

The Underground Marketer Podcast – Episode 28 – Full Transcript

Introduction 00:00:03 Marketing, explosive growth, and revolutionary secrets that can catapult your business to new heights. You're now listening to The Underground Marketer Podcast with your host Tudor Dumitrescu, the one podcast devoted to showing new businesses how to market themselves for high growth.

Tudor Dumitrescu 00:00:25 Welcome to the underground marketer. This is the place where we deliver the real truth about marketing and explore big ideas that can help new businesses thrive and grow into big ones. I'm your host Tudor and today it's my great pleasure to welcome Sam Palazzolo, founder of Tip of the Spear Ventures, serial entrepreneur, venture capitalist, and leadership author, Sam built a technology startup raising \$8 million in the process, consulted with fortune 500 companies as well as SMBs and successfully completed a private exit. He's also the author of The Influential Leader published in 2008. Welcome, Sam.

Sam Palazzolo 00:01:07 How are you? Thank you for having me.

Tudor Dumitrescu 00:01:09 I'm great. Uh, thanks for being here, Sam. You're a great guest and the topic that I really wanted to discuss with you today is sales in the context of startups and businesses doing under 1 million a year in revenue. But before we get there, I was wondering if you can quickly introduce yourself and share with our listeners a bit about your background and what you do.

Sam Palazzolo 00:01:36 Sure. Yeah. Thank you again for having me again, Sam, Palazzolo, I'm the managing director at Tip of the Spear Ventures. You can find us at tipofthespearventures.com. I'm sure we'll put that in the show notes so people can easily navigate to it, but absolutely we're a private equity firm that I founded in 2012 after successfully leading a tech startup to a private equity exit. I didn't realize it at the time, but, uh, we're pretty fortunate, I guess, less than 2% of all entrepreneurial efforts go to a 2% exit. So I guess 50% also fail within the first year. Sometimes you don't know what you don't know. Uh, but anyway, that's the, from where I'm at, we've got two sides of the house. I come from big consulting, Deloitte, uh, Ann's change management group out of Chicago. And so we very much have a, uh, consulting side of the house.

Sam Palazzolo 00:02:29 The other side of the house is a venture side, uh, where we work and help fund entrepreneurs. Generally, those that are at a \$1 million revenue, at least that's our post revenue target. Uh, we also do some SMB type of work where we're active buyers, we're consulting in the area as well, but our topic today and what your podcast specializes in from a marketing perspective, it goes hand in hand with what it is that we do on the consulting side of the firm, which is we call it business transformation. Actually, it's a Deloitte Indian or McKinsey and a terminology. I would call it change management. It has a heavy sales business development focus for our clientele that ranges from the fortune 100, all the way down to the SMB market here, domestically in the US as well as internationally. So it doesn't mean though that we only focus in that area, sales biz dev heavy focused. We do swim upstream to marketing and the strategic plan for the organization, as well as swim downstream to the operations, the fulfillment of product or service as well as the customer.

Tudor Dumitrescu 00:03:39 That sounds great. So thank you for that introduction, Sam, is there anything that you think would be relevant to introduce at this point from your initial

ventures and entrepreneurs, the tech startup, because I imagine that sales played quite a pivotal role there. So I was wondering if you would like to walk us through the, the role that sales play there.

Sam Palazzolo 00:04:00 Yeah. I'll say this much that yeah, I spent about 20 years in corporate America working a variety of different positions. When I finally did branch out on my own, my own individual entrepreneurial effort. I had a good colleague who said to me, you know, how are your selling skills? And I said, I think they're, I think they're good. Why? And he said, because it doesn't matter how good of a subject matter expert you are and whatever it is that you're going to go out there on your own and do, if you can't sell nothing happens. So the selling methodology, the selling model is crucial to the survival, whatever type of an entity that anyone is forming.

Tudor Dumitrescu 00:04:42 Right. That sounds very interesting. So how do you go about approaching the creation of a selling model if you are working with an entrepreneur who is just starting out or they're, they're basically at the very beginning stages of their business.

Sam Palazzolo 00:04:57 Yeah. So I'm an accountant by training and I would say that, you know, so we're heavy metric KPI, key performance indicator focused. Uh, in other words, we want to kind of draw a line in the sand regarding this is where we're at and then establish some targets regarding where we want to go from a goal perspective. And then we'll back into the strategy. I think it's crucial along those lines after you get that high-level architecture established to identify who do we want to really sell to, you know, you probably have an ideal customer base in mind. And I think from a marketing perspective, you'd call it a persona. Yeah. But who is it that you actually want to do business with? And I was really fortunate, you know, my first engagement, I want to say the first successful entrepreneurial company that I started, we had an executive coach that worked with us.

Sam Palazzolo 00:05:51 So I'm a big proponent of getting external assistance, getting help guidance perspective, call it what you want, but somebody that can give you an honest bounce to help propel your dream and your vision forward into a business. Uh, but the first executive coach that we had, he was really adamant about, we need to establish those buyer personas. And at the time we, I was probably three months into the venture. We had a, uh, we had a stable clientele. We had about 10 clients. And when he put together the buyer personas with us, we really identified, you know, he called it a red velvet rope policy. In other words, and I've written about it. I probably have about 300 articles posted online that you can read on this read, not only sales and marketing topics, but leadership topics, but I've written about this red velvet rope policy because I think it's so beneficial.

