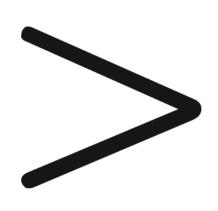
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IN THE PAST MAN HAS BEEN FIRST; IN THE FUTURE THE SYSTEM MUST BE FIRST

FREDERICK W TAYLOR, SCIENTIFIC MANAGEMENT 1911

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Each day founders like you make the mistake of trying to hire their replacement. They look for that wonderful person who will step into the business, so they can step out, never realising that there isn't another human like them. Those that are like you are busy doing their own startup, not applying to your job ad.

Your replacement is not a human being. It's a sales system.

run_frictionless will teach you how to design a sales system, using a framework called the 4Qs. It doesn't matter if you are a fintech startup or a traditional medical practice. The 4Qs takes what you know about your business and organizes this knowledge into four quadrants.

Join me online visit runfrictionless.com.



"a must-read for a business owner who finds themselves being the sales champion."

Leon Boey, Founder, Arakabar Beverages



"a must-read for startups looking to scale their revenue."

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"the 4Qs opens a new perspective on product, identity, target customers, and processes."

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Allen Pattiselanno, Digital Transformation Consultant, The Agile Donkeys



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Mike Wong, Chief Technical Officer, Upraxis GLobal Limited



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"become a market leader, instead of falling for the follower trap."

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"4Qs got me redesigning parts of my business."

Yiannis Miliatsis, Sales and Performance Coach, Bizman



"a four-quadrant approach aimed at helping you reduce friction."

Jonathan Gennick, Assistant Editorial Director, Apress



"understand how sales, marketing, and product can leverage each other's strengths."

James Ramirez, CTO, Essentia Analytics



"as I'm reading the book, I'm nodding and saying, yep, yep, yep."

Fred Diamond, Co-Founder, Award-Winning Sales Game Changers Podcast



"Anthony is spot on in his understanding of the problems a sales team and their founder face."

Cliff Wong, Data Governance Specialist, Cognopia



"pierces through cumbersome bs of corporate culturalisation"

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"actionable methods clearly laid out and thoroughly explained"

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Brett Tarlington, Director, Oakwood Lifestyle Advisers



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"The wisdom of someone who has done this before comes through very quickly"

Bart Stuck, Managing Director, Signal Labs



"Anthony's secret sauce to a higher and successful sales conversion"

Rayan Ramos, Marketing Manager, JustPayroll



"This book made me realize sales is a company effort"

Angelo Gargarutea, International Bus Dev Manager, MET Events

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A company's first employee is its founder. When you, the founder, are the sole employee, controlling the brand and message is easy. You keep it inside your head and change the brand and message on the fly, depending on the audience who comes in contact with you.

In the beginning, you have few customers to manage. If two customers contact you five times daily, that's 10 customer interactions you manage each day or one interaction per hour.

As the business expands, so does the number of customers. Two customers become 10. They don't just call or email like before – now they contact you via online chat, SMS, and a few other channels. The number of customer interactions increases from 10 to 100 per day – a ten-fold increase.

You hire a salesforce, support people, and bring on sales partners. You are no longer on every call or attending every meeting. Instead of managing the customer interactions, it is now the staff who are in charge of delivering the brand and message.

As you add headcount, a headache erupts. No matter how many times you explain the brand and message, it becomes lost in translation. Some staff quote old prices, others promise features from future releases and partners write and use their own sales collateral, attracting the wrong types of customers.

Quality drops and the revenue expected doesn't arrive. The startup wins a few accounts, but no-one can explain why a sale was won or lost. Seeing the chaos, you work twice as hard. You skip the holidays you promised yourself and jump back onto sales. Instead of focusing on your executive role, you're involved in every customer interaction.

People don't get paid on time. There are no peer reviews. Staff birthdays are missed and not celebrated. This behavior drives a wedge between the founder and the organization because only sales count. The organization looks healthy because sales targets are met, but inside the company is crumbling. It appears the founder will never be free of their sales role.

