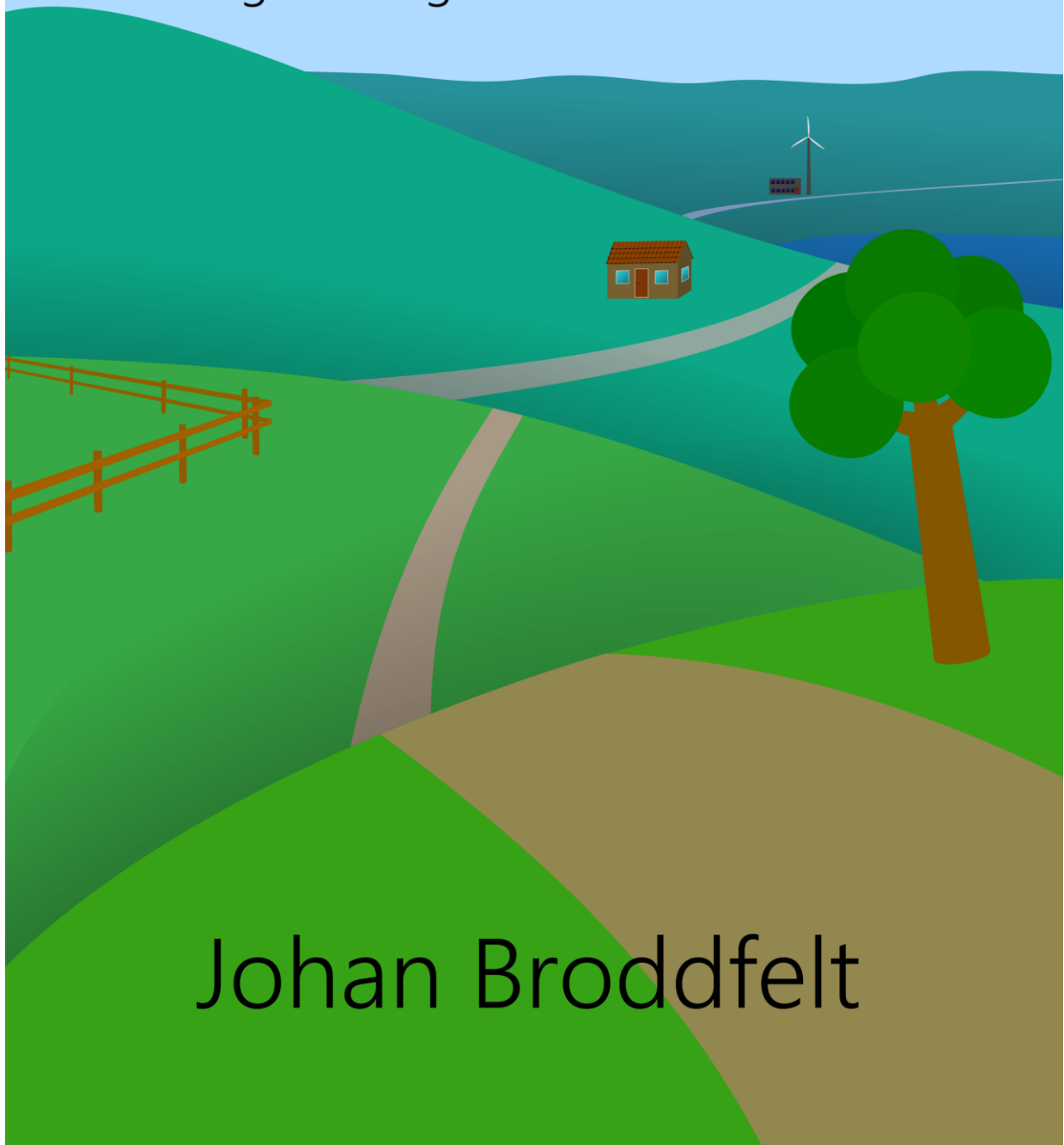


NEXT HILL

Beginner's guide to business



Johan Broddfelt

Back side text

A Chinese saying tells that: "when the winds of change are blowing, some build windmills, others build shelters"!

