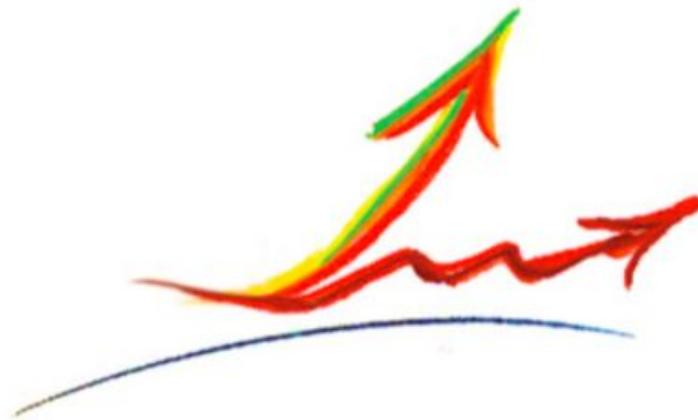# FROM IMPOSSIBLE TO INEVITABLE

TO

REVISED AND UPDATED

How SaaS and Other Hyper-Growth Companies Create **Predictable Revenue**

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WILEY

NAIL A NICHE

Chapter 1

"Niche" Doesn't Mean Small

How do you know whether or not you're ready to grow? Don't let a big vision, or wanting to serve too many kinds of customers, trap you into sounding vague or confusing.

Are You Sure You're Ready to Grow Faster?

You're excited about your business, your ideas, products, and services … and you're ready to grow faster. You might be a startup, a consultant, or a Fortune 100 brand.

And you know that lead generation is *the* #1 lever that drives revenue growth and can create hypergrowth. You've been trying to grow your leads, and thus sales, but it's been harder than you expected … maybe a lot harder.

Are you *sure you're ready* to grow faster?

Because when it feels like you're swimming upstream every day to generate leads, or to sign new customers from the ones you do get, you usually have a bigger problem. All that time, energy and money invested in growing new leads and closing sales can be poured into a black hole—if you haven't Nailed A Niche.

You can be a Fortune 100 company, or the greatest expert at organization design, or have a killer SaaS (software as a service) subscription model app for managing employees. But, if you can't *predictably* go out and generate *leads and opportunities* where you're *needed*, *win* them, and do it *profitably*, you're gonna struggle. It's frustrating. But there's no shortcut here, whether you're a business or an individual. Struggles often mean there's a niche problem, either at the company, marketing department, or salesperson level.

Clues You Aren't Ready to Grow (Regardless of What the CEO or Board Expects)

- You've grown mostly through referrals, word of mouth, and up-/cross-selling.
- Inbound or outbound lead generation has been disappointing … or abysmal.
- You realize, looking back, that you're dependent on preexisting relationships or a recognized brand to get in the door, even if your product or service is amazing.

- You're good at too many things, and struggle focusing on the one best opportunity to sell and deliver over and over again.
- Even when you get quality appointments, too few people buy.

If you can't *predictably* generate *leads and opportunities* where you're *needed*, *win* them, and do it *profitably*, you're gonna struggle.

Most Frequently Seen When …

- You hit a plateau between $1 and $10 million in revenue, and you start trying new kinds of leadgen programs.
- When you launch a new product or service or enter a new market.
- In getting your first 10–50 customers, getting to product-market fit or a minimum sellable product.
- You're in consulting or professional services.
- Your company offers a wide range of products and services (Portfolio Attention Deficit Disorder).

Everyone Hates to Admit They're Not Ready to Grow

Swallowing the "we're not ready to grow yet" pill is bitter. Especially when you have a board or CEO breathing down your neck, a payroll to meet, or big family bills.

No one likes admitting they're a nice-to-have rather than a "need-to-have." Or that the elevator pitch the CEO came up with is totally off-base and confuses prospects. Or that you can't yet measure or document other customers' results.

Companies with a large portfolio of products face the same problem. Do your salespeople or customers get confused by all the product options? They don't know what to buy or sell first, and so they struggle along trying to buy or sell a little bit of everything. Confusion stunts growth. A lack of focus distracts you from being "insanely great" at just one thing.

How to Know If You've Nailed A Niche

When you're a startup getting to your first million, or launching a new product, lead generation program, or market—one of the indicators that you've Nailed A Niche is that you are able to find and sign up unaffiliated customers. Unaffiliated. Paying. Customers.

One of the indicators that you've Nailed A Niche is that you're consistently able to find and sign up unaffiliated customers.

We don't mean friends of your investors, or your old coworkers or boss. They aren't past customers, partners, or part of your LinkedIn network. They weren't referred to you; they didn't

hear about you from a group. They started out "cold" without the advantage of prior relationships.

Whether they found you by coming in through the either, or whether you went out and pounded the (physical or virtual) pavement to source and close them.

And now they're paying you—profitably.

Because here's the thing. Ten customers may not seem like much. We called these guys "beer money" in the early days at EchoSign. Ten customers was $200 a month, which didn't come close to paying the bills on four engineers and three other guys—it barely paid for beer. But 10 clients are actually amazing. Yes, you may still fail, of course, because of cash-flow issues. But 10 is a first sign of pre-success—even though it's very likely that more than one will turn out to be a dud, while you're learning which customers you can make successful or not. Because it means three things:

1. Since you have 10, you can definitely get 20 … and then 100. If you can get 10 unaffiliated customers to pay you (no small feat), I guarantee you can get 20. And if you keep going at it, you will get at least to 100. And then 200, at least. At a minimum, you can keep doubling and doubling. I'm not saying it's easy, but it's possible.
2. More important, it's amazing you got those 10. Ten is not a small number! Because why the heck should they trust you, and pay for your product? It stands on its own without you needing a prior relationship. It's a huge vote of confidence. Maybe you were on TechCrunch, Reddit, Bob's Insurance Newsletter, or some blog—great. But in the real world, with Mainstream Buyers, no one has ever heard of you. You're not "the thing" all their friends are buying, making them feel that without it they're being left behind.
3. This means you built something real. Something valued. Most important, it's something you can build on. These 10 customers will give you a roadmap, feedback, and indeed, the path to 1,000 more customers—if you listen carefully. You won't heed all their advice, of course, but the feedback from these first 10 customers won't be from outliers. It will be transformational. I guarantee it.

Because your 1,000th customer most likely will be just like your 10th, in concept and spirit, in category and core problem solved.

At EchoSign, the first unaffiliated customer was a distributed sales manager of a telesales team. The exact industry she was in was unusual (debt consolidation), but digging deeper, the actual use case was exactly the same, in spirit if not in workflow, as 80% or more of the customers that came later. The same as Facebook, as Twitter, as Groupon, as Google, as Verizon, as BT, as Oracle … the same as all of them.

The same core "goodness" that you've built attracts all of them. Of course, you're going to need to build tons more features, mature your product dramatically, and so forth. But the core will be the same goodness as customers 1–10 experienced.

Trust us. Ten customers may not pay the bills. But if you got them from scratch, you have the start of organic leadflow or of some leadgen process that you can replicate. That's really special, and something you can actually build on.

So this is your first time to double down, after Customer 10 … even if it seems way, way smaller than your goals and vision. Forget 1,000: Double them to 20, then to 40, and so on. Compound that 10 month after month, year after year, get the flywheel cranking, and you'll make your big vision inevitable.

Achieve World Domination One Niche at a Time

Let's address a misperception right now about the word "niche." When you Nail A Niche, you're *not* "thinking small." You're not limiting your dream. You're not permanently shrinking your addressable market.