In large organizations, a similar problem exists. A few high performing salespeople outperform the remaining salesforce. The process by which they achieve the results often remains a secret only they know. These salespeople are reluctant to share deals with others from the salesforce either because top salespeople lack the skill to teach or because they are afraid others will lose the customer.

What is missing is a system to free the founder and high performing salespeople. Let's call this a sales system. A sales system decodes the process of making a customer. A sales system spells out the ingredients or formula to make a customer, in a clearly understood sequence.

Imagine you're able to distil customer creation into a handful of interactions. For an internet startup, customer creation might look like three emails, two videos, a telephone call and a shout-out on Twitter. For a medical practice, the lineup might look like one messenger chat, one online booking, one interaction at an unmanned reception and one feedback form.

In either case, as long as staff follow the formula, you can predict the odds of creating a customer.

The selling becomes intellectual property. It is the sales system that does the selling. One person is no longer responsible for taking a sale from A to Z. Each salesperson need only understand the part of the system where they contribute.

As the salesforce contributes to part of the sales system, you're also less likely to feel the vacuous effects of a salesperson leaving the company. If they decide to impart knowledge to a competing firm, their actions present a limited threat.

Meet your replacement: the sales system

The mistake founders and high performing salespeople make is trying to replace themselves with another human. Simply, there isn't another human like you looking for a job. Those who are like you are busy doing their own startup, not working for you. Here's how this "hire my replacement" story plays out.

You hire Jack. Jack sits next to you, follows you on the road, meets you after work, and has coffee with you and your family in the morning having spent the night on your living room floor. Jack is doing all the right stuff. But Jack never sells more than you do. Why? Because Jack is not a chef, he is a cook. Jack can bake a cake, not write the recipe to bake the cake. If Jack could write a recipe, he'd be a founder of a startup too.

So rather than hand Jack a list of ingredients, quantities to measure out and the length of time for each step, Jack sits beside you and is expected to learn through osmosis. Geeks call it pattern recognition.

He'll just pick it up. Soak it up like a sponge.

The more coffee you have together, you think, the more he learns.

But he doesn't. After three months the sales figures are worse, so you fire Jack, and you hire Jill. You repeat the cycle all over again, never comprehending that you're the problem. You've set Jack and Jill up to take a big fall. They could never be like you. If they were, they wouldn't be working for you. The more coffee you have together, you think, the more he learns.

We want to free the founder or sales team with a system, not a person. To quote Frederick W. Taylor, from his book *Scientific Management*, 1911: "In the past, man was first, in the future the system must be first." ¹

In February 2016, I was asked by a software company to visit the U.K. and create a sales system for a payroll business. The organization had a high performing salesperson (let's call him Ed) who regularly sold more than the rest of the salesforce combined.

Over a two-week period, we recorded and listened to Ed's dialogue with customers. We read his email correspondence and we held many in-depth interviews with him. We quickly decoded why Ed sold more product.

Our research found that Ed had created 70 different customer interactions to help make a sale. Ed could weave a story to appeal to any customer profile. He plucked the most effective scripts and wove them into a narrative. When he discovered cases for which his script fell short, he scripted more.

Here is what Ed taught us:

A. You'll never hire Ed again. Ed is a writer, director and actor. He plays many roles. Being a capable individual, Ed is either a founder in his own startup or he is working for an enterprise business on megabucks.

B. No single individual will be responsible for making the entire sale. There were too many customer interactions to get right. It is wiser to train Ed's replacements to be specialists, each handling different legs of the customer journey.

C. There are too many customer interactions to manage. If we were ever going to create a predictable sale, we had to reduce the number of interactions from 70 to a more realistic number.

Sales systems bring a host of benefits other than scaling out a founder or sales team.

If you try to acquire a customer without a sales system, you won't learn much. If you don't close the sale, you won't understand why, and if you close the sale you may also never know why. Either way, it's a dumb sale. You neither learned why they bought or didn't buy. Had you a sales system, you could improve and make the next sale you win or lose, predictable.