During my entire carrier, I have had the privilege to support "windmill builders": Entrepreneurs burning passionate for their ideas and dreams to come through: fighters rising from nothing, reaching for the stars and more than anything else: People driven not by money and fame, but by the urge to make a difference and to "show the world", that they are right.

Johan is one of them.

And you might be as well: Standing before life changing decisions you are about to initiate – or perhaps trapped in an evolution, you have not yet defeated!?

You should read this book then!

"Next Hill" will not only encourage you to go ahead – or to carry on – it will show you HOW!

This book is the compendium, making up for the university degree, you never took, or the thousands of pages, you read and more or less forgot. It's all there! In less than two hours of reading. I actually never thought, I would learn much from it: Hi: I have been in this business for more than 35 years, advising more than hundred entrepreneurs in almost every single corner of business understanding!

But I was wrong.

I found a relieving review here: A simple, "common sense" summary, reminding me of the fact, that numerous topics, have other inspiring approaches, than the ones, I am preaching. And Johan is serving them in a simple, but yet educative process, through his book, that leaves you with reflections and – most important – with the energy to improve your effort, to make windmills instead of shelters.

I can highly recommend any entrepreneur to grab this book.

Jan Isaksen
Business development consultant
Cand Merc (A), MBA (APIM)

Big thanks to...

... Front IoT which gave me time to
study and space to test parts of
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... my family who had to endure
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Introduction

Are you thinking about starting a business, have you started and don't get the result you expect or is the business not as good as it used to be? Then I hope you'll get some new ideas from reading this book.

I started out developing business applications about fifteen years ago and about five years ago I realized that to serve my customers better I needed to learn more about the issues they had. Because most of them was not on the lookout for business applications, but as soon as I had built the first system they got the point and started asking for more. But there seemed to be a gap of some sort between what I knew would benefit the business and what the owner knew could be done. I knew that most business owners would not educate themselves in what could be done with an IT solution and how it would benefit them, to be better at demanding relevant solutions. So, I set out on a quest to bridge the gap from my side.

This resulted in me trying to learn the best strategies for running a business, reading books, watching online classes, experimenting with my own business and following a list of podcasts on the topic. While I did that, I notice that there were a lot of things that came up again and again as important regardless of what area you were working within. Most of the books I read was telling a lot of stories to drive a single point home. Stories makes it easier to remember the points that the author is trying to put across. But often the main point is buried in the story and you may not have the time to read an entire book on each of these topics, and certainly not a whole bunch of them. Other times you only get a phrase or a list of statements, but it lacks all the relevant background information on when and how to use them. This book started to collect all the things I've learnt in a more digestible format. Trying to connect the dots bringing out the essentials on how to build a stronger and more inspiring business.

See this book as a reference guide that you can use to explore the most important topics for personal and business success. I expect that if you find a topic interesting you'll take the time to study it further on your own. Because what I am writing here is a compilation, just a scratch in the surface of each topic. But hopefully I managed to scratch out the most important and relevant pieces.

If you find value in this book, then don't hesitate to share it with your friends and if you have not paid for it already you are always welcome to do so at <http://www.johanbroddfelt.se> by pressing the donate button. If you do not know how much to pay, then pay whatever you pay for a cup of coffee where you live. And I'll think of you when I have my next cup.

Strategies for success

Since your business success depends on you being your best, I'll start by exploring some of the advice you are often given when you are trying to be more successful personally. Even though there are several versions of this advice such as Richard St Johns "8 secrets to success" there are some major thoughts that bind these versions together. Here I'm trying to connect the dots and this might help you understand the various points and motivate you to take matters into your own hands and do something about your rate of success.

Practice makes perfect

Perhaps you have heard about the 10 000 hour rule that states that it takes 10 000 hours to be a top expert or elite player in any field. Even though there have been some debates on whether this

is true, it is pretty obvious that if you want to master a subject you cannot just rely on talent. With enough practice, you can surpass even the most talented person. There is also a big misconception here. People that are referred to as talents have often spent more time practicing than their peers. Thus, blurring the meaning of the word talent. My take on this is that it is passion, not talent, that leads you to spend more time on something and that will in turn make you great at it and thus be perceived as talented.