Niche here means *focused*. On a *specific* target customer with a *specific* pain. Regardless of how many types of customers you *could* help, or how many of their problems you *could* solve.

Don't let your exciting vision or big, hairy, audacious goal get in the way of taking the daily baby steps needed to get customers today.

Hypergrowth doesn't come from selling many things to many markets, covering all your bases (really, dividing your energies). Hypergrowth comes from focusing on where you have the best chances of winning customers, making them successful, building a reputation of tangible results, and then growing from there. For example:

- Salesforce.com started with Sales Force Automation.
- Facebook began with Ivy League schools.
- PayPal took off with eBay users.
- Amazon started with books.
- Zappos focused on shoes.

Where's the easiest place for you to build momentum *now*? What's the *path of least resistance to money* for you?

Focusing on specific industries or types of customers—like banks, software companies, or large businesses—is part, but not all of it. It also means focusing your *unique* strengths (not *all* your strengths) where they can create the most value (not any value), and:

- Solve a specific *pain* for
- An *ideal* target customer in
- A *believable, repeatable* way,
- With predictable methods to a) *find* and b) *interest* them.

Any kind of specialization that helps you to break through the clutter, stand out, be the best, win, or be unique is valuable.

For example: If you're a company that creates customized solutions for every client, and you need to recreate the wheel from scratch each time, you're going to struggle with a double whammy. First, it'll be harder to market yourself, because really—what problem do you solve? Second, unless you have some kind of repeatable solution, framework, or system—growth is going to be *hard*. You have to be one stubborn S.O.B. to grow that kind of company. Or lucky—but luck doesn't create sustained success.

If you focus on solving a single problem really well and can adapt as the market evolves, the sky's your limit.

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The Arc of Attention

Why is there a niche problem in the first place? It has to do with how people's brains and attention spans work. The *Arc of Attention* and *Trust Gap* ideas are vital to understanding why there's a problem, and what to do about it.

When you start a business, most people begin with Early Adopters, as they should. These include networks, friends, friends-of-friends, and people whom instinctively "get it." Then, once you hit $1–$10 million in revenue, you usually hit a wall as word-of-mouth and referrals start to plateau. Or, as a large company you might plateau when your new leadgen program, product launch, or market struggles. At some point you will run out of Early Adopters, and will need to figure out how to click with Mainstream Buyers, who don't already know you and don't intuitively "get it" like Early Adopters.

There's a painful difference to evolve from selling to Early Adopters who trust you, to Mainstream Buyers who don't. Geoff Moore called this "crossing the chasm." We call it bridging a Trust Gap. Whatever it's called, when you understand why this gap exists in the first place, you'll better know how to cross it.

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The Right Side—High Trust

On the right side of the spectrum are "Mom/Dad/Best Friends"—the people who know and trust us (or your company/brand), and are therefore willing to give you a big slice of attention just because you asked for it. If you call up a best friend and ask them to meet with you for two hours to review a demo, product, blog post or talk, they will—even if it makes zero sense to them.

This side of the arc also includes the few people who somehow run across your product, as crappy or obtuse as your website is—and just "get it." You don't need to explain anything to them, because intuitively they know what you can do, why it matters and how to use you service. All of these Early Adopters are willing to invest a lot more mental energy to figure out what you're doing and how they can benefit. They give you a *lot* of leeway—which is invaluable in getting a new company, product, or leadgen program off the ground.

But it becomes a liability—and often a rude awakening—when you start expecting everyone to give you that same leeway.

The Left Side—No Trust

On the opposite end, there are the people who have never heard of you or your company. When people don't know you, they'll only give you a tiny sliver of their attention to figure you out. If they don't click with you within that window, they move on.

The more connection you have with them right away, the more leeway they'll give you. The less you have, the faster you lose them. Some sample (nonscientific) windows:

> A cold email or online ad: a 0.3- to 3-second window before they engage or move on.
- A cold call: a 3- to 30-second window.
- Walking door-to-door: a 3- to 60-second window.

Compare these to:

- A referral: 15 minutes–1 hour
- A best friend or parent: Unlimited (In fact, you may be the one who wants to limit the time!)

This is the Trust Gap: The difference between marketing to people who already know us or our brand, and people who don't, and aren't willing to invest anything to figure us out. And the difference between being able to market to Early Adopters (15% of the market) versus Mainstream Buyers (85% of the market). It affects everything related to how you market and sell.

This difference between Early Adopters and Mainstream Buyers can be *huge* and easily underestimated. You may expect jumping the gap to be doable, like crossing a river from one side to the other. But it's more likely to be the Grand Canyon. Or if you're completely dependent on relationships, it's an Earth-to-Moon-sized gap.

The whole point of Nailing A Niche is to help you cross the Trust Gap, moving from depending on buyers on the right side (trust) to being able to better market and sell to buyers on the left side (no trust).

You have to either (a) find a way to fit your message into that slice of attention, or (b) expand the amount of attention they're willing to give you.

Everything we're doing in the Niche part of the book is to help you cross this Gap.

Assume You Are Marketing to Fourth Graders

With those tiny slices of attention that "cold" people are willing to give you, it's similar to the mental investment of a 3rd or 4th grader. So your message has to be simple for them to both *understand* and easily *act* on, or else they'll move on before ever giving it a chance.

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This is why short and sweet emails and videos tend to work better than long emails and videos as first touches with new people. People see a long email or video from someone they don't know, and they just aren't willing to invest in consuming it.

Perhaps if you're a genius copywriter, you can make them work, but for us regular people, shorter is better—at least for first contact. The more your messages are *simple to understand* and *easy to answer*, so that they'll fit into your prospects' window of attention, the more effective they'll be.

You can watch this in yourself: what goes through your head when you get a long note from someone, even someone you know? What about a short one? Do you see how the effort you're willing to give that messages changes so dramatically depending on who it comes from, how simple it is, and what they are asking for?

It's also why appealing to their dinosaur brains—rather than the purely logical brain—works.

Speak to The Dinosaur Brain

Reptiles think with their eyes, not their brains—and so do we! Dinosaur-brain thinking (the same thing, but dinosaurs are cooler than reptiles) isn't about thinking consciously and making logical decisions—it's about *reacting*.

There are different reasons something appeals to us at the dinosaur brain level, before our conscious minds have time to process it, such as:

- Newness
- Contrast ("There's a bucket of blue pens with one orange pen on the top")
- Movement/speed
- Surprises
- Details
- Visuals

This is why you'll see banner ads with a color that's different from the page background and with moving pictures, to combine the attention-getting elements of visuals, contrast, and movement. Or why video-sharing sites have so many videos titled like *He Hated His Boss for Two Years until This Happened* with a picture, combining visuals and anticipated surprise and

detail. And it works, at least until you learn from watching several that the videos are rarely as interesting as the titles, and you start ignoring them.

So, be intriguing and attractive, without overpromising—at least not too often.

Learning how to reframe your ideas to appeal to people's dinosaur brains makes sense when you consider the tiny window of attention you get. Even if it's frustratingly hard to do at first, or feels sales-y. You can't fight the Arc of Attention, even if you believe "My stuff is so amazing and necessary that it shouldn't need to be sold. Plus we're donating money to save trees, so there's no reason anyone won't want to buy!"

Chapter 2

Signs of Slogging

If growing is harder than slogging through mud, it's probably because of one these reasons.

Are You a Nice-to-Have?

Do you believe your intended buyers need what you're offering? Or are you a nice-to-have? One clear sign that you're a nice-to-have: Everyone you show your product to say "cool!" but no one buys.

