When customer preferences change, so must the companies that serve them.

Those that fail to do so - whether knowingly or unknowingly - get "managed out" of the market.

There are 3 broad outcomes for companies when their environment changes to the extent that it renders existing business practices ineffec-

tive: adapt, stagnate or fail.

Which of these 3 buckets does your business fall into right now?

Is it stagnating?

Failing?

Or is it successfully adapting on an ongoing basis to consumer preferences that itself is making continual micro-adjustments in response to the changing macro environment?

If you're currently in the stagnating or failing bucket, which of the three do you ultimately want to end up in?

If you're not where you are right now, maybe you need to reconsider which of your beliefs and thoughts about yourself and the macro environment are actually serving you.

Next, find out what you need to transform those current beliefs and thoughts into.

Then, action your updated thoughts and beliefs in the physical world to effect real change instead of just thinking about it.



## CHAPTER 20

# IS YOUR LACK OF OPTIONS UNDERMINING YOUR NEGOTIATING LEVERAGE?

If you stink at negotiation, here's one simple ironclad rule to improve your skills immediately:

*"The power belongs to the person who can more so afford to walk away"*

This one understanding will get you 90% of the way there in ALL your negotiations - whether it's with prospects, suppliers, employees or even in your personal life.

Sure, knowing specific, advanced negotiation strategies and tactics will absolutely help (go read *Getting More* by Stuart Diamond).

But just merely understanding that the highest leverage tool in your negotiation toolkit is "your greater ability to walk away from the deal than the person opposite you" will put you miles ahead of most negotiators.

For example, if you are even (say) 5% more willing to walk away than your counter-party, then you automatically have the upper hand in the negotiation.

And as you know, oftentimes, it's a lot more than just 5%.

So how do you increase your ability to walk away from deals you know are lukewarm (or even bad) - but which you don't have the current ability to turn down?

Simple - you increase your options.

## **INCREASE YOUR OPTIONS TO GET MORE NEGOTIATION LEVERAGE**

By increasing your options I mean coming into your sales negotiation knowing you already have a bunch of warm, qualified leads sitting in your CRM so if this conversation doesn't pan out, you can just spin up other conversations.

It's walking into your lease renewal with your landlord knowing that you've already identified several other locations.

It's creating Standard Operating Procedures (SOPs) so that if one key employee leaves, you can easily bring their replacement up to speed (even better is if you cross-train existing employees to do some (or a substantial portion) of each others' jobs)

The more options you have, the less beholden to any one person, organization or circumstance turning out the way you want.

A big enterprise prospect tells you your product sucks and they'll never buy? No problem - you just go chat with someone else from your pipeline.

Your marketing manager (Pat) takes a hike?

Go ahead Pat.

You pull out your SOPs and plug-in another team member to tide things over until you hire a replacement.

Power and leverage in any negotiation starts with being able to walk away. And being able to walk away starts with creating - and then having - optionality.

Don't be afraid to use it.

What are you doing to build your optionality so that you can walk away from situations that don't benefit you the way you want?

## CHAPTER 21

# OUTGROWING PRODUCT OBSESSION: SUCCESS BEGINS WHEN YOU START MARKETING EVEN IF YOUR PRODUCT IS IMPERFECT

Stop acting only as a “product operator” and instead act like a business owner and start marketing.

In other words, are you like many new founders who overly focus on creating your product, yet fail to spend enough time and attention on marketing it?

I call this phenomenon Widget Obsession Syndrome.

### WHAT ARE THE SYMPTOMS OF THIS SICKNESS?

Rather than the high fever, skin rashes and labored coughing of other diseases, symptoms of Widget Obsession Syndrome include:

- An overly myopic obsession with “getting your product ‘perfectly perfect’”
- Failing to do enough (and the right type) of marketing that’s right for your target market because you spend all your time and energy on perfecting or over-engineering your widget
- Ignoring other critical parts of your business that could be bigger growth bottlenecks (poor positioning, ineffective sales

processes, etc)

The fallout of Widget Obsession Syndrome includes lackluster conversions, stunted sales, poor retention and a very frustrated (and stressed) you.