But you'll probably be happy to know that you could learn a new skill well enough to be able to get some basic things done, after only 20 hours of training. Like speaking a language with the vocabulary of a small child, or moving forward on a pair of rollerblades without falling. You won't be a professional, but you could impress some people with your new skill. One of the secrets to be able to learn faster is to find the area in the topic that interests you most and then learn that specific thing. The next step is then to expand that knowledge one small step at a time. You could call it an exploration of the topic you want to learn. So, don't stop trying to learn new things just because you don't have 10 000 hours available in your calendar. At least in sports you can get up to about 70% of the elite with just a couple of months training. But it is the last 30% that will test your persistence. So, make sure you absolutely love what you are doing.

Here is a story that might motivate you. You are out in the woods with a friend and suddenly you get attacked by a bear. You do not have to be faster than the bear to survive, you just must be faster than your friend. The same goes for knowledge. If you want to succeed, most of the time you do not need to be an expert, you just need to be ahead of everyone else. And as you will learn later in the book, there are many ways to be ahead. Imagination is the only limitation on your path to success.

Focus, focus, focus

If you are ever going to reach the 10 000 hours or at least spend more time than your competitors to get ahead, you need to focus. But there are several reasons focus is mentioned to succeed. And sometimes it is preferred not to focus. But more on that later.

When you work on a task that demands your focused attention and you get distracted, it takes about 15 to 25 minutes to get back to the same level of focus you had when you were interrupted. So, if you get distracted only once an hour you may only be 50% as productive as you have the capacity to be. That's why it is recommended to dedicate time where you do not look at mail and tell your colleagues that you do not want to be disturbed to get more done. Personally, I have disabled all alarms and pop-ups that tell me when a new mail has arrived and only look at my inbox when I have completed a specific task. I also tell everyone I engage with that it is easier to reach me on mail than on phone and then use the mail to plan a phone meeting if I need to make a decision that demands a more in depth discussion.

Another area where focus is essential is marketing. If you are a hairdresser your marketing might say that you cut the best hair in town. Trying to reach the largest audience you can. But consider an advertisement saying wedding hair, we create the best knots and tails. This will only be interesting for people getting married. But say you are good, because you have spent close to 10 000 hours doing beautiful knots and tails and a bride to be sees your advertisement. Will she go to the best in town or the expert in wedding hair? Of course, the latter as it speaks directly to her. Consider then what happens on the wedding day when all the guests see the beautiful hair creation. Of course, you will get at least 20 new customers in a day. So, try to find your specialty, your focus and if you can deliver then word of mouth will bring you more clients without any additional marketing.

I mentioned previously that there were cases where focus is not as good as you might think. That is in the case of learning. Repetition is the best way to learn something. You will learn faster if you spend 10 minutes a day studying a subject than spending 1 hour a week. This is because you need to recall what you learned previously before you proceed to the next item. If you spend 2

hours trying to push a subject into your head, you will forget a major part of it and you do not have the same chance to get repetition. There are studies that show that if you read the text in a difficult font you'll learn even more because you must concentrate, keeping you more focused when you are reading. If you want to spend a day studying, then read one subject for 20 minutes then switch to another subject and rotate like that the entire day. This also has the benefit that you do not have to choose which subject to prioritize and you'll learn each subject better.

Follow your passion

Now how am I going to both focus and manage to spend 10 000 hours on one thing to be the best? Surprise, you need to enjoy what you are doing. I've heard this since I was young but never thought about the fact that spending more time on something makes me that much better at it. But if you love what you do you will do it more and if you do it more you will spend more time on it than anyone of your peers. This in turn will compound over time and when you apply for your first job and you can show your dedication you will be the first pick. This in turn will give you more work experience and hopefully you will be paid more and incentivized more to make you reach even higher.

So, loving your work will make you excel faster. But what if you are stuck in a position you hate and for some reason you cannot change job. Then you can try to find meaning in the work you do with a simple mind exercise. Look at what you are doing and what you want to be doing. Ask yourself why you want to do what you most of all want to do. Take that feeling and try to find a way to think about your current work that gives you the same feeling. Perhaps you want a job where you serve people in person, because it feels rewarding when you see their reaction. And you are stuck putting circuit boards into cars. Try then to imagine how happy the customers using the car will be when they use the functionality that the circuit provides. Also, think about how pleased your colleague will be when he applies the cover and you have done a good job putting the circuit in place. Then think about how happy your manager will be when you do a good job with as few errors as possible. And in time you might get that promotion where you will manage some colleagues or become the manager for customer service on the device you have worked on. All this because you were the one that knew more than all your colleagues about this part of the car.