Consumers don't buy what they need; they buy what they want. How much do consumers spend on Porsches and ice cream compared to broccoli and psychotherapy?

But businesses don't buy "nice-to-haves." For example:

Marketers want a beautiful website—but they need a website that converts visitors to outcomes such as leads or purchases.

CEOs want "happy employees"—but they need people to show up and do their jobs, for products to be released on time, or for cash flow to be improved.

A VP of Sales wants "increased sales productivity"—but they need and buy what contributes to it, such as leads, accurate reporting tools, and training.

Venture capitalists want to invest in honorable founders—but they need to generate above-average returns, which may or may not come from companies with honorable founders.

It takes a lot of energy to buy and use something new, so if you're a nice-to-have, it won't stick. Nice-to-haves fall to the bottom of the "must do" list.

If the buyer doesn't need your solution, they won't be motivated to go through all the work to convince their people, justify the purchase, roll it out, and get people to use it.

What problem is painful enough that a team of people will spend both their money and time to fix it?

If you are solving a need, how can you describe what you do differently, so prospects also see it that way?

What differentiates the customers who need you from the ones who don't?

Where can you create the most financial value?

Where can you get permission to create case studies or get references? (With some types of markets or customers these are almost impossible to get.)

How can you "sell money"?

How can you sell "things"?

"Sell money" means proving to customers that your product will help them make more money, spend less of it, reduce the risk of losing it, or stay compliant (avoiding fines and legal risk). Demonstrate how spending money with you will make them more money.

Make money by proving to customers that your product will help them make more money, spend less of it, reduce the risk of losing it, or stay compliant.

If you say you'll "increase revenue" or "decrease costs," you sound just like everyone else. What's equivalent to money in their mind—leads? Close rates? Social activity? Collections?

Employee engagement or fulfillment? Although we know engaged employees and fulfillment are vital, how do you prove to customers that you can help them make money with better employee relations, or with better resources and tools for their employees? How can you make the case that your product is needed?

Example: What ACME Learned from Failing at Outbound Lead Generation

A $15 million SaaS company, let's call them ACME Corp., came to us and said, "We need to grow, we need more leads!" ACME had grown to that point by being a partner of Salesforce.com and getting referrals from them. These referrals closed at a high rate, quickly. Clearly it was because they were referrals. ACME was growing, but wanted to grow faster, to double their rate with paid lead generation. Referrals and organic growth weren't enough. But ACME assumed that if they just got twice as many leads, they could grow twice as fast.

Trouble Clue #1: They'd been trying different online and offline marketing campaigns for the past three years, with results ranging from abysmal to crummy.

Trouble Clue #2: They started an outbound prospecting program (with Aaron's help) and totally failed. A total zero. It took four months (well, on top of the prior three years), but the key learning was that ACME wasn't ready to grow faster.

This company hadn't Nailed a Niche. The signs were there before. But they didn't want to accept it until they tried outbound marketing and hit a wall. Any kind of paid or nonorganic lead generation (like marketing or prospecting) can be a forcing function that makes you confront the reality of whether you've nailed a niche or not. If it doesn't work, you need to rethink your target customer … and possibly your solution.

ACME was in a noisy, commoditized market. All of ACME's target prospects already had something "good enough." Their targets' pains weren't ones ACME could credibly solve. To the prospects, anything ACME could offer beyond what they already had was just a nice-to-have, and not worth the pain of switching systems. However excited the ACME team was about their own stuff, prospects didn't get it. They didn't need ACME's solution

Target, Pain, and Solution

Your niche isn't just picking an industry vertical or target, though being selective about whom you're targeting is important. It also sits at the intersection of the pain they have and your solution (Figure 2.1).

Figure 2.1 Where is your sweet spot of Target, Pain & Solution?   [c02f001.eps]

Now, if you're in the same situation, do you blame the prospects for not getting it—or do you admit you have work to do?

Big Companies Suffer, Too

A top-five global software company hired us to help the salespeople of a particular division improve their prospecting. These salespeople, with limited time, were spending too much time researching rather than campaigning. When they did call or email people, they rarely got responses. The salespeople were as frustrated as the execs: "We want to prospect, but what we're doing is just a waste of time."

Ideally they should create a specialized sales team of junior prospectors to do most of the outbound prospecting, but that was impractical. They needed to do something now.

This team of salespeople sold to $1 billion-plus companies, like Bank of America, who often had multiple divisions. The company had a product list of at least 10 or 15 respected technology solutions they could pitch, to pretty much any kind of executive: IT, sales, marketing, finance, HR … basically anyone.

Their email, phone, and time management techniques weren't the main problem. They suffered from selling too many things to too many targets, and bouncing around instead of focusing.

They'd target the CEO of a bank on marketing, then a CTO for databases, HR for people management, and so on. It's the same Nail A Niche problem we've discussed, just in a different format.

The point is, Nailing a Niche (Figure 2.2) isn't just a problem for startups and small businesses. You don't solve it once. It becomes a recurring problem as you expand your lead generation programs, geographies, teams, and product portfolio. Your CMO, division, or individual salespeople may need to repeatedly nail down who is being targeted, who needs (not wants) you most, why should they buy, and for how much money And to make it about helping them, not just about you closing another deal.

How do you make it all about them, not all about you?

It's hard to resist going on and on and on … to buyers about all the wonderful ways you can help them. But if you keep doing that rather than specializing, you're more likely to confuse buyers than excite them.

Case Study: Where Aaron Went Wrong

My income increased 10x over four years, from $67,000 to $720,000, while I (usually) worked 20–30 hours a week. And, at the same time, my family grew from zero to 12 kids. I couldn't have done any of this without Nailing my Niche, specializing 100% in an opportunity where I had the easiest time making money—that is, the easiest time creating tangible results for others—and eliminating all my nice-to-haves.

After working at Salesforce.com for four years, most of which was spent creating and building the inside sales team that did all the outbound prospecting, I left Salesforce.com in late 2006. I'd been telling myself I didn't want to do sales consulting, but some projects came up through friends that sounded interesting, and I could use the income. I started early at Salesforce.com, when there were about 150 employees, but not early enough to make much money there, beyond a nice bonus that paid off my divorce debt.

These friends, my first clients, were my Early Adopters. They hired me because they knew me, not because I had a crystal-clear program and value proposition at the time—because I didn't.

I then spent a while at venture capital Alloy Ventures, researching business-to-business lead generation ideas. This led to a bunch of ideas and possibilities I could pursue. The result: choice paralysis. I had a lot of exciting ideas, and didn't want to pick "just one." When I felt like I could do anything, what did I want to do? I had no idea.

I left to visit a friend in China for a couple of weeks, to get away and reflect. At some point during the trip, I still had no idea what I wanted to do next, but I realized:

I didn't want to start a software company anymore.

I didn't want to raise money to start a company.

I wanted to be able to work on what I wanted, when I wanted, and with whom I wanted.

I wanted to make as much money as I wanted, doing what I loved. I had no idea what that was or how I'd do it, but I'd figure it out along the way.

What I loved to do most was partnering and working with people I trust. In other words, what I did, didn't feel as important as with whom I did it.

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So, for the next three years, 2007–2010, I tried different niches, bouncing around like so many companies I've seen—software or services—trying different combinations of who to go after and what to offer. Nothing seemed to "click" into the breakout success I'd hoped for and wanted. I wanted people to get excited about what I had to offer, line up to buy it, and then love it. I tried a number of products.

Selling "money": I started BlackBox Revenues with a partner, Erythean Martin, to consult with companies building outbound prospecting teams. Responsys (sold to Oracle in 2014) was a first client, and the system helped them grow 10x in five years, from $20 million to $200 million.