Sam Palazzolo 00:06:52 The gist of it is this. If you were going to own a nightclub and you had a red velvet rope out in front of it, and that was your business, who would you want to let into the club now, not to say that your business is a nightclub, but your business is your business and selectively. Who do you want to have been your customers that's, who you'd allow into or pass the red velvet ropes? Well, when we did the analysis of who our current clients were and compare and contrast with who it is that we wanted to do or who our ideal customers were from those buyer personas, we recognized that we had eight out of 10 clients that were just totally not valid. In other words, he encouraged us, you got to get rid of those types of buyers or customers or clients. And that's what we did over the series of the next three to six weeks.

Sam Palazzolo 00:07:45 We offer ramped those eight clients. Extremely scary. If you can imagine, of course, you know, at the time, you know, my daughters who now are growing young ladies, they were just little girls. And I remember having those panic attacks in the middle of the night thinking, am I doing the right thing? Am I crazy? I know the executive coach we're working with is saying, we need to get rid of these clients yet. I still am going to have bills to pay. And I have no idea how fast I'm going to be able to replace those clients. We ended up replacing all of them within an eight-week time period. And we got better clients. If that's a nice way of putting it better from the perspective that they just aligned in better, consistent ways with how it is that we operated, what the projects we wanted to work on, et cetera. So my, my concerns initially of when we, he's telling us to get rid of clients, we're soon subsided. It's not to say that when a lot of hard work, but that red velvet rope policy tutor, it was amazing for us to go through. And it's really a credit to some of the upstream activity from marketing that I know you and your, your podcast guests have spoken to before.

Tudor Dumitrescu 00:09:02 Absolutely. So thank you very much for that, Sam, the absolutely very interesting and fascinating. So I have two things that I want to address here. So very often with new entrepreneurs or people who have small businesses, especially in the technology sector. What I noticed is that they focus a lot on engineering and on creating a product. And what happens after is that they struggle to get any sort of customers. And they're really in the situation where they have a product, but they are in chase of a market. Yes. You know, and typically I recommend the opposite to people. You don't start with the market, identify a problem and blah, blah, blah, and build from there to a product. But what do you recommend to these entrepreneurs who have already built a product, but don't have customers and they're in chase of a market?

Sam Palazzolo 00:09:53 You know, this, this is the equivalent of, you know, you've got to attempt to identify where it is attraction can be had. And so you've built something it's probably appropriate for someone somewhere finding that market where you can achieve traction would be crucial, but you're right. It might be a pivot away from what it is that the true market, or maybe the customers that are a little more easily readily available to you can access and utilize what it is you have built today. You might need to pivot, change it slightly, but it is one of those things. You know, the tech startup that I helped lead, we had a conversation one evening with the chairman of the board who kind of oversaw the operation. And he asked me and my partner, he said, I want you to imagine this, that you are on a shore.

Sam Palazzolo 00:10:50 You know, there's a river in between. You can see the other shore on the opposite side of the river. We're here. Where do you think if we're swimming across this river, you'll end up. And I kind of looked at him and I looked at my partner and I, you know, in my analytical accounting mind, I said, well, the shortest distance between two lines is going to be a straight line. So we're going to go directly across the river. That's where we're going to end up my partner, who was a US coast guard academy graduate and just absolutely brilliant. He said, you know, I'm going to take into account. I get with Sam saying the shortest distance would be the most ideal, but I also know currents that I'm going to factor in some, for the weather, for the wind, and whatnot. So we're going to end up not directly across, but we're going to be downstream just a little bit.

Sam Palazzolo 00:11:44 And the chairman of the board looked at both of us and he said, you're both wrong. And here's why you don't know exactly where it is that you're going to go. If we get out into this river, the river being the customer and the demands of the market, things can change. We can have our best intentions to go directly across as Sam, as you said, or as

your partner said somewhere downstream, but the market's really going to dictate where you land on the other side. And so if you keep that river analogy in mind, it's important to keep in mind, you've got to get across the river, right? That's where success can be had, but where it is that you end up, you've really got to allow the market, to let you go. Or you've got to follow in that direction of where it is that they want to take you.

Tudor Dumitrescu 00:12:30 I see, I follow the follow-up question I have here, which I want to explore more. So obviously they have to, as you said, search for where they can get traction for their product. And obviously, if they can't do it, they have to decide at a certain point to call it quits. But what does this process look like? How do they go about searching for traction for their product?

Sam Palazzolo 00:12:56 Yeah. This is, this is the marketer's dream, right? Because you, you have a product. And even if you had tapped into it, I think your methodology that you described is the better route where you go to the market, you identify a problem that the market is experiencing, and then you build your product or service based on that challenge. Right? For the problem, you know, in, in this instance, it's a little bit, maybe cart in front of the horse, but you've got to go out and you've got to test it, right. Even if you did go the traditional route where you identified a problem, then built the product or service, you would still have to go out and test it before you would go full-scale or go live. And so it's important to identify is what it is that we built sticky is what it is that we built achieving that traction I spoke of earlier, if you can do that, then things become a little bit easier, but you've almost got a Kentucky little beta test, maybe customer focus groups, things of that nature are all things that we employ.