But is it possible to do anything you like to do and make a living out of it? The answer is surprisingly, yes. If you become a master at anything there is always more people that need help excelling in that area and then you can provide your services. When I was young computer games was only for recreational fun and I was told not to spend too much time on it. Because you do not earn a living playing games. But today there are players earning millions, there are people reviewing new games, people making and selling games and many more that earn a living from their interest in the gaming market. The gaming industry have surpassed the movie industry and it is employing an enormous number of people. You might not always earn money the way you think, but you will probably find something to do where you benefit greatly from the thing you love the most.

Tony Robbins, America's number one Life and Business Strategist, says that Pull is more effective than Push. By that he means that if you set a goal without passion, you must push yourself to reach it. That is hard and requires a lot of energy. But if you select a goal that you are passionate about that goal will pull you in the right direction. You cannot help but moving towards it. This is what I feel as I write this book. I sit up all night and realize that it is half past two and I need to get up early the next morning. Just because this book is pulling me towards the goal of having a physical copy of the completed book in my hand.

5 WHY's

Every time you need to get to the core of a question or problem, you can use this technique. Ask yourself a question and every time you find the answer you create a new why question to your

new answer and repeat for about 5 times. Let's expand on the hair dresser example, 1: What do I deliver to my customers? I cut their hair. 2: Why do you cut their hair? Because they want to look great. 3: Why do they want to look great? Because it gives them better self-esteem. 4: Why do they need better self-esteem? It makes them dare to speak up when they have an Idea. 5: Why do they need to speak up? Because that idea might change the world tomorrow, it might give them a promotion... or any other great thing that might come from having a little bit of extra self-esteem. And most importantly which hairdresser would you like to go to? The one that focuses on giving you the most modern look or the one that instead tries to find a hairstyle that makes you feel empowered?

You can use this technique to find out which value you should deliver to your customers or what you love to do, so that you can figure out what drives you. But you can also use it on several other things where you need to get to the core of a question.

Another related exercise to get to the root of a problem is the 5 W's. What happened? Who did that? When did it take place? Where did it take place? Why did that happen?

Sometimes you might also want add an H and ask How did it happen?

Set goals

If you do not have any goals you will never have success. That is a logic based fact. If you do not define what it means to you to succeed, there is no goal to meet and thus no criteria for success. So, you will never know how far from succeeding you are and you won't know where to go.

The why questions in the previous chapter are a good way to figure out what you are trying to achieve in life. And they can give you inspiration to set some goals. But goals can be anything that you want. A goal should not be so farfetched that you do not believe it could be possible to reach, because then you are likely to give up. But it should not be too easy either, because then you do not get the kick out of reaching your goal.

Goals should also be clearly defined and you should write them down. When you have written the goal down keep it in a place where you can look at it daily to remind you about where you are going. A good place is to have it beside your bed reminding you before you go to bed, hanging by your desk at work or why not in your pocket, with you always.

It is also a good point to have different goals with intermediaries. Set a 20-year goal. How do you want to live 20 years from now? Break that into 2 and write down where you should be in 10 years. Break that down into a 5-year goal. Then into 1 year goals, one month, week and finally a daily goal. Then you know what you need to do every day to reach your 20-year goal. This is a really good way to keep you on the right track at all times.

Of course, your goal might change along the way, but doing this exercise will help you focus and be more motivated to work towards your dream.

You might benefit from setting multiple goals. You have multiple areas in your life, so you need goals for each area, i.e. your family, your work, health, friends, finance and so on. All the areas that are important in your life.

Serve and the money will come

Many people I have talked to about this react as if I'm stupid. They do not see the point of working for free to show their skills. Why shouldn't they charge the customer right away? It is a well-known fact that raising the price from \$0 to \$1 is a lot harder than raising it from \$1 to \$100. Then there are those who say that if it is for free then it cannot have any value, "There is no such

thing as a free beer”, “You get what you pay for”. There are even people that just won't accept service without at least giving a small tip.

Then we have the question of whether you are going to charge per hour or for the value you provide, and if you then charge \$0 then it is obvious that the service you provide cannot have a lot of value, so why even bother talking to you.