But I saw the sales consulting role (mistakenly, it turns out) as just a "day job" to pay the bills while I developed two ideas I was more passionate about. So, I didn't triple down here to figure my model out. Instead, I spent more attention on…

Selling "fulfillment": Under UniqueGenius.com I tried personal coaching, to help people find a life purpose and make money from it, combining meaning and money.

Selling "freedom": With my first book, CEOFlow: Turn Your Employees into Mini-CEOs, I tried organizational design and CEO- and team-coaching.

Need versus Nice

While at the time I felt more innate passion for the ideas behind Unique Genius and CEOFlow, both were much harder to market and sell than my sales consulting. In both cases, I worked on these ideas part time over a few years, slowly turning them from blogs into events, and then into a series of Unique Genius videos and the CEOFlow book.

Along the way, I remember having conversations with people who I thought clearly needed and would benefit from the ideas and the coaching—but they didn't buy. And I just got so frustrated in going through this time and time again, iterating new programs, messages, and proposals, bouncing along making around $5,000–$7,000 a month. Hey, it wasn't bad money, but it wasn't anything close to what I believed was possible, or what I saw other people doing online. "Compare and despair" was a close friend of mine.

I'd bought into the "If you build it, they'll come" fairy tale. I had misguided expectations of what it'd take to grow an expertise-based business. I vastly underestimated the focus, energy, and time it would take to get either brand off the ground.

Neither venture took off the way I'd expected or hoped, even though I believed they were killer brands and ideas. In a parallel universe, if I'd picked one and tripled down, going all in, it could have taken off faster. But it would still have been more of a slog than I wanted.

Looking back, my biggest mistake was that I hadn't Nailed a Niche. I wasn't ready to grow.

A distinct learning from this is that while people were interested in purpose and freedom, what they wanted to buy (at least from me) was money, which at the time was through outbound sales consulting. One was a need, the others were nice.

When people felt that they didn't have enough money (revenue), they couldn't focus on anything else. It was money first, second, and third—then freedom or purpose after that. It's hard to think about much else when you're struggling to pay the bills.

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Then Came a Forcing Function

When I remarried in 2011, everything changed. I went from being single with low expenses to having a wife and two children. And within a few weeks, we also had a new baby on the way. We needed a bigger apartment.

We could uproot our kids and ourselves and move from (relatively expensive) Santa Monica to a cheaper area. Or I could grow my business. I chose growth. And I kept choosing growth as we continued to add children to our family, year after year, and had to move to bigger and bigger houses.

But to grow, I had to pick the niche that would be the easiest to make money with. I couldn't afford the luxury of avoiding the truth that what I was most passionate about creating was, painfully, still a nice-to-have to others. Given more time, I could figure out the who, how, and where in order to make them need-to-haves … but I didn't have that time.

I made money easiest when I helped other companies grow sales with outbound prospecting, through PredictableRevenue.com. I finally published the Predictable Revenue book, and took the plunge—to specialize in helping companies build outbound prospecting programs. Something I'd held back from doing 100%—not so much in time, but in commitment and focus. I put every other business or fun idea, all my nice-to-haves, on the backburner indefinitely.

When people ask me how much work it took to write and publish Predictable Revenue, I don't have a simple answer. It took:

• Six years of baby steps of blogging

• Two days to put a full draft together

• Three months to edit, design, and self-publish

I'd been denying or ignoring the skills that made me the most marketable, where I had a unique expertise to create results for customers, just because I wanted to do something new and sexier than the "sales" or "prospecting" work I'd already done for years. Having a family forced me to change my attitude from sales is boring to results are sexy.

I'd been denying or ignoring the skills that made me the most marketable.

Once I specialized in serving business-to-business companies with at least $1 million in revenue, who needed to grow, who wanted predictable lead generation, but who weren't doing outbound prospecting yet (see? being specific!), business picked up. My rates went up by 10x, too, when I specialized. I mean, who do you think earns more, a general practice doctor or a neurosurgeon?

Ironically, besides going through it myself, it's been talking or working with so many product and services companies who thought they were ready to grow, but weren't, that I learned this lesson. I've seen how common this problem is, and why without nailing this down first, spending money on lead generation and sales is going to feel like pushing a string.

PS: If you're a parent juggling career and family, the very last section of the book is about "Aaron, How The Hell Do You Juggle 9 Kids And Work?"

Your Current Strength Can Be a Future Weakness

Services businesses (especially custom development shops, consultants, design agencies, or anyone who does a lot of custom work), and "utility player" employees who are great at everything, have a special struggle with nailing this. Being great at many things so far has been your strength, because you could take on any challenge and deliver results.

But your strength has now become your weakness.

Because the Fear of Missing Out holds you back from picking One Thing to specialize in and be the best at. "What do I pick? I can be world class at x, y, z …" (And that One Thing has to be specific—not "We're the best in the world at custom software development." Vague.)

"But if I'm going to be the best in the world at training public speakers, then I'm going to miss out on being the world-class artist I want to be. Or we'll miss out on the financial services market. Or this mobile app we could do, or…"

Here's why picking One Thing is better than trying to pick the Best Thing: you can't predict where your big opportunity or $100 million exit will come from. So pick One Thing and figure out how to win at that. Where can you be a big fish in a small pond? Get momentum winning in that small pond, then expand into the next bigger pond, and so on. If you learn how to win at One Thing, you'll know how to win at the Next Thing.

If your One Thing struggles, then learn and pivot, until you learn how/where to win. Let go of knowing what the answer is ahead of time—just get to the next step. And re-evaluate. And repeat. Guaranteed, though—if you're spreading yourself across multiple things, you're just diluting yourself.

Yeah, easy to say. Hard to do. That's why you need to be able to ignore any expectations of quick success. Just keep taking baby steps to keep moving.

The problem is especially hard if you've been in services, because it requires a total mindset change. To go for growth, you need to switch your whole sales attitude 180 degrees:

From: "What's your problem? We can solve it. Whatever your problems are, we have many capabilities. There's something we can do for you if we look hard enough." You end up solving different problems in different ways, making it virtually impossible to scale.

To: "Here's the problem we are the best at solving … with our repeatable solution we have delivered 100 times. Do you have it? No, you don't have it? Do you know anyone else who might be interested?"

We're not saying you don't find out about the specific situation and pains of a customer, but there's a difference between understanding exactly how your solution can help them, and creating a solution from scratch that will help them. It's the difference between configuration and customization.

Be Specific

The more targeted you are, the easier for people to "click" with what you do, and immediately tell if (a) you're relevant or (b) someone they know is relevant.

Hi, I'm Aaron. I'm in financial services.　　　Hi, I'm Aaron. I'm a CPA, for Los Angeles-based media companies with at least $10 million in revenue.

Special Orange Unicorn Pens

Let's talk pens. Orange ones. Imagine you manufacture pens of all colors, customized to what a customer wants. And you decide to specialize on a growth opportunity. "We're going to stop selling all colors of pens, including 'design your own color,' because the market's full of pen makers. We're picking one thing to be the best at, to be known for. We are only gonna sell orange pens, special ones that draw unicorns. And we're only selling them to those companies who need orange unicorns drawn on their sales proposals in order to close big deals. Because we've seen that's where the growth is going to be, and we can be the best in taking advantage of it."

It's easy to feel the loss of all those customers you can't sell to anymore. It's hard, until you see it working, to feel the success of focusing on selling only special orange unicorn pens.

Be willing to lose the people who want all colors of pens, because ultimately you'll sell more pens, at higher prices, to the right people—the ones who value those special orange ones.