Sam Palazzolo 00:14:02 And we employ them. Even with the clientele that we work with today, we have a client, our business transformation consultancy. We exclusively consult within the tech arena. So tech software tech hardware we're agnostic when it comes to hardware or software, as long as we're playing in the tech field. But even with mature organizations, we have one that they're bouncing up against \$250 million in annual revenue. We still take different methods of outreaching from product distribution, and really from a service methodology, we take the same methodology where we'll go out, we'll beta, test it with a pilot. We'll try to experience maybe a little AB sample just to test out, to see which one to choose better traction. It might lead to an AB test, which might lead to a BC test, which might lead to a BD test, so on and so forth. But the goal is to identify on a small scale before you go big scale or larger scale, where it is that you have the most potential with accuracy. And so that, that would be what I would recommend if that makes sense.

Tudor Dumitrescu 00:15:14 Absolutely. I mean, it is a tough situation. And, uh, many of the people that came to me, it's, it's, it's much tougher than if you do it the right way around from the first, from the get-go, you know, as we were saying, the other thing that I found really interesting here, you mentioned the mindset and the panic attack issues. A lot of, uh, entrepreneurs face these, and they think that mental health when it comes to sales is perhaps one of the least addressed problems currently in the market that does deserve to be addressed. A lot of people struggle with anxiety when it comes to sales, especially when it comes to direct sales, for example, having to call, call, having to reach out to people that they haven't reached out to before. And I was wondering what sort of experience you had with this when you started your ventures in the past and how did you overcome them?

Sam Palazzolo 00:16:09 Yeah, so traditionally I did the outreaching, you know, my expertise obviously is within that sales dev arena. And so I would do the prospecting, you know, identify

target outreach, connect with, do the cold call, do a cold email. We have where we've been really fortunate. We've worked with the same sales coach for the last six years. And we've pivoted to him from a coach who was, you know, incredible. But the previous sales coach had us in a methodology that was based on, I'm pretty much a hundred percent referrals. And I'm not saying that referral business. Isn't great, but what if you don't have any business today? Who can you possibly get referred by or referred to? And, you know, let's face it. I'm holding my hands up right now in a circle. The circle of who it is that you know is only so big me.

Sam Palazzolo 00:17:06 And in other words, you've got to figure out how it is. And if you could see my hands again, I'm expanding that circle, drawing it bigger. That's the target population at large, you've got to figure out how to approach those folks, or more importantly, then you almost drop into a marketing cycle where it goes from, you know, the, they need to recognize, or at least come into your sphere. They've got to come into what it is that either your outreaching to them, something that you've written. So they've got to know that you exist first and foremost. And that can be a difficult moment, especially for a lot of entrepreneurs who don't have that sales business development methodology or background. But I would say this much, that you're always better off going and attempting to really do that yourself. Initially, this also though could be one of those moments where if you're uncomfortable with it, maybe there's a partner who's out there where that's their strength.

Sam Palazzolo 00:18:09 If you recognize it as a weakness of yours, find somebody to partner with where it's their strength. And that was really the, just behind the tech startup, where I was at, I mentioned my partner was a US coast guard academy graduate. He was awesome from a development perspective and project management, but my strength was something that was different from his w regarding sales, business development, and marketing. So it was a nice compliment. Um, I'll say this much also to this day still, I still do, even though we have a team of business development reps, I still do the sales cold calling the outreach attempts. Well, I challenged myself with 60 new leads each month. And I do that for a couple of different reasons. One is: it's part of our culture and tip of the spear of ventures, where I'm not willing to roll up my sleeves and do it myself.

Sam Palazzolo 00:19:05 I'm certainly not going to ask anybody else to do anything that I'm not doing. Right. That's awesome. So I set the tone and I set the pace from that perspective. I also know this much, that's some of the toughest work that's out there is that of a business development rep. And all we ask our business development reps to do is set up a 20 minute, uh, executive briefing appointment. Uh, each quarter we've pulled the leaders that we work with and come up with a different topic. And that's the topic and a white paper that we create based on our executive briefing. But all we want our business development reps to do is to drive towards the appointment. We're not asking them to sell a product. We're not asking them to, you know, kind of have them understand the invisible. We just want to drive the leaders that we outreach and connect with to an appointment for an executive briefing.

Sam Palazzolo 00:19:57 And I do the same thing. The other benefit of me doing it is that this business development rep role, even though they're only driving to an appointment, is it is extremely difficult work, right? I mean, you get a whole heck of a lot of nos, uh, versus a yes, and we're a phone first type of an organization, meaning that our outreach cadence goes something like this. It's a 1, 2, 3 dance. The first step is a phone call. The second step, if we can't get ahold of the prospect is to always leave a voicemail. And then the third step is to outreach via email, just to follow up and kind of tie off a knot on the rope of sales. Uh, I find that because I do the outreaches month in and month out the BDRs can they, they can, I want to say

there's better communication. They can relate to me better. I also know when it is the tutor that's somebody is trying to snowball me or maybe pull one over on me regarding how it is that they're unsuccessful or the challenges that they're facing. So it's kind of our methodology.