As a coach and consultant to new founders launching their first products, I regularly talk to plenty of Widget Obsession Syndrome victims.

## WHAT'S THE CURE?

Simple - stop acting only as a "product operator".

Instead spend more time as an actual BUSINESS OWNER managing your overall business machinery (your highest and best use).

What this means in real-world practical action is:

- **Cure #1:** A strong consistent focus on marketing and sales. Additional incremental improvements to your product aren't going to fill your funnel with qualified leads and convert those leads into users / customers. Only marketing & sales does.
- **Cure #2:** Get your product (ie. your widget) to a point that's good enough or above average (but it doesn't need to be "perfect")
- **Cure #3:** Look at the entirety of your business. Look for bottlenecks OUTSIDE product development. Reasons could be ineffective marketing copy, confusing UX, bad customer service...or maybe you've picked target markets completely wrong by trying to sell (for example) life insurance to the dead. Obviously that particular market doesn't want or need that.

## WHY DO THESE WORK?

A perfect 100-point product multiplied by zero sales and marketing will always be a big fat zero.

However, an 80-point product multiplied by great 90-point marketing and sales totals 7200 pts.

As famed management consultant & author (of 35+ books) Peter Drucker said *"Because the purpose of business is to create a customer, the business enterprise has two - and only two - basic functions: marketing and innovation."*

Too many founders overly obsess on product to the detriment of marketing - and consequently damage their whole business in real, measurable, painful ways.

You could have the greatest most perfectly perfect product in the world but if no one knows you're selling it (or you're selling to the wrong people) then nothing matters.

In short, get your product into a good enough (or above average) state and hit your marketing and sales hard.

Then you'll actually begin to see the gains you expected when you started this journey as a founder AND business owner.

# CHAPTER 22

## HOW TO CAPTURE PRODUCT-MARKET FIT BY TWEAKING YOUR PRODUCT, OFFER, AND PRICE

Here's how getting Product, Offer and Price (POP) right at the same time get you closer to Product-Market-Fit (PMF).

### PRODUCT

Does your widget do one (or more things) to solve a problem and/or create new desired opportunities for your potential buyer?

"Solving a problem" means either a current or anticipated problem.

"Create new desired opportunities" means creating new possibilities that would not have otherwise been possible without use of your product - and which are also WANTED by your prospect.

- **Want** = Strawberry ice cream and Snickers bars (yay!)
- **Need** = Oatmeal and raw broccoli (for health)

Why the distinction?

Because many purchases have a strong emotional component so make sure you learn how to elicit, arouse and intensify wants.

Luxury watches costing 4 to 5 figures (or higher) such as Rolex, Patek Philippe, A. Lange & Sohne are all examples of purchases driven

primarily by emotion.

*Breakthrough Advertising* by Eugene Schwartz has a good rundown of how to elicit, arouse and intensify Wants

## OFFER

Sweeten your offer to give people compelling reasons to give you their money.

Be careful to differentiate your offer from your product.

Let's take a simple example:

- **Product** = Samsung 25.1 cu. ft. 3-door french door refrigerator in stainless steel
- **Offer** = 15 day no questions asked returns + free installation and disposal of your old fridge + free shipping + 1 year extended warranty + the dang fridge

As you can see, you can sweeten the appeal of doing business with you by adding in additional non-product services or products to stand out amongst (1.) direct competition and (2.) adjacent alternatives that solve the same problem as you.

An example of an adjacent alternative is when people buy Arm & Hammer baking soda not as a leavening agent for food preparation (its original use), but as an inexpensive, effective deodorizer.

## PRICE

People are more likely to give you money when they are (from their perspective) getting more perceived value out of your product than what they are paying.

So for example, they get 100 units of value (in the form of something that solves a problem and/or improves their life) while giving up 60 units of value (in the form of money)



If you play around at the same time with the above 3 levers of POP (Product, Offer and Price), you will be able to attract paying users.