¹ Taylor, Frederick W. *The Principles of Scientific Management*. Cambridge: Harper & Brothers, 1911.

Sell when the salesforce is not at their desk

Automation moves the customers through the sales system even when the salesforce or founder is not at their desk. A sales system does the heavy lifting and repetitive tasks.

Rather than writing hundreds of bespoke emails, scripted email templates can be used, requiring only small changes to customize them to the needs of each customer. Document collection once handled manually, is taken care of by online forms that deliver the files in one single package. Repetitive operations like these once performed by the salesforce are replaced by the sales system, freeing the salesforce to concentrate on high-value tasks.

The applications which support the sales system and serve words and pictures, once custom-built and maintained on-premise, are available from the cloud. Since 2011, the number of marketing and sales applications has grown from 150 to 5,000 in 2017. There is no limit to how these applications can be plugged, coupled and connected.

Why startups become followers not leaders

Perhaps the most astounding benefit of a sales system is the opportunity to become a market leader. That means it can not only free a founder from a sales role, it can outperform the founder. Now that the sale is a liberalized process, more people in the business can contribute to making a sale. More minds equals more ideas. A sales system can become a means of out-performing the founder or a high-performance salesforce.

The value of a sale is improved. When a founder makes a sale, the value of the sale is low, because their time was used. A sale becomes valuable when the sale is made by another.

By decoding the founder and structuring a sale into a recipe, more minds can go to work each day, improving the sales system. Rather than improving individual sales techniques, the salesforce is orientated to think about how to improve the system. Every improvement raises the effectiveness of every salesperson.

In 2018 we asked founders from internet startups how they created words and pictures to communicate what their startups offered customers. Words and pictures include value propositions, benefit statements, about us pages – everything that appears in a company's sales collaterals.

Other than the founder's own experience, common sources of intel that shape words and pictures included:

- A. Colleague's experience
- B. Competitor's experience
- C. Agency experience

What struck me about the findings was how blasé founders were when it came to deciding how to craft words and pictures. Their approach is rather like a student, cramming the night before an essay is due.

The starting point does not rest on a foundation, .ie., anything unique within your business.

It is fine to visit your competitors to gather intelligence, but it is another thing entirely to steal their words and pictures. It is not sustainable because you have no basis from which to improve. Operationally, you may never be able to deliver on their value propositions because every company is built differently. They have different shareholders, a different company culture and different staff. You may also consider the act unethical.

² Brinker, Scott. "Marketing Technology Landscape Supergraphic (2017): Martech 5000." *Chief Marketing Technologist Blog*, last modified May 10, 2017. http://chiefmartec.com/2017/05/marketing-techniology-landscape-supergraphic-2017/

Words + pictures matter

The decision about what words and pictures will look like is frightfully important. Granted, the creation of words and pictures is iterative. You are not wedded to it forever and it can change, like veneer.

I think of words and pictures as a veneer because a veneer describes how easy and cost-effective it is to change. A veneer is great at masking imperfections found on the surfaces of walls. Have you ever noticed how striking a room can appear just by changing the color on a wall? Take a room that is dull and change one wall and it can light up the whole room.

So words and pictures matter. What you stake today is what you will be judged upon. Staff, customers, shareholders and the media each read your words and pictures and make up their minds about the sort of company you are.

They'll decide if this is an all too familiar story – something they have heard regurgitated a hundred times. They'll decide if this is completely new, get excited, wowed and talk about it. Or maybe it's an idea before its time.

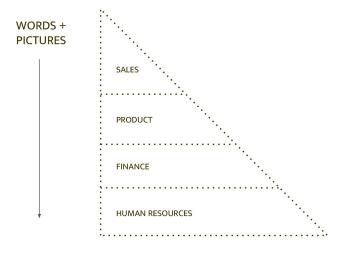
Either way, you'll be labeled as a follower or leader. A copycat or an innovator.

Once a follower, always a follower

If you perpetuate this decision-making pattern in the first few years of operation, what is to stop you from repeating it in the third, fourth and fifth year? After all, you've taught both yourself as founders and the organization to think this way. You taught them to follow.