Tudor Dumitrescu 00:21:06 Nice. That sounds great. One question I have here, what's your exact approach when it comes to a cold call that you have to make, how exactly do you approach it? What's your strategy on the call? What's your goal on the first call?

Sam Palazzolo 00:21:20 Yeah, so we have a proven script that we've architected out. I mentioned this, the sales coach that we've worked with for the last six years was instrumental in helping us identify what that script is. Uh, the sales coach that we work with, by the way, his name is Anthony Iannarino. I A N N A R I N O Italian guy out of Columbus, Ohio, go figure one Italian guy recommending another Italian guy, traditionally coaches or trainers. And he is a sales guru, even though he won't admit it in my mind, he is, you know, traditionally organizations want to keep those coaches private. Uh, I am not that way. I think Anthony can help more leaders out there, especially run their business better. And that's why I always tell who it is, uh, we're working with. Uh, but Anthony is instrumental in providing us with that script.

Sam Palazzolo 00:22:15 And the script is simple. It's direct it's to the point and it drives to an appointment. The, and it's, it's kind of counterintuitive. If you think about it today, we've got so many folks that want to hide behind an anonymous email address or some type of Twitter handle. This is counterintuitive from the perspective that we're phone first. And it differentiates us too. I mean, we, we not only do a phone call but how many times has your phone rang? You don't recognize the number. You'll never get a voicemail, but then all of the blue you get this email that comes firing in, or maybe your inbox just gets stuffed with emails, with the, Hey, do you have 20 minutes? Or can we drink a cup of coffee?

Tudor Dumitrescu 00:22:59 I don't even check them anymore.

Sam Palazzolo 00:23:02 We were phone first, primarily because we recognize it's a differentiator. We always leave a voicemail because we want the folks to know that who we're prospecting, that we're prospecting them. And we're going to keep on outreaching, you know, rescinded, uh, in the email, we've got a series of emails that we've AB tested, like I mentioned previously. Uh, but you know, that's, that's kind of our methodology of how it is that we outreach and the attempt to connect.

Tudor Dumitrescu 00:23:34 That sounds awesome. And how do you approach the emotional side of selling? You know, because a lot of people, they struggle, for example, with getting anxious or procrastinating, the sales calls that they have, and they're not really efficient. So how do you address those emotional problems for yourself? And of course for your team?

Sam Palazzolo 00:23:53 I, I think from an emotional perspective, the things that subside fear, in other words, you want to make yourself extremely knowledgeable and whatever it is that you are going to perform, you want to do it with consistency. So from a knowledge perspective, I'm a student of the game. I've read over a thousand books on sales. I participate in at least three conferences a year. I try to participate in a workshop at least once a quarter, only on the sales topic. Why? Because I know that from a knowledge-based perspective, the more I know, the more confident I am. Awesome. That's the first thing, the second part tutor from a consistency perspective, if you've got to block out an hour a day within your calendar to make those outreach approaches, it's an hour a day for me, I can get through about 15, 20 types of

leads, which means that I really, if I have 60 leads that I challenged myself with on a monthly basis, you know, if I, if I gave it more time, I could get through all of them in a given day. But the goal for me is to outreach, obviously make connections, but I consistently set an hour aside each day to make those types of outbound phone call approaches.

Tudor Dumitrescu 00:25:15 That's awesome. I mean, that's helpful advice for a lot of people. I know even people who are trying to get investor money at the moment, they're, they're struggling with the, with the actual outreach. And a lot of this is a mindset issue. You know, it's the emotional side, that's really holding them back. And I think that you are right about that. You know, when you don't feel confident in your sales skills and your sales expertise, it can really drag you down. You mentioned that you've read over a thousand sales books. So I was wondering what your top five recommendations would be from.

Sam Palazzolo 00:25:50 Yeah. I don't know that I have a top five. I, well, I'll put it to you this way. Is there's, there's a couple of them that are my favorite. Obviously Anthony and a Reno has written several books. Um, I would look up all of his, he has a trilogy that's out there. I'm a huge fan also of the corporate executive board. That's now Gartner. They wrote the challenger sales methodology. It's a great book. It will transform how it is that you think sales should be conducted and really how it is that you go about doing it.

Tudor Dumitrescu 00:26:23 Yeah, it's awesome. I read that one.

Sam Palazzolo 00:26:24 You know, you can go back to the Haas wave, the Neil Rackham, the spin selling, and then there's a larger one for commercial selling and a larger business format. The spin selling is, is an outdated methodology that today anybody who's familiar with being sold will recognize exactly what it is that you're doing. But from a foundational perspective, there's nothing better than doing that. Uh, the Sandler sales training group, they have a book, I think it's called something like, um, teaching a kid, how to ride a bike, has a bike in it, how to ride a bike at the surrender. Yep. So that's a great one Sandler's training and their methodology is a good one. It kind of is a precursor or was a precursor to the corporate executive boards, challenger sales methodology in as much that it's just not pitching, right? So that is a great one.