If you are new in a field and want to enter that kind of job you might try to get some internship. But then the company pays you by teaching you the skills you need to earn a salary later. This is not limited to internships, if you want to get a client it helps to be proactive and show of what you can and are willing to do for them to get them as a customer.

Another reason to serve well is that if you have a product or service, you want your customers to have the best experience in all aspects of contact with your business. From marketing and sales to delivery, the product itself and any future issues that may arise with the product. Because if you fail in any of these areas your customers will start looking for other options. That is why service is often mentioned as one of the three main categories to focus in when creating your value proposition, alongside price and technology. Usually it starts with one company disrupting a market with a new piece of technology i.e. the iPhone. Then other companies start making their own versions of smartphones. When the products become more and more alike you start to compete on price and if the margins get very low you start to use service as your primary edge to stay on top of the competition. This is what is currently happening with the upgrades of the operating system, app store, music services and more. But remember it is hard to be the best at all three here, so you should be the best in your field in one of these and keep pair with your competition on the second and don't be too far behind on the last. Then use the one you are best at in your marketing to differentiate yourself from your competition.

The gap of knowledge

Since we ended on a note about marketing in the last chapter I would like to continue another very important topic in communication with clients, knowledge. Namely “The gap of knowledge”. This refers to when you are trying to tell something to another person, but that person lacks your understanding of the problem at hand. He might think that he understands what you are saying. But there are some essential things you take for granted that he is missing. The same goes for marketing. You know a whole lot about your business and what you deliver but you may only focus on the things you want to tell about your product. But it might very well be that you are better at solving another problem than you think or that the value in your service is in one of your more basic offerings. When our company asked one of our customers what they thought were the strength of our company, we thought they might say something like “We deliver great tailored business applications”. It turns out that a lot of other companies also deliver great business applications, but we are more flexible to work with. We are a small company and compared to SAP and IBM we can produce a solution in matter of days instead of weeks or months, just because we do not have all the overhead of administration and delegation that the larger firms have. So, when we talk about ourselves we should emphasize our capacity for delivering quick solutions and our short response time when issues arise.

The gap of knowledge also applies to design. When you try to design a product, you should try to look at how your users interact with your product and figure out why they do certain things that you did not anticipate. This way you can find solutions that will provide more value for your users. If you just ask your users, they usually cannot tell you what they need. Henry Ford said “If I asked my customers what they wanted, they would have said a faster horse”. He saw the limitations of the horse and with his knowledge about machines he created the car.

Another way you can mitigate the gap is to ask the person you have given a task to recite the task back to you. Then he will tell it with his own words and you can then hear if he is missing some important points.

There is a fun experiment you can do to experience this. Try to tap a famous song with your fingers on a table and let a friend guess what song you are trying to play. You can clearly hear the melody in your head, but the person listening is trying all melodies he can find to fit your tapping. He is missing the information of the melody to be able to guess the song. Thus, he is likely to fail even on the simplest of songs.

The early bird gets the worm

If we consider the interpretation that you get up early in the morning, which is the obvious one when you hear the Swedish version “Morgonstund har guld i mund” (The morning hour has gold in its mouth). Usually people say that if you get up early you get more done during the day. But if you are going to be able to do that without losing sleep you need to go to bed earlier, so the day is still as long. So, what is really the benefit here? Well, first of all, research says that you sleep better if you sleep between 10 pm and 2 am. That is where you get the best sleep. If you go to sleep at 10 pm and sleep for 7-8 hours, you’ll wake up well rested at 5 or 6 am. Which most people consider quite early. So, you are well rested after a good night sleep and you are at the office at least one hour before anyone else starts working, then you will be able to focus on the most important tasks of the day. This means you’ll be able to get more things done uninterrupted than you normally would, because interruptions destroy your productivity and you can use the rest of the day to handle all the interruptions without having to worry too much about your projects progression. But since you are well rested in the morning your brain works faster as well. So that you can accomplish more in the same amount of time.

The other meaning of the English saying is kind of “First come, first served” which is also true but in a more obvious way. If you find out a way to do something better than you do it today, you better change as fast as you can. You need to be hungry for improvements and not hesitate over what to do next. It is better to make a bad decision and learn from your mistake than to not do anything at all.