Chapter 3

How to Nail It

Maybe you already know your best target. Perhaps your head's still exploding with options. Let's narrow it down with a step-by-step approach to prioritize your best bet(s), and how to get more from them.

Where Can You Be a Big Fish in a Small Pond?

It's better to pick a focused market that's "too small," but where you can find and win deals, than it is to stick to defining your target market so broadly that you get lost in it. Why is this?

It's easier to make the pond smaller than make the fish bigger: it's easier to retarget, refocus, and reframe yourself than to change your products and offerings.

To grow past word-of-mouth marketing, you have to stand out. It's easier to stand out and win deals in a smaller pond.

When you share too many things that you excel at (too many ponds), it's more likely to confuse prospects than impress them.

Five Aspects of Your Best Niche

Let's look at what helps determine how ripe a niche is for you.

1.   Popular Pain: So what if you do custom application development, analytics, mobile-enablement, or sales training? Those aren't pains; they are solutions. What main pain do you solve? Missed product launch deadlines, inaccurate forecasts, high customer attrition, lead generation struggles, low conversion rates from demo to proposal? Those are pains.

And the pain has to be common enough: You want to specialize in a specific pain you solve, but not get so narrow that you can't find anyone that has it. Within the niche you're targeting, what pain can you solve that's common enough to allow you a fair shot of finding customers? You know that a pain is common when you see that people are willing to pay money to solve it, repeatedly.

Specialize in a specific pain you solve, but don't get so narrow that you can't find anyone that has it.

2.   Tangible Results: Where can you show concrete or detailed results? How can you answer the question "What do I get?" For example, if the answer is "Peace of mind or a better night's sleep," how do you make that tangible? "Grow leads 217%" or "Shorten month-end closing to 12 hours" are much more concrete offers. If you struggle with hard numbers, you can use visual examples or detailed customer stories and testimonials.

3.   Believable Solution: It's easy to make claims of "more revenue, lower costs, blah blah." Buyers hear this every day. Why should they believe you and your claims? There are two sides to this: (a) They have to believe you can deliver, and (b) they have to believe it'll work for them, including their own ability and capacity to do it. Detailed case studies of similar companies are powerful—they make your solution highly credible. Honesty, expertise, confidence, simplicity, authenticity, from both the person and business they work for, all help.

4.   Identifiable Targets: If you can't build a list of prospects or channel partners or marketing options to get access to them, you can't very well go after them! How would you build a list of "technology CEOs suffering from severe depressive episodes at least once per quarter" or "companies that need to change the software they're running their website on"?

5.   Unique Genius: To find or be found, to close deals, to avoid commoditization—you must be different or unique. Every business (and individual) has unique strengths, weakness, and superpowers—whether or not they realize it. A talent for making money, focusing, creative writing, art,

service, engineering, relationships, innovation, a passionate community, celebrity employees, an interesting personal story or history …

Sometimes it's clear, like the customer service and culture of Zappos. Sometimes it's hard to put your finger on, or it needs developing. But it's always there. What makes you stand out? What are your special advantages? If you can come up with nothing else, you have the personal stories of the founders and employees. Personal stories—like "I struggled, I wanted to help others avoid the same struggle so I did X, Y, Z"—can in themselves be very compelling.

To find or be found, to close deals, to avoid commoditization—you must be different or unique.

Work through the Niche Matrix

The next steps are going to help you list out, prioritize, dig into, select, and act on a primary and secondary niche. Do this with your team, and give yourself half a day to thrash it out. Don't worry: thrashing's part of the process. You can also download a workbook at FromImpossible.com/niche.

Step 1: Make a List

List your top 5 to 10 customers and/or types/categories of projects by size of deal or impressiveness of results. The best predictor of future success, or at least the best place to begin, is with the history of where you've been most successful.

1.   What was the pain or problem they wanted to solve?

2.   Why did they decide to solve it—what triggered them to decide to buy?

3.   Specific results they desired?

4.   What was the solution they wanted?

5.   Deal size or financial results (how much money did you make, or not make?)

6.   On a scale of 1 to 10, how much do you want more projects like these ones?

Keep listing other possible market opportunities in order to identify (a) where the easiest sales/most demand comes from, (b) where the most revenue is coming from, and (c) where the most passion or excitement is:

Interesting/weird/compelling/exciting outlier customers that you'd want more of

Other new exciting opportunities.

What market or type of project has been the most successful?

What are you the best at?

What's been the easiest way you have been able to make the most money so far?

If people hired you for just one thing, what is it or would it be?

Review other customer patterns:

What should you win at but haven't because you haven't invested in it?

Categorize your biggest projects, types of project, problems solved, benefits/results.

What's your best proof case from the past?

Which projects created the biggest financial benefits for customers?

Where is there detailed proof that you're allowed to publish?

Best competitive position? Where are your best chances for winning?

Where is the best future opportunity: What's in demand? Is there a rising tide?

Where/with what kind of project can you get measurable results?

Where do you have passion? (Or will success be your passion?)

Make a "Stop Doing" list

Which projects failed—and why?

Which markets, customers, or projects do you need to stop pursuing?

What kinds of customers are impossible or not worth helping?

Step 2: The Matrix

Once you get a broad list together, rate or rank them across five aspects (Popular Pain, Tangible Results, Believable Solution, Identifiable Targets, Unique Genius). Don't overanalyze things (yet); we want you to narrow down to a few best options (two to five) to dig into next. Sometimes it's easy. Sometimes this is very frustrating, and you go round and round in circles. They don't have to be perfect at this point. You're not getting married.

Next we're going to break them down into a more detailed matrix. It will help you find blind spots—especially with the "Pain-Solution-Result" breakdown we'll get to.

Niche/Use Case	Popular Pain	Power Person	Specific Pain	Solution	Results	Proof Validate
Retail chains	Slow store-over-store annual growth	Retail Operations Exec	Sales data reporting unfriendly, out of data	Mobile, real-time reporting for buyers and sales teams	Improve $/ft2, speed turnover, reduce breakage	None yet	Interview two more buyers in this space

Download the Nail A Niche workbook at: FromImpossible.com/niche

Everyone adapts this approach to their own unique situation, but essentially this is the model.

Niche: Which opportunity or use case from the list are we talking about? "Cashflow Management," "Financial Services HR," "General Electric," or "Mobile Advertising"?

Popular Pain: A general label of the problem customers need solved. "Content Marketing Reporting," "Sales Team Attrition/Costs," "Inaccurate Executive Reports," "High Employee Costs," and so on. The detail comes two steps later.

Power Person: Who are the people you aim to help, and who have the most power over buying your stuff? What roles are the typical decision-maker and influencer/helper? To keep it simple, begin with just one or two roles.

Who are the people you aim to help, and who have the most power over buying your stuff?

Business or Personal Pains: What specifically does that one person deal with on a day-to-day basis? Not the company as a whole, but that one person. This is where the pain gets detailed. "Embarrassed in front of board because forecast was off," "Overwhelmed with time spent interviewing because

there's no way to filter candidates early," "Goals are going up, leads are staying the same." Start with one to three specific pains for the main decision-maker, and do it again for one other influencer on their team.

Solution: What do they need and want in order to solve this? Customers want to buy solutions, not products or services. How can you position your solution to them? It's possible what they want to buy is different or "more than" what you currently offer. Usually, this is the easy part for you, since you know your solution so well.

Results: What are the identifiable outcomes that customers get? What can you measure, track, or gauge? "Everyone feels good" isn't specific enough. "Employee satisfaction increased from X to Y" is better. How can you demonstrate financial benefits? (Make money, save money, reduce risk of losing money.)