Sam Palazzolo 00:27:21 We're a huge fan of Jeffrey Gitomer as well. Jeffrey's written a series of the little red books, little yellow books, little black books on the sales topics. And he comes at it from that Northeast us kind of sarcastic methodology or approach. Uh, and he's a lot of fun to work with as well. Uh, but those are a couple of them within the selling space that I would recommend. And that I would look at, I'll share this much with you too, that anything that can help you really market your business better. I'm all for, and by that, I mean, there's a couple of people that are out there today. Who's written just some stellar work? There's a gentleman named Phillips that's S T U T T S. He wrote a book that's called the undefeated marketing system. Phillip is a former, I want to say he was a marketer within the political arena, help candidates get elected.

Sam Palazzolo 00:28:23 And if you think about the pressure that's on a marketing leader or a marketing agency to get someone elected, you either get them elected or you're out of a job. So, and there's a deadline, you know, when election day is, but Phillips undefeated marketing system, he took everything that is that he learned within the political arena, transcribes it over to the business arena and he's developed a five-step methodology. It is awesome. And we're proponents of it. There's another author that I'll recommend the last one. And then I'll pull up

here, see if you have any questions. Her name is Dorie Clark Dorie is a former journalist and nobody knows the pain of a changing economy better than journalist. And especially when newspapers were failing at newspapers, going out of business, artificial intelligence and machine learning, replacing journalists who are real craftspeople in copywriting or the written word, Dory has transitioned beautifully to being really a proponent of the small business person and how it is that you can become a better entrepreneur. Matter of fact, the book that's on my desk, that's written by Dorie Clark is called the entrepreneurial you, and it is an awesome read as well.

Tudor Dumitrescu 00:29:41 Awesome. That's fantastic. So, I mean, there's a lot of, uh, recommendations there for our listeners to dig their fans in and they're great all of them. So thank you for that. Um, my next question is basically, you know, that sales is not addressed. Just words your customers, basically, you're always selling, you know, so you're selling to yourself in your communication to yourself, you're selling to your employees, you're selling to your investors. And of course, you're selling to your customers. How do you approach the, the different parties when it comes to selling? How is the approach different from one to the other and what are your recommendations?

Sam Palazzolo 00:30:18 I think that, you know, and this is a great question because you've got to have a skeleton structure of who you are and what you're all about. Now, if you think of a skeleton, you know, in order to make it a human, you've got to pack flash fat, muscle blood, all the, all the good stuff, right. In order to make it go from skeleton to a human being, think of your approach. Very similarly that you've got to have a skeleton, regardless of what audience you're going to be approaching. And just like, if you were going to structure a presentation, you'd want to find out if you were presenting to a group for, for maybe a keynote or a breakout session at a conference, you'd want to know who the audiences right. And what are their interests? And you want to make certain that you maintain that the methodology or you can view the presentation from their perspective.

Sam Palazzolo 00:31:15 In other words, it's not only having empathy but compassion for the people that are in the audience. This is the, we saw this a lot during the pandemic from an empathy and compassion. It's walking a mile in their shoes. That's the empathy moment, right? The compassion moment turns to a and your shoes are tight. So not only am I walking a mile in your shoes, but your shoes are tight. Let me make sure that how it is and what it is that I say during the presentation resonates with you specifically, the same type of an approach, just like you were giving a presentation is applicable for that sales methodology of the almost always be closing, right? The ABC methodology you were describing. So regardless of who the audience is, take your skeleton with you. It's important to identify in advance who the different types of personalities or personas that you would be speaking to, and really looking at it from that empathy and compassion moment.

Sam Palazzolo 00:32:17 This is the key thing that will allow you to be successful. But I think it's also one of those things where, so I was fortunate. I mentioned that, you know, I employ several different coaches and I've had a couple of different certifications in coaching as well. You know, here's, here's the beauty of it. And that is that the curious mind traditionally wins. In other words, if you can ask a series of questions, questions tend to attract people to you. Statements tend to repel questions attract. So if you can, even if you're, you're not 100% confident regarding what it is, that's the person you're speaking to. You might have a good insight into what their empathy moment is, but from a compassion perspective, you might not be

exactly confident. So be curious, ask, ask a series of questions based on what's important to them. I think that those are the keys.

Sam Palazzolo 00:33:15 When I find that people get locked up, when they're meeting different people, they don't know what to say. You know, the, uh, I've, I listened to one sales training years back that was on elevator pitches and how to give yourself a commercial. And I got invited to a couple of networking groups and each person at the networking group at this super polished 32nd type of an elevator pitch, where they told you who they are and what they do for a living and how, what that debt, what they do can assist me. None of which were appropriate because they had no idea who I was or what was important to me know. I would stay away from that type of stuff. From a can perspective, be curious, you're talking to people, if you're naturally an inquisitive or curious person, you'll win just by asking questions of them, instead of making statements about how you can help them out.