What doesn’t kill you makes you stronger

Realize that it is good to fail. Many people are scared to fail or not to be perceived as perfect. Failing is one of the best ways to learn. But all too often I see people be devastated after failing, running away and hiding like it was the end of the world, not daring to get back up on the horse again. But the ones who do will learn from their mistake and do it better and better each time until they have mastered the skill. Even if you fail it is not the end of the world. You can manage to save the situation with some creativity and help from others and then you have not failed completely. The thing is that if you do not manage your failures and get your coworkers to help you solve them, chances are that this is a cultural problem in your company and others do the same. Just imagine if five people in a project fail to deliver and pretend that everything will be fine. This will generate a disaster when it is time to deliver. Many errors can be fixed and if you instead of hiding your failures try to lift them to everyone's attention they could be managed and thereby avoid a major disaster. Because if the major disaster occurs nonetheless you will know that at least you did your best instead of blaming yourself for something that was only fractionally your fault.

Sometimes you do not even start because of fear of failure, you tell yourself that you cannot come up with any good ideas. But then the question becomes, do you have any bad ideas or are you just trashing all your ideas before you even start considering them. As I started this chapter you should not fear failure nor bad ideas. Try out some of the ideas that you have and then start to improve on them. Maybe they are not so bad after all and perhaps some of them will inspire new and better ideas if you allow yourself to work with them for a while.

Sometimes things go wrong and then you can either become frustrated, even have a meltdown or you can accept the state of the situation and try to find a better way to move through it. You do

not get frustrated with the knife when you cut yourself, because you are to blame. But when the train is late you get annoyed with the staff and the train company. It still won't solve the problem, so why do we react that way? What can you do to avoid spending energy on a futile problem? Take the bus, take a taxi or pass the time with work, listen to podcasts or audiobooks. That is what I do. This way I feel that my time is spent doing something worthwhile and has not been completely wasted. But it is still hard for me to not get frustrated. Especially when I need to pick my kids up from school and the train is late or even canceled.

Divide and conquer

This is a good tool to use when the problem you are working on feels too big to be managed.

The idea is to divide a task into small chunks so that you have time to work on one chunk uninterrupted by any of your daily scheduled activities. 1 to 2 hours is a good scope. If I do not divide a 4-hour task into at least 2 parts, I will probably never start on it, because I never feel I have that amount of time available without the risk of being disturbed. Having less than half an hour before my next meeting limits the number of tasks that I want to start working on. Then I first must find a task I could extract a 30-minute chunk out of. It is also good when you give an estimate on how long time you will spend on a project. It is easy to estimate a small task that will take 1 hour to solve, but estimating a 50-hour project just by looking at a short description is almost impossible. I divide all larger projects into 5 or 10 hour chunks. That also force me to make a detailed enough description of the specific work that goes into making a solution and the customer can then choose to remove items or add additional functionality that was lacking in their first project description due to the famous gap in a previous chapter.

Luck

Yes, luck. If you read Malcolm Gladwell's book Outliers, you'll realize that you can do all the things mentioned above and still not reach the top. You also need some luck. But don't let this put you down, because if you do not play the game you will never win. You need to make sure that when the opportunity comes you are ready to take it. That you have the knowledge and the experience to go to the next level when it is presented to you. Because otherwise the train will leave the station without you. So, hang in there, the future might not be what you hoped for but if you work hard and follow your passion it will at least be good.

Product or Service

How to find your calling

Sometimes it is hard to come up with an idea for a product or service where others may just stumble upon one. In the latter case, you just know that you must pursue that path. But what if the choice is not that obvious? Then here is a tool that can help you.

Think of all the things you love to do and write them down on a piece of paper. Now think of all the things you are really good at doing or at least is considered to be better at than the average and write them down on another piece of paper. Now take a third piece of paper and write down all the ideas you can come up with to make money. What you should focus on in your business should be on all those three papers and if they are not on one of them then you could try to figure out a way to get them in there any way. You need to be able to find a way to make money otherwise it's only a hobby. If you are not good enough you won't be able to compete and if you do not love what you do you will not have the drive to pull through hard times. You might get bored and you will not take the time to learn new things and improve your skills. If you do not find

something that fits on all 3 pieces of paper, then try a bit harder. Perhaps you can combine some of your skills or find a way to do something different so that it fits into all three.