Proof: To charge based on value, or to market and sell to Mainstream Buyers, your lead generation and sales teams need proof. If you don't have proof, you can still sell to people, but this will require more relationship-building, or sticking only to Early Adopters. Examples of proof:

- Free trials
- Case studies with details
- Testimonials, especially in video
- Lists of logos or brand names
- Stories
- Demonstrations

It's always better to "show" rather than "tell" (stop talking and prove it).

It's always better to "show" rather than "tell" (stop talking and prove it).

People need practice differentiating pains from solutions and from results. Filling out these three columns can be an education in itself, because people often confuse pains with solutions. "Their pain is a lack of automated payroll" or "payroll is manual" aren't pains. Automated payroll is a solution. Manual payroll is just a description of how it works today.

Break it down: Why does that matter? So what? "Manual payroll creates errors every month, meaning employees get frustrated, reducing selling time (pain #1), and finance teams spend 10 hours a month fixing silly errors (pain #2)."

Usually the "Solutions" box fills up fast. That's the easy one.

Do your people keep wanting to fill the "Specific Pains" box with solutions?

Is your "Results" box frustratingly blank?

Spend the time to nail these down—pains/solutions/results—even if it takes 10x longer than you think it should. Because it can help open up a whole new way of thinking for your team, so they can catch themselves when they skip over digging into customer pains, leap too fast into pitching solutions, or are unsure of the results they can promise.

Step 3: Choose

Now pick a primary opportunity to pursue. If you have more than one great one, you can pick a secondary opportunity to test and compare against the first.

If you have more than two that you're excited about, remember that by digging deep into a first-niche opportunity, you'll learn so much more—and you can always go back to evaluate and test other niche ideas later. You're not going to miss out on anything by putting the others on hold.

Step 4: Validate

If you're ready to jump in: By this point, you may be ready to jump into going after that first choice, such as with a lead generation campaign. Even so, get started by finding a couple of prospects in that niche(s) to interview, to fill out and update your niche with details—especially the Pains and Results. Find people who either don't know you too well, or a customer who's not afraid to give you brutally honest answers. And then move on to Step 5.

If you're not ready to go after it: Sometimes you realize that although your top niche seems like a great possibility, something important is missing. It may require a different product, research into regulations, licensing, research, or another kind of validation. Before going on here, skip ahead to "Jason's 20-Interview Rule" on page 37.

Step 5: Campaign to Learn Now and Grow Later

If you feel like you are ready to start targeting that niche, you should be clear enough by this point to start a lead generation program around it. Spending effort on a lead generation campaign of some kind (any kind) forces you to jump in and keep iterating who you're going after, why they should care, and what they're interested in.

It's not the leads here that are important—yet. It's the learning. The faster you learn how to generate leads, the faster you can get ready to grow. Give yourself 90 days as the learning or beta-test period before counting your growth chickens. Essentially, what you're doing here is four things:

1.   Define a target list, usually of prospects, partners, or marketing outlets.

2.   Decide on how you want to reach out, that is, cold emailing, calling, referrals, social, mail, blogging, and so on—and what you'll say and ask for. Remember to write from the reader's point of view: What's in it for them?

3.   What's the minimum required preparation needed before you can start campaigning? Don't over-plan here on creating the ultimate marketing or outbound plan, building a ton of content and then … nothing works. For example, if you're prospecting, ideally you have a case study or short introductory video you can use. But if you don't—don't let that stop you from getting started. It's more efficient to learn and create any other tools or content along the way.

4.   Finally: Stop procrastinating and just send the first campaign. Even if it's just one phone call, letter, tweet, or email. Send more. Measure results. Adjust. Try again. Act, learn, and adjust. Fire, ready, aim. The more tests you run, the faster you learn. Speed of learning creates speed to growth.

Speed of learning creates speed to growth.

The learnings are more important than the results in this step. If you get 10 sales right away but you don't know why, you can't repeat them. If you get two sales, but know how to replicate them, you're golden and can ramp things up.

Once you get something working, you'll be able to step back and have a better sense of when and how fast you can grow next, in what niche, and with what kind of lead generation. Or, you'll realize you need to revisit your matrix again (back to Step 3).

Case Study: How Twilio Nailed A Billion Dollar Niche By Walking In Its Customers Shoes

Twilio is a "cloud communications platform as a service" company based in San Francisco valued in billions. Founded in 2008, Twilio reached $100 million in annual revenue in 2014 and $600+ million(!) in 2018. Twilio allows software developers to programmatically make and receive phone calls, send and receive text messages, and perform other communication functions (like video) using its web service APIs.

For example, anytime you receive a text message from Uber or make a phone call to one of their drivers, you're using Twilio. When you receive a text confirmation after booking a reservation on Yelp or OpenTable: it's Twilio.

Jeff Lawson (CEO) and the Twilio team are experts at getting into the minds (and shoes) of customers in ways that have created a platform company worth billions. [HIGHLIGHT BOX]

Platform startups often struggle to nail niche markets because customers can do so many things with it. Ask a platform founder "what can we use your platform for?" and they'll answer "anything!" Jeff Lawson (CEO) and the Twilio team are experts at getting into the minds (and shoes) of customers in ways that have created a platform company worth billions.

Platform startups often struggle to nail niche markets because customers can do so many things with it. [HIGHLIGHT BOX]

First: Listen To Customers (Ideally In Person)

In Twilio's early days, Jeff was called up by investor Dave McClure. Dave told him "Hey there's this event in Las Vegas called LeadsCon, you should go to it and meet Jay the organizer."

Jeff said he didn't know the first thing about lead generation, but he went anyway.

Jeff met Jay, and told him "I don't even know what this is about, or who these people are!"

Jay told him, "Don't worry. I'll put you on stage on Day 2 with other new startups and innovators. Go up there and talk about Twilio for 5 minutes. You'll figure it out." That was it.

The first day, Jeff just attended everything and listened. He realized lead generation was an industry where marketers generate leads for business and sell those leads. Leads might fill out a form, or even call a phone number in a late night infomercial.

That night he put together his presentation.

The second day of the event, up on stage, Jeff told the crowd "Yesterday, I had no idea what lead generation was, but here's what I heard. I heard that the most valuable leads you get are phone calls. And I have a platform for phone calls. Let me show you how easy it is to record calls, pass calls, analyze calls, and if this is interesting, contact me."

Jeff told the crowd, "Yesterday, I had no idea what lead generation was, but here's what I heard… [HIGHLIGHT BOX]

That was his naive pitch… but there turned out to be numerous use cases for Twilio in lead generation, and it created a huge amount of business in that industry.

Jeff didn't focus his talk on the platform and all its features, instead he listened to the customers and tailored his talk specifically to what they needed. (Don't confuse meeting with customers and listening to them as the same thing).

Sounds simple, but few people or salespeople do this.

Second: Walk In Your Customer's Shoes... Literally

It's easy to talk about listening to customers, but how do you actually do that and get useful insights? How do you practice the vital skill of empathy?

"You don't understand someone until you walk a mile in their shoes" is an old saying. Twilio takes it literally as a leadership principle there of "Wear the customer's shoes.'

Twilio's standing offer to customers: trade your shoes for a pair of red Chucks with the Twilio logo. Customer shoes are hung around the offices, labeled with the name and company of the customer.