Tudor Dumitrescu 00:34:09 Yeah, that absolutely does. Um, I wanted to ask you, because this is something that's curious for me as well. So in marketing, when we reach out to people, we typically have some psychological triggers that we try to use in order to make it effective. Do you have something similar in sales? And before I let you answer, I want to tell you to give you an example of what I mean. So for example, one framework in marketing could be to present something as number one, a new opportunity, and it has to be new because, you know, if something is new, it arouses the brain's curiosity. They want to know more. They feel that they might be missing something out if they don't stay, listen to it. So new opportunity, that's number one, two, that's related to what they desire most. And three that's delivered through a unique mechanism, you know, that they cannot get anywhere. And even if we're trying to market something that's not so different from whatever else is out there, we try to reframe it through these psychological triggers so that we make it more attractive. Do you have anything similar in sales that you use?

Sam Palazzolo 00:35:19 Yeah. When I was with total access for years, uh, worked corporate and I was in charge of a project that had us do some work with Robert Cialdini at Arizona state university. Uh, Robert is the world's foremost expert in social psychology study principles, influence and persuasion Robert's work to this day is still something that we go back to those principles that he described in the book. And there's six of them are ones that need to be leveraged and implemented, regardless of if you're selling marketing or just in any general conversations that are out there. You know, our mission at Toyota and Toyota didn't invent the wheel, but they re-engineered the wheel to make it spin faster. I would look at who it is that's successful in your space. See how it is that you can apply those principles of influence and persuasion, which by the way, is that was the topic from my first book in 2008, which was called the influential leader.

Sam Palazzolo 00:36:21 But those principles of influence and persuasion that you talked about, the new, the new item, it's gotta be new. I don't know that I wouldn't necessarily a hundred percent agree with that because there's plenty of organizations that are out there that are successful, who aren't necessarily innovating. Um, as matter of fact, I think that if you look at the organizations that you should want to emulate, there's a majority of them that have consistency in product delivery at a high level. In other words, you don't hear, you know, and maybe Coca-Cola is a great example. You know, they've tried, they tried to come out with new Coke. It was a total failure. Why? Because they didn't understand what there is that the market wanted, but going back to your own individual business and trying to find out how it is that you

can leverage those principles of influence and persuasion, I would check out Robert Cialdini's work.

Tudor Dumitrescu 00:37:12 That's awesome. So thank you for that, with regards to, to the new, I mean, I sort of agree, and I see what you saying at the same time, you should look at a lot of the startups that get funded in, especially in the tech space, pretty much all of them have to at least frame their, um, what they're creating as something new and at least different from the competition. So I think that the differentiator has to be there, especially in this kind of venture differentiation.

Sam Palazzolo 00:37:42 Exactly. First to market, rarely successful. So how it is that you can take what it is. And again, I'm a, I'm a student of the Toyota world, right? So re-engineering taking, what's successful out there, uh, adding, having the ad-on that might be a differentiator as you described it. That's the ideal setting.

Tudor Dumitrescu 00:38:05 That's awesome. Yeah. So related to this, the next thing I wanted to discuss is that different sales coaches have sort of different approaches to sales. And I noticed that some of them tend to be more emotional and how you can emotionally convince people to buy. Whereas others tend to be more rational in which camp do you fall. And we trying to find more effective.

Sam Palazzolo 00:38:31 I, you know, I am an accountant by training. And so from, from a logical rational perspective, if the two choices are emotional or rational, I would fall into the ladder, our sales coach today, Anthony, and arena extremely cerebral. You know, you're having a conversation with someone who is intelligent and you know, that you are going to be smarter simply from being around a person like that. That's what we try to emulate. And you know, the emotional aspect of it. We, you know, when somebody is trying to play a Jedi mind trick on you, where they're trying to pull one over on you, where they're trying to tug at heartstrings. I mean, one of the things in, in the automotive industry here in the states as popular is selling some add on insurance products, right? I worked for a manufacturer that had a warranty established and the warranty from my perspective, this is exactly what it is that you need to have on a vehicle.

Sam Palazzolo 00:39:33 The insurance aspect of it, though, uh, that can be an ad-on at time of purchase at a car dealership here in the states. It's a huge financial revenue generator for the dealership. And, and so a lot of dealers offer it. There's a lot of tricks. There's a lot of gamesmanship that's involved with it. And I'm not saying that the products aren't valid, but some of the pros some of the ways that the products are presented are more of not the rational logical decision-making where it's a no-brainer to purchase this. Right? One of the products is called gap insurance. This is the principle that as soon as you buy a vehicle and drive it off of the dealership's lot, the vehicle approximately loses 50% of its value. So in the event that you're driving down the road and you get into an accident and the car is totaled, then you still need to pay off the balance of your, your vehicle with the bank or the lending institution.