## **THE FINAL STEP**

Getting POP right isn't enough.

You must also effectively COMMUNICATE through the appropriate channels (eg. Youtube, X/Twitter, Instagram, etc) to a RECEPTIVE DEMOGRAPHIC using proper POSITIONING.

Now go get PMF'ed.

## CHAPTER 23

# HOW TO PINPOINT YOUR BEST CUSTOMERS WITH THE 3-STEP FRAMEWORK OF REGENCY, FREQUENCY, AND MONETARY VALUE

Here's how to find your highest leverage customer segments in 3 steps.

Use the RFM Model to segment and prioritize your highest value and highest potential customer groups.

RFM stands for Recency, Frequency and Monetary Value.

The more recently, frequently and the higher the monetary value assigned to a customer, the more valuable they are.

Here's a more granular breakdown:

### **DID THEY BUY MORE RECENTLY?**

These customers generally have a higher probability of making a repeat purchase in the *near future*.

No guarantees they will solidify into CONSISTENT buyers though.

## **DID THEY BUY MORE FREQUENTLY?**

This is a measure of loyalty.

You can count on these customers to buy more CONSISTENTLY over time for the duration of their relationship with you.

But it's not indicative that they will buy soon.

Maybe they'll buy 6 weeks from now - or 6 months...or 6 years.

But you can count on them to keep buying (at least more so than the other two categories).

## **DID THEY BUY MORE IN TERMS OF MONETARY VALUE?**

Those who buy your big ticket offers are more likely to buy another high-priced product. These are your "whales".

## **SUMMARY**

The RFM model is a simple way to ensure you:

- Focus your limited time and resources
- Appropriately target your offers to the right parts of your customer list

## CHAPTER 24

# IT'S A MISTAKE TO ONLY FOCUS ON THE INITIAL SALE

Rather than only focusing short-term on the first sale, you should instead think from the beginning about how you will successfully sell the renewal.

Why?

Because it puts you in an ongoing mindset of maximizing Lifetime Value (LTV).

This forces you to continually:

- Deliver continual or new value in your core product that is relevant and important
- Destroy the “one and done” mentality of one-time sales
- Expand your portfolio of product cross-sells

### **DELIVERING CONTINUAL OR NEW VALUE IN YOUR CORE PRODUCT THAT IS RELEVANT AND IMPORTANT**

Customers renew subscriptions when you deliver ongoing or new value that is both:

- Relevant (they care about it)

- Important (has consequential bearing on their life)

Examples:

- **Relevant + Important** = Pain in their left chest (could be a heart attack)
- **Relevant + Unimportant** = Deciding which movie to watch on a Friday night
- **Irrelevant + Important** = For most people in their early 20s, retirement planning (it's important but most people in this age bracket don't care)
- **Irrelevant + Unimportant** = Blue or black ink to sign a document

Knowing that subscription renewals come from solving relevant and important problems focuses you on building features that actually matter to your buyers.

## DESTROY THE “ONE AND DONE” MENTALITY OF ONE-TIME SALES:

People generally buy from people they like – or at least respect.

Prioritizing renewal success from the very first sale incentivizes you to treat your customer relationship with a long-term view – specifically one that encourages you to take the actions necessary to ensure your buyer sees you as their ongoing preferred choice over potential alternatives.

This could mean:

- Exclusive access to beta product releases or early releases
- Proactive account monitoring and issue resolution
- Regular check-ins calls and meetings

While “liking” is not a necessary prerequisite for ongoing commercial relationships (I'm sure you've bought from people or companies you didn't care for), it's an easy way to bolster your renewal rates.

## EXPAND YOUR CROSS-SELL PORTFOLIO

You can only squeeze so much revenue from renewals of your core product - or even upsells to more advanced versions of it.

Focusing on successful renewal sales forces you to continuously develop your product portfolio with cross-sells that complement your core product.