Every employee has to build a Twilio app… even the lawyers [HIGHLIGHT BOX]

What's this look like in practice? First, every employee has to build a Twilio app (we'll get to this). Another way: keep asking, and asking (and asking) why to understand their root problems and motivations - why are they doing this? Why do they need it? Keep digging. And when you can match a lot of those "whys" across multiple customers, you get a sense of the raw business need.

Interviewing Tips

•   Online surveys can be easy, but live interviews allow you to go deeper into details. To do surveys well you need to know what questions to ask. Interviews help you understand which questions ask.

•   You don't need a lot of interviews: one is better than zero, and rarely do you need more than 3-5 unless you're creating an entirely brand new product and pitch.

• Don't be discouraged by unproductive early interviews. It's a skill. You'll get better with practice.

• People open up to people. You'd like customers to share authentic stories with you, so be honest with them.

• Your interview shouldn't feel like an interview. It should feel like a conversation.

• Listen carefully and you can discover surprising ways customers use your product or service, (un)conscious reasons they resist buying, and internal keywords and key phrases useful for sales and marketing copy.

You'll get better at interviewing with practice.

When debriefing salespeople, also ask "Why is the customer doing this?" If they don't know, or throw out assumptions, make sure they go and ask.

The more customers you listen to (not just pitch or sell to), the more you'll be able to think like your customers and empathize with them.

Third: Make Your Lawyers Build Apps

Want your people to "get customers"? Don't just make them read about your product, have everyone use it.

Twilio has all employees - including assistants, recruiters and lawyers - walk in the customer's shoes by making every new employee create a Twilio app. They're helped by Twilio developers who volunteer to teach non-coders how to code.

Then they present the app to the company. There's nothing like a healthy dose of fear of public embarrassment to motivate people to take something seriously! It's a smart Forcing Function.

Fourth: Get Customer Feedback Before You Build It

Twilio has mountains of API documentation, which is a great description of the product capabilities. In fact, if you have accurate API documents, it perfectly describes what that API will do.

When Twilio contemplates a new API product, they write the documentation first, before they begin coding. Then they share the documents with customers. "Does this API solve a problem? Would you use it?"

How can you get product feedback before you build it? [HIGHLIGHT BOX]

Customers respond "yes, it's perfect," "No…" or "I want to do [something], which API should I use?"

Product and services companies do the same thing by - before building a product - putting up a landing or sales page about the possible product to see if anyone wants it. Pre-marketing a product this way can help catch product or messaging problems early. It's much cheaper and easier to fix mistakes before you've built the product.

Fifth: Combine Research + Leaps Of Faith

It's impossible to research your way to certain success. At some point, you need to take a leap of faith.

Twilio's products are based around APIs (Application Programming Interfaces). Their users are developers who write programs that talk to Twilio's programs. API products often start slow, because after you share your APIs with developers, they 1) experiment with them to figure out what they want to build, then 2) release a feature or product, and 3) iterate it until it works for users. Through this process, a developer experimenting with Twilio's APIs might spend 50 cents on API usage. Revenue from a new product like this usually won't show up until much later, until long after important use cases are identified.

Twilio watches even small numbers while those developer users play with it, looking for common factors where it's getting (or not) traction.

It's impossible to research your way to certain success [HIGHLIGHT BOX]

Twilio built its first Video API product so companies could easily add video communications to their systems. Twilio figured customers would mostly build screen sharing applications. Customers had other ideas.

Twilio saw remote tutoring. They saw people opening bank accounts remotely while chatting with an agent. Rather than waiting days or weeks for an appointment, they saw people get doctors evaluations in minutes. The main use was for freeing people from time and geography constraints in getting help from experts online.

Twilio went out to find more companies that needed this, whether in healthcare, finance or retail. Jeff says "like with lead generation, we found a big opportunity in video by accident after we put our products into the market."

Walk in customer shoes. Get great at empathizing. Research your opportunity. But you can't research or whiteboard your way to success. Get your stuff into the hands of customers and watch what happens. And if nothing happens, that's not a failure if you see it as useful information too.

If nothing happens, that's not a failure if you see it as useful information too.

The 20-Interview Rule

We know everything can't go according to plan in any startup. It certainly didn't for either of us. But if it's early days, one suggestion: If you are planning to sell to an enterprise/businesses of any meaningful size: don't forget the 20-Interview Rule.

The 20-Interview Rule is simple: Before you write a line of code, finalize your niche, or take some other kind of leap, interview 20 real potential customers.

Not your friends. Not people you know. They have to be real potential buyers; that is, if you hope to sell to sales managers, you can't interview a rep. You have to interview a VP or a Director of Sales or Sales Operations. And you have to do 20 of them. We know it's hard to get to 20, but it's the right number:

You need the first five interviews just to truly understand the white space and the current opportunity. Yes, you probably think you already understand it. But you are the vendor, not the purchaser. You need to understand your prospective app from the purchaser's perspective, for real.

You need the next five interviews to confirm your pattern recognition. You learn from the first five; you confirm in the next five.

You need interviews 11–20 to nail your pitch and hone your thesis. Once you truly understand the white space from a buyer's perspective, and you've figured out the nuances and challenges, it's time to nail your pitch. And by doing this, you'll also hone your thesis and strategy. That's what interviews 11–20 are for: To filter out all the "nice-to-haves'" from the "must-haves" in your pitch. To dig in on what is really 10× better, not just two times or five times better.

And let me tell you, don't expect all 20 interviews to be positive. Many interviews are, or should, be critical. Or worse—lukewarm. Lukewarm is worse because it says, "Yeah, it's sort of interesting, but no way I'd buy" and, implicitly, "Your idea is a huge waste of time." I'd rather get the negative feedback.

We get the Steve Jobs thing. You just have to build it. You do. But when you're solving business problems, not consumer problems, research matters. They don't know how to solve it, or what you should build for them. But they do know how to express their problem. Acutely and thoughtfully. So even if the specific feedback on your product and idea is off point, the learnings on the true pain point you're solving will be perfectly on point.

By way of example, here are two seemingly similar SaaS startups. Both are at about $1 million in revenue. Both have happy, enthusiastic customers. Both have really great products and are organically growing. Both have great founder CEOs. But even though both are now at $1 million revenue, one is just so much better positioned for success getting quickly to $5 million and $10 million annual run rates. And, at least in this case, in this case study, the difference is clear: the better-positioned $1 million SaaS startup knew its customers from Day One. The other one at $1 million, figured it out on the fly—and, really, is still figuring it out.

They both got to the same place, at the same time, more or less, so what's the difference? The difference is architecture. Not just software, but the whole company. The startup that didn't know who its core customer would be is behind on team, behind on market presence, behind on how to market and sell to its core customers, and behind on visibility at the prospect level. And the startup that did know its target customer has a more appropriate team for those customers' needs, and for accelerating visibility at the prospect/market level.

So if you haven't started yet, as fun as it is to just build the wireframes and get a-codin' without having to talk to people, do the 20 interviews. For real. Don't skimp here. And listen. And if nothing else, force yourself to make key changes to your assumptions based on those learnings. It will pay off.

Chapter 4

Your Pitch

We've identified your best target, and perhaps a backup. And you know their pains. So when you meet a prospective customer at a conference, or email one, what do you say or write? How do you tune your elevator pitch and messaging?

If You Were a Radio Station, Would Anyone Tune In?

Imagine you're clicking through radio stations. You have jazz or classical, classic rock or easy listening, and then you hit one called KALL—"we play jazz, hip hop, rock, classics, oldies, dance, holiday music, and anything else you want—you tell us what to play!" It'd be a confusing mishmash. Don't be a mishmash!