Sam Palazzolo 00:40:31 If you have a loan well, gap insurance is meant to provide the difference between what your insurance company will reimburse you and your loan amount. Well, that's a no brainer from a rational decision-making, but how it gets presented sometimes as the emotional, I don't play that. That's not a, it's never a good moment to try and tug at heartstrings too, you know, there's some sales coaches out there that'll try to in a decision tree, have you walked to, or through a logic trap where you're going to say yes, five times and the final yeses, you're going to be a buyer of the product or service. That's never a good moment. I

mean, people, people come up out of the ether after the transaction, they recognize and realize that they got tricked, and this is where buyer's remorse sits in it. That's never a good moment from a selling perspective. I agree

Tudor Dumitrescu 00:41:27 With that, you know, definitely myself. I'm also the more rational kind of seller for sure. I think part of it is, is a personality thing. You know, like you said, you, your background as an accountant, my background as an engineer, this sort of predisposes us, so to speak to the more rational approach, because it comes more easily. I think to us, I've also seen people who are very effective with the emotional approach. And I mean, I don't know if you've read the book, but there is a book by Daniel Kahneman thinking fast and slow, which basically exposes some of the cognitive biases that we have. You know, for example, if a certain number is primed in our mind, it's going to come into memory much faster. You know? So somebody in a sales conversation, let's say that they're trying to sell you the house. And they could say that, for example, I've just bought for myself a \$1.5 million mansion there, mobile is blah, blah, blah. And even though it's not conscious that can pre-frame the price that they would give you for the property, uh, when they do give it and make it more likely for you to consider it, even if it's high. So, I mean, I think stuff like that can work, and it's obviously not the blatant, emotionally manipulative thing that I think you're alluding to. I've seen at least people use that type of thing successfully. Yeah.

Sam Palazzolo 00:42:56 If you're attempting to sell and you're attempting to identify some, uh, maybe put some curves up on the road, just to see if what it is. And maybe it's a trial close where you're attempting to identify, you know, Hey, look, this is the product or service. We have an a traditionally costs this much. Is that something that you all budget for? You know, that's a fair question where, where I don't like those types of logic traps is that, you know, it depends what it is that you want to do with your customers. Right? I think that there's only three ways, three ways in the selling scenario to, to really grow your business. Uh, the first one is you can sell to new clients. In other words, this is a primary focus that most people unfortunately have in business. It's all about new client acquisition, new client acquisition.

Sam Palazzolo 00:43:50 Um, we have this conversation repeatedly with new clients that we engage with in the consulting side of the house, where they want to figure out how it is that they can attract new business. Some are looking at it from social media. What's our cost of acquisition on a Facebook versus LinkedIn. For example, others want to measure it some other way, but that's one of the three ways new client acquisition. The second two I would argue are probably more valuable than the first one. The second one is at time of purchase. How is it that we can cross sell upsell? In other words, are there some other that we can add to the scenario that will make the purchase experience more beneficial for the buyer by offering them to them at the time that they've agreed to purchase the initial item? So cross sell upsell that's the second way, the third way is you've got to figure out how to get the customer back to repeat and repurchase often.

Sam Palazzolo 00:44:53 And some of the customer experience work that we've done that does surround primarily customer satisfaction. There's probably three steps that you need to look at with your customers. The first one is D were they satisfied as a result of their purchase experience, right? So customer satisfaction, customer satisfaction, indexes, CSI. It's the thing that JD power has made famous. The second is, is that, will they be willing to return? In other words, are they going to come back and repeat repurchase? So kind of that third way in which you can sell the third way though, in a customer satisfaction or customer experience ranking, that's probably more important tutor or most important is. So if they were satisfied with their

initial purchase and they came back and they repeat repurchase often, will they go out and will they advocate on your behalf loyalty? Yeah. So this customer advocacy moment, this is the thing where, and this is where we, we tell folks, you know, whatever it is that you're selling methodology is, and you hit on it from a rational perspective and logical basis.

Sam Palazzolo 00:46:05 That's where we would like you to be. Because when you try to do the emotional things, like I mentioned, you will have some type of a disconnect. At some point, it might be the thing that is a disconnect that doesn't allow that initial purchase to take place. It might take the form of buyer remorse at some time period after the initial transaction, but in the overarching customer experience space, they'll have a lousy customer experience. So low satisfaction. They won't ever come back, repeat repurchase. And from an advocacy perspective, they'll actually negatively advocate on your behalf. In other words, it's the, it's the customer satisfaction model of, you know, somebody was satisfied. They're probably gonna tell to 10 people, if they're dissatisfied, they're going to tell anywhere from a hundred to 1000, of course, and it's easy to sell us out or to tell 1000 people today with the reach of social media. So maybe that furthers the logical rational approach in selling. I hope so for those that are listening.

Tudor Dumitrescu 00:47:14 Yeah, for sure. It's a very strong argument. And I mean, I, I often say many of the same things because if you try to manipulate people sooner or later, it backfires on you. I really like the approach that you mentioned the three ways to grow your business. I don't know if you've read him, Jay Abraham, he has the same approach, you know, basically new clients, higher transaction values and repeat purchases as the three ways. And yeah, for sure. I mean, new clients are the hardest to get, and that's certainly true for me. And it's true for most of the customers that I've worked with, and it's much easier to increase your repeat purchases or even reactivate customers. Of course, assuming that you've actually done a good job and they're satisfied and happy with the product or service, correct.