The pattern of following begins with words and pictures and cascades down into every facet of the business. This is because the entire business is connected to whatever promises you make in words and pictures. Operations, finance, product development: they all fall like dominoes.

That's because words and pictures contain value propositions. Value propositions are promises you make to customers. When you sell a product you have to deliver what you promised, so the entire organization is now following.



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It is easy to see why the majority of startups begin as followers and remain followers.

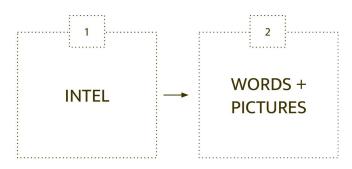
In the U.K. there is a sector of the economy called umbrella companies. An umbrella company is a fancy name for firms that provide shared services like payroll, insurance and loans to working contractors. In 2016 we friction tested this sector and benchmarked the top five competing sales systems. We discovered all five mimicked the same interaction

when contacting a customer for the first time. In fact, each competitor even called this interaction by the same name. They called it a "pay illustration".

A pay illustration is a table of figures that tell a contractor what their take-home salary is, less fees, etc. While the figures vary, the layout is much the same. Figures arranged in columns, exported from a spreadsheet, dumped verbatim in an email and shot out to a customer.

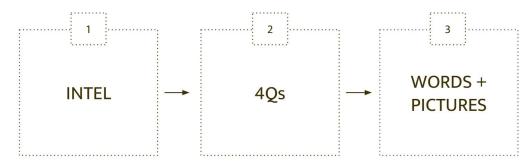
From the research, we inferred the words and pictures, created by competitors, were a copy of a copy of a copy. These competitors were a bunch that made incremental changes based on each other's incremental changes. This type of decision-making involves no decision-making. One simply follows a competitor's actions.

If you're a startup moving into an industry of followers, you can do a lot of damage. If you are one of the followers, you're more vulnerable than you know. Remember, customers judge startups on words and pictures. What you present is what you're judged upon.



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Rather than picking up intel and shoving it directly into words and pictures like the umbrella companies did, I would like you to use the 4Qs as a decision-making framework – one where you can use what intel you gather from those around you, not as gospel, but as a guide.



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Instead of following, your startup will create unique words and pictures, because rather than follow, you synthesize intelligence gathered. If you create unique words and pictures you will, by design, become a market leader.

Even if you never become a market leader by claiming a majority market share, your startup will exemplify the decision-making pattern of a market leader. You avoid the trap of becoming blinkered by watching incremental decisions made by others. You will think about whether you should act on intelligence, and how. Your decision-making will be based upon a foundation, from which new decisions can be measured.

Rejoice when competitors steal your words + pictures

The 4Qs protect your words and pictures even when your competitors flatter you by unashamedly stealing them. After all, if founders borrow words and pictures from others, you can expect this will be done to you.

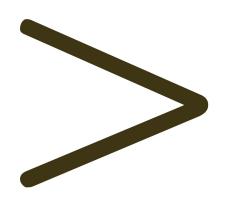
Your competitors will make the mistake of stealing words and pictures and become followers. However, they will not understand the logic behind the choice of words and pictures, or what decision is coming next, because they only see the veneer. Words and pictures can be stolen, but the 4Qs and the intelligence behind the 4Qs are safe, tucked away from spying eyes in the public domain.

If you make one iteration to words and pictures each day, you can improve 20 times in one month or 240 times in a year (assuming 20 workdays per month). If a competitor friction tests you today, it will take them at least 30 days to implement changes to their words and pictures.

Over the period of a year, you are ahead most days. Maybe they steal from you three or four times per year. They are unlikely to repeat the process often because it is time-consuming. When they do steal, they cannot iterate fast enough.

Your startup, judged on words and pictures, is regarded as a leader. The competition responds by doing what they did yesterday, by following, and you – with your intelligence within your 4Q framework – will always be at least one step ahead.

In the next chapter, we explore the 4Qs and how the 4Qs framework can turn your company into a market leader.



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