The tribe with a common need

Another approach to finding a business idea is to find a group or tribe of people that you can engage. Try to figure out some product or service that creates a value for them. Since they exchange ideas faster within the group it will be easier to market within that tribe and get a fairly sizable market. You will also be better at targeting this specific group and will therefore be less vulnerable to competitors. Often people think they need to reach a larger audience to earn more money. But if you cannot make money in a small group it won't get easier just because you get more people to serve. Yes, depending on what kind of expenses you have the margin will increase with larger volumes. But you will need to do more work to maintain the same quality of service that made you get the customers in the first place. So, do not be afraid to start small, make a strong business case and make sure you have a solid foundation before trying to expand.

Pricing

What should my price be? This is a question that keeps coming up every time we think of a new idea. This is also one of the reasons that many products never find the market. They never get a price tag.

The price should be somewhere in between the cost of providing the product and the value the product provides for the customer. Everything else is out of question. Too cheap and you'll eventually go out of business, too expensive and the customer will at some point realize what a terrible deal he's made and then he'll never come back. That is why it is so important to have a clearly defined value proposition, describing the benefits of your product or service.

When looking at the cost side you need to consider investments such as:

- *Material*
- *Transport*
- *Work or salary*
- *Packaging*
- *Cost for investing and maintaining machines and tools*
- *Rent for the office or shop*
- *Other expenses such as electricity, heating, water and so on*

Some of the costs are directly related to the product, like material. Others are more like a byproduct of running a business. But you need to cover those expenses as well, so you should even them out over your process. Then you have costs related to research and education that is needed to expand the business. So, you need to make sure you have some room for that as well.

When trying to figure out the value a product gives to a customer you want to consider things like:

- *Appreciation (How much the customer likes your product or brand, this is very subtle)*
- *Time saved or money saved*
- *Number of extra units produced or increase in sales*
- *Value of your additional services that is attached to the product*

The value calculation is of course just a guess from your side and the more you know about your customer the better you can estimate this value. But this is not all. You also need to consider your competition. How do they price the product or service? Not that you should copy them or try to

stay below, but you should at least know about their price point. Then you should try to sell your product at your price and motivate your price with your unique features and services.

Competition makes pricing really interesting. Because you can choose to brand yourself as a low-price brand trying to sell more units with less margin on each sold product. Or you can brand yourself as a high-end brand, selling quality products at a high price. In which case, you can use a higher margin to cover the loss in quantity. But you might also need to use some higher quality material, so your expenses will go up. You can also try to increase your margin by being more effective and cutting costs in your production. Then you can keep the same price as your competitor, but you'll win because you earn more each month, which you can invest in more research and marketing.

If you can sell on value rather than just on an hourly rate, you'll be motivated to finish the task faster instead of thinking that you could have spent some more hours. So, you win if you can spend less time than you expect and your client wins because they get the result faster or if you care about quality you may spend some extra time improving the product for the customer increasing the value even more.

Another way to add value is to include a bonus. We all know about the free toy included in a McDonald's Happy Meal or the free pdf included when you take an online course. It gives an additional value to the customer and it might cost you almost nothing to include in the package. The word bonus indicates that it is on top of what they are already paying, so it is something they are really looking forward to. And that anticipation alone will increase the feeling of value.

Naming

When you start a business, or create a product you want to give it a really good name. This is not that easy today, because we work in a global market and most of the good names are already taken. But there is a standardized process and some tips to think about when creating a good brand name. I'll talk more about creative processes in the design chapter. But here you get a taste of one.

Defining the requirements (What is)

The first thing you need to do is to write down your requirements for the name. What feeling should the name convey, which top domains (.com, .net...) and what social media sites does the name need to be available on. Perhaps you want the name to work with different extensions. Like mynews.com/sport, mynews.com/politics. Do you have other requirements that you want in a name? Write them down now.

Brainstorm (What if)

The next stage is the ideation process. Start writing down names. To improve the number of creative suggestions you can add to your list; it is good to be a team of 3 to 5 people. First everyone make their own list, then you have a meeting where you share your ideas and come up with new ideas together. Then you can go back and forth between working in group and alone until you have a list of about 1000 names.