Get smaller. Get to that one thing people want from you, at which you're the best. Remove the clutter to make it easier for the right customers to see why they need you. We know, this is easier said than done. If it were easy, everyone would do it.

Going Narrower Simplifies Everything

Do you have too many good opportunities in front of you, in your radio station? You have to narrow it down to make it easy for people to tune into your frequency. And when you do, it vastly simplifies many of your challenges, like whom you're going to go after and what you'll say to them to see if they're interested.

As the world gets busier and people's mental inboxes get more crowded, what you need to do to stand out from the crowd and connect with your customers will also change.

The simplest way to do this is to go narrower, that is, to further specialize and simplify. Remember, you can try this as a whole company, for a product, for a project, or for a marketing campaign, or even as an individual working to advance your career.

Let's say you're a part-time CFO. Is it easier to write an elevator pitch as "a part-time CFO" or as "a part-time CFO who lives in Los Angeles and works with media companies with $1–$10 million in revenue"?

Or you can serve healthcare, financial services, and technology companies, both small and large. Where's the most money coming from? Writing emails or blog posts that speak to all those businesses would be a lot harder than zeroing in only on large financial services companies.

Maybe you refocus the whole business that way. Maybe you refocus individual case studies, blog posts, web pages, or outbound campaigns that way. But narrow in. How?

It can be by type of target customers. Or where you work. What you offer. What you're fixing. The results you create. Anything that makes it simpler for a prospect to tune in and see why they need you. A few examples are:

Instead of "North America," which states or metropolitan areas are you strongest in? "San Francisco," "Los Angeles," "Chicago and New York."

Instead of "pipeline management," what standout function do you have? "Proposal conversion," "demo mastery," "15-minute executive pipeline reviews."

Instead of "author coach," how about "business author coach" or "e-book author marketing coach."

Instead of "employee learning," how about "salesperson onboarding."

Instead of "crowdsourcing," how about "support ticket translation."

Hey, broad categories can work, too. We're just saying that if they aren't working, try thinking narrower, then test it to see if it clicks with customers, because a sexy, fancy, or grandiose message that doesn't click with people is useless.

A sexy, fancy, or grandiose message that doesn't click with people is useless.

Specificity—in target, desires, or message—doesn't limit you; it makes it easier for customers to "get it."

Why It's Harder for Services and Superstars

American Data Company was a Salesforce.com implementation and development partner that wanted to grow. But as a services company, they'd grown up doing anything for anyone. In starting an outbound prospecting program, initially nothing worked in looking for companies that needed help in improving their marketing, sales, or services results.

It turned out they'd created a mobile application for Westfield Shopping Centers used by their leasing agents. When they focused on running outbound campaigns just to shopping mall management companies, they started getting appointments right away.

Going narrower helped them figure out how to make it easier for prospects to tune into why they mattered.

Elevator Pitches Are Always Frustrating

With an elevator pitch, you're not trying to sell people on buying something or get them incredibly excited and jump up and down. You're only giving them a quick sense of whether they want to find out more or not.

Most people deliver an elevator pitch that's too long and too much about them: We're the leading scalable networked social media platform innovator … blah blah blah.

A tight elevator pitch can tell someone quickly whether they are a prospect or not. You're not trying to engage everyone, just the people to whom you're relevant. Here are a few tips.

- Avoid jargon.
- Keep it simple.
- Simple is better than accurate.
- It's always frustrating: You'll never be 100% satisfied, so stick to "good enough."

No doubt you can find a million formats and templates for elevator pitches on the Internet. Here's one sample format that's worked for us: Start by saying, "You know how some people have [problem]? Well, we [solution and/or benefit]. For example, [one sentence case study]."

You know how some retail chains struggle getting mobile users to redeem coupons? We have a way to increase redemption rates by 50%. For example, Bob's Tacos saw redemptions double in 30 days.

You know how some retail chains turn over employees as fast as they can hire them? We can tell you the top five fixable reasons your employee attrition is too high. For example, Walsmartz halved their retail store staff attrition, so they're turning over the whole staff only every two years, instead of every year.

Notice it's not about the steps you take to help them—it's about the results they want and desire. If it's interesting, they will naturally ask you more questions about how you do it.

One Moore Format

Geoff Moore (author of Crossing the Chasm) has another template you can also try:

For [target customers]

Who are dissatisfied with [the current offerings in the market],

My idea/product is a [new idea or product category]

That provides [key problem/solution features].

Unlike [the competing product],

My idea/product is [describe key feature(s)].

You can find more—many more—of other formats and templates online, easily, if nothing yet feels right.

Pro Tip: Add a Pause When Speaking

You know how on your mobile phone when you pull up a Maps app, sometimes you need to hit a button to have it recenter on your position, so it can be ready to map directions? Anything you type in beforehand you'll just have to redo.

People's minds work the same way. When most people introduce themselves, they dump too much information, too fast, on the listener. Their minds need to orient first, before you can throw more "directions" at them.

Do this by adding a simple pause whenever you're speaking in person, on the phone, or in video. Pause after your first sentence, or after about 10 words. Try it out on some strangers—not coworkers—to refine your use of the pause. Give them a second to orient mentally, then keep going.

It gives their minds a chance to get ready to process what you say next, like hitting the "center" button on that Maps phone app. If you don't pause, their minds won't be ready to receive more, and much of your pitch will go in one ear and out the other.

They Don't Care about "You": Three Simple Questions

When they're first meeting you, they don't care about what you do or what stuff you sell—whether you're SaaS, services, an auction site, mobile, whatever. They only care about what you do for them.

If you get stuck pitching solutions rather than results, try these three questions to hone in on what people care about. You can ask them about each sentence, slide, or point of whatever you're creating. They automatically help you reframe your thinking in terms of results for customers:

- How do you help customers?
- What's so great about that?
- So what?

I'm an accountant in Los Angeles.

"How do you help customers?"

I help businesses stay compliant.

"What's so great about that?" Or "So what?"

A business that's not compliant in ___ can face fines of $150,000. I help businesses stay in compliance to have zero risk of big fines.

Whether you have a fancy pitch ready or not, the next time someone at a party asks you what you do, pretend instead that they asked, "How do you help people?"

People Like to Buy "Things": Details Make the Difference

You're figuring out how to describe your stuff in ways that click quickly with customers. You see yourself as a need-to-have, but others don't. Maybe you're being too vague.

For example, choose which of these resonates more:

"Transportation" or "a BMW 3-series sedan"

"Sales process consulting" or "an eight-step sales process"

"Freedom" or "self-managing teams" or "being able to take a two-week vacation, unplugged, and enjoy it"

"Premium support" or "24/7 access to our support center, via email, phone, or chat."

People like to buy "things." Their minds are asking, "What do I get for my investment?"

Whether it's a $10 or a $10,000 purchase, they'll want to know exactly what they get. Spell it out as much as you can as "things," with concrete details.

"Should" Is an Evil Word

Focus on those customers with a burning need you can solve—not on the ones that think you're "cool" or who should or could need you.

It might be easier to refocus your niche instead of rebuilding your product/service. Rather than thinking, "What can we do to make our product compelling?" try, "What kind of person/company most needs what we have to offer?"

What kind of person/company most needs what you have to offer?

If you decide to change direction in a significant way, the next step isn't to build a whole new website and redo all your marketing and sales collateral. The next step is go back to the 20-Interview Rule. Go talk to real prospects (not friends or partners) to identify which of your assumptions are wrong.

Most people are afraid to get brutally honest feedback about their offering. Don't hide from the truth that you may not be where you thought you were, and it may take a lot more work and time than you expected or wanted to get it dialed in for growth.

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