Examples:

- iPhone + AirPods
- Samsung Smart TV + Samsung Sound Bar
- Nike shoes + Nike running apparel
- Lego building set + Lego mini-figures

In other words, what could you sell that would enhance the experience of using your core product?

## SUMMARY

Focusing on successfully selling the renewal incentives you to meaningfully:

- Shift focus from the initial sale to producing successful renewals that maximize LTV
- Deliver continual and new value in your core product that is both relevant and important to buyers
- Destroy the “one and done” mentality of one-time sales and force you to take concrete actions that keep you in buyers' good graces so that you remain their preferred choice
- Force you to expand your cross-sell portfolio to continually expand your LTV

## CHAPTER 25

# ARE WE ABANDONING ACCOUNTABILITY FOR A FEELINGS-FOCUSED WORK CULTURE?

A big problem with much leadership thinking these days is it's fashionable to focus excessively around feelings and feeling good.

What's missing is accountability to oneself, one's team and one's clients.

Before you come at me with pitchforks and burning torches - let me explain.

### COMPANIES MUST PRODUCE VALUE TO SURVIVE

In order to exist (and continue to exist), most organizations need to produce something of value (either a physical product and/or intangible service).

These outputs must be created on a timeline and at a quality-level that buyers will accept to the extent that they will open their wallets and hand over money (or some other form of payment).

The only way these outputs can be made and delivered to such standards is consistent *commitment* on the vendor side to meeting these standards.

Now, humans being humans, we do (and will) slip up from time to time.

The only way to uphold such commitments to customers (and continue to get paid by them) is a vendor-side system of identifying, declaring and fixing extant slippages and impediments to said commitments.

And that's where accountability comes in - i.e. to clean up one's slip-pages so as to meet stated commitments.

### **ACCOUNTABILITY DOESN'T CARE IF YOU "DON'T FEEL GOOD" OR IF YOU'RE "JUST NOT IN THE MOOD TODAY".**

Accountability is saying "You know what? I forgot to send you the churn analysis spreadsheet last Tuesday, but I own up to it and I commit to getting it to you by tomorrow evening."

It's "I've got the flu, so I'm letting you know that I won't be able to work at my best today. I propose to take the rest of today (Monday) and tomorrow (Tuesday) off to recover. By Wednesday I will have recovered and I commit to sending you the marketing copy for our landing page redesign."

In other words, take ownership of the slippage, commit to a solution **ALONG** with a new timeframe and then **ACTUALLY** deliver on that solution in the promised timeframe.

It's as simple as that - and it doesn't need to conflict with a pleasant working environment. Or feeling good about oneself and making others feel good.

But I've found that prioritizing "feeling good" as the #1 priority over accountability tends to introduce the possibility of using bad feelings (basically tiny squirts of chemicals in our brains) to avoid delivering on time (and with quality) work we find difficult, or are nervous about



## WHERE DOES THIS LEAVE YOU AS A FOUNDER?

Big companies can afford commitment and accountability slippages because they often have large cash cushions, big marketing budgets, and established product lines to paper over deficiencies.

But as a new founder you often don't have any of those advantages - heck, you may not even yet have a *single* product that's ready to sell.

So you better get working, fixing and delivering *in spite* of your feelings.



# ABOUT THE AUTHOR



Richmond Wong, a Toronto native, works directly with founders and senior decision makers of early-stage startups to take them from zero to launch and growth.

At the time of this writing, he's helped 150+ startups around the world with their highest ROI growth, product and launch initiatives.

He previously launched enterprise B2B software for Reuters and Lexis-Nexis in 10+ international markets including Korea, Singapore, Hong Kong, Taiwan, Malaysia and throughout Southeast Asia.


As a result of these varied international experiences, his approach combines the agility of nimble startup methodologies with the rigor of real-world tested enterprise-grade processes.

Before moving into software, he trained as a corporate lawyer with one of the world's ten largest law firms, Hogan Lovells, serving Fortune 500 clients on their most mission critical mandates.

Richmond started his career as a journalist with Rogers Publishing, part of one of Canada's largest media companies.

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