Sam Palazzolo 00:48:03 Yep. No, I know that a lot of the businesses that approach us, especially those that are maybe in their infancy state that are looking to grow and maybe grow internationally. I have a partner that's over in London, we have an international consulting aspect of our business where we help organizations kind of brings to the pond bridge, the Atlantic come over to the U S from, from the, the European or African markets, for example. And you know, that's exactly what it is that they're looking to achieve is how is it that I can approach a bigger market and have more success there?

Tudor Dumitrescu 00:48:41 Yeah, that's, that's for sure. One of the most important things that I hear as well. Right. So, I mean, we, we are sort of approaching the end of the one hour. So I wanted to ask you if in what ways, like, if you have anything that would be helpful to our listeners or when, and what type of listeners should reach out to you for help to your business.

Sam Palazzolo 00:49:05 Yeah. I, I would say that if anybody wants to find out what it is that we're doing to help businesses transform, and we work with everybody from startup entrepreneurs all the way through, like I mentioned, the fortune 100 companies as clients, you can visit tip of the spear of ventures.com. And we have a page that'll outline our business transformation self-assessment workbook. This is a 37 page 128 question self-assessment that you can conduct it's in a, do it yourself and take it at your own pace. You don't have to turn in the answers to us, but you can come secure that type of a workbook. We have a lot of clients who outreach to us after they secure it, because they recognize that even though it's a huge task and they recognize that they need to eat the elephant one bite at a time, so to speak that they want some help.

Sam Palazzolo 00:49:59 And so we've got two different ways in which we can partner with those types of organizations, either in a direct consulting manner or an indirect consulting manner. Maybe they only need five hours a month, something like that we'll work with those types of entrepreneurs. Uh, so that's, that's a great takeaway for anybody who's enjoyed this conversation and wants to find out more. I also say this much, its tip of the spear of ventures.com lower right-hand corner. When you visit the website as a chat bot, you'll see my picture within the chat bot for a reason, I'm the chat bot. So if you've got questions and I'm available, I'm sitting at my desk, which is a rarity these days, but just know this much that I'll traditionally answer right then and there, if I'm not available, just leave me your email address. And I'll circle back with you at my next opportunity, but on the chat bot. So if you've got questions on how to grow, scale your business, maybe it's one of those things where you want to explore some fundings, different options. You know, we, we have a business funding side of our venture side of the house where we'll help entrepreneurs in that capacity as well. But outreach connects with us there. We'd love to help you have experiences of success with your entrepreneurial mission.

Tudor Dumitrescu 00:51:16 That's awesome. Sam, I also have some listeners about, let's say 10% who have already, uh, businesses, which are over 1 million in revenue, and many of them are looking for investment opportunities and getting funding to scale their business to the next level. Are there any opportunities in particular that you can help them with? And if so, who exactly can you help and how do they get in touch with you?

Sam Palazzolo 00:51:41 I would say that it, the easiest way, again, tip of the spear ventures.com go to the chatbot drop in your information. I'll circle back with you. We'll have an introduction call or a zoom session. I'll see you you'll see me. You can tell me a little bit about what your entrepreneurial vision is. If you've got a pitch deck, we can review it, and then we'll figure out if we'll direction forward from there. You know, the beauty of it is, is that if we can help, we will, you know, I'm kind of a Buddhist by practice, but an economist by training, if I can help my will. And even if I can't help, I probably know somebody who can. And so I'll provide the introduction as a result if I can tell

Tudor Dumitrescu 00:52:27 That's awesome. Sam, so truly great value there. I also wanted to ask you if there are any coaching products, you know, that you sell, that people could be interested in or might be interested in.

Sam Palazzolo 00:52:38 Yeah, there is. I will put it in the show notes too. Back in 2017, we formed the javelin Institute, which is our 5 0 1 C3 nonprofit. It's an executive education-based organization that provides leadership development, as well as executive coaching. On a month in month out basis, we hold a complimentary webinar. It's not one of those hour long webinars where we're going to hold out on you for 55 minutes. We're going to get right to the point. It's like drinking from a fire hose. One of our recent participants said, it's 15 minutes in length. We always leave five minutes for Q and a. So it's 20 minutes in total, but The Javelin Institute.org is where you can find that information about our upcoming webinar. Uh, we follow up that 15, 20 minute webinar with a workshop. The following week, the workshop is strategic, actionable, and tactical. We drive down to how it is that you can actually take what it is that we're talking about to become a better leader and actually get it implemented in your world. So javelin institute.org is where you can find

Tudor Dumitrescu 00:53:46 That's awesome, Sam. So thank you very much then, uh, for your participation today, it certainly has been enlightening and all our conversations about sales will be very useful to pretty much all of my viewers, both the ones who are very new to entrepreneurship and the ones for already more established. So thank you very much. Now my pleasure.

Sam Palazzolo 00:54:07 This has been a blast.

Tudor Dumitrescu 00:54:08 Thank you, Sam, stay tuned for the next episode and until next time, keep growing your business and providing massive value to the world, because remember you are the reason why we're all growing richer. Our freedoms are expanding and we're all living in greater prosperity. Thank you.