"A thousand", I can hear you say. "I only need one name". But this is how the naming firms work to get a really great name. When trying to come up with these names, it is absolutely forbidden to criticize any suggestion. Every name suggestion should be written down. Because even the worst most ridiculous suggestion could spark a completely new idea that potentially could be the name you end up using. It is also important not to stop just because you think you found a good name. You need to keep going and find at least 3 good candidates. The reason you should not take the first good result is told by John Cleese in the YouTube clip "John Cleese on Creativity" about 18

minutes in. John was curious as to why one of his Monty Python colleagues who seemed to have more talent than him never produced scripts that were as original as Johns. Until he realized that his colleague always picked the first good idea that came to mind, where John would spend some additional time, trying to come up with more good ideas. And in the end John had more original material to choose from.

Some things that you can use to aid your creativity when trying to come up with a name, is to find words that say what you do, give an emotion you want to be associated with, change a letter or misspell a word intentionally, synonyms, translations into other languages, find a word that you can put before or after the word you want to use to create even more suggestions out of one good word. Say you have a coffee shop and want the name coffee, then you can use words “black” and “hot” in front or words like “house” and “zone” after the word coffee to make it more unique.

Removing the bad apples (What wows)

Now when you have got your list, you change modes from creative to analytical. Go through all the words and remove all the bad apples. Consult your group and try to get the list down to about ten names that you could imagine being the right one. Remember that your name is not your brand. It is more important to have a name that is good than a name that you think is good. What I mean by that is that the brand is a combination of the service you provide and the marketing you do to bring in new clients. The name is just a label to stick on top of your brand.

The winner (What works)

So now it is time to look at your list of requirements that you created in the beginning of the process. Take each of the ten names and just see how many of your requirements it passes. You also need to see if you have legal rights to use the name and if there are some other issues that might make the name a bad choice. Perhaps the word means something very unintended in another language. So you might want to check that, at least if you are thinking of an international market. Another thing to validate is that it should be easy to hear over a bad phone line and it should be easy to spell, at least after any intentional misspellings have been pointed out.

Design

Why design is important

There are as many definitions of design as there are designers, but most of them agree on some version of making things “work” or “look” better. Here I would usually say that as long as my application saves the data it is supposed to, who cares if the color is red or green? But one of the most important conclusions from the design world is that if you perceive an application to be aesthetically pleasing, you are willing to put more time typing things correctly and that might make all the difference. The most important aspect of all is that if you may choose between an application with bad design and one that looks good you will probably choose the better looking one, even if it has less features. But design is also about usability so even if the application could do all things, it might be close to impossible to figure out how.

Design and emotions

Design is not only a way of making information easier to find or the product easier to use. It also creates an emotional response. That is why it is important to see how your customers feel when they look at your product. Because if they feel disgust, they will most certainly not buy. If they get a feeling that the product is of poor quality, they might not buy either. If you have ignored the

aesthetic part of the design your product might look cheap or give a feeling that the producer has not put any effort into making a good product and if they do not care how it looks then what else don't they care about.

You can also design directly for different emotional states. If your product is for kids and play it will look different than a product made for an office. If your product should evoke a more luxurious feeling you might use gold, silver, purple or black and if your product should evoke a feeling of freedom, nature and calm you might want to use blue, green or yellow instead. It is important to at least think about in what context the product should be used and what emotions it should evoke.

The design process

Since everything you create also is designed by you. The effort you put into making your product look good does make a difference even if it is poorly designed. And if you create a design once and then sell the product several times over, it will be worth the extra effort.

But if you think to yourself that you are no designer, well then you could hire one or at least try to use a design tool like the "Double Diamond" to aid you. You can also use the strategy to remove everything in your current product that does not contribute to its goal. What you are left with should then be the most essential and that is always a good place to start in design. Another food for thought is that if you feel you need to add an explanation or a sign to some part of your product, you should probably consider making the product more intuitive.

There are many versions of the design process, all more or less an extension of the double diamond (*Discover, Define, Develop and Deliver*). At Darden in Virginia they use *What is? What if? What wows?* and *What works?* At Stanford, they use another model consisting of five steps: *Empathize, Define, Ideate, Prototype* and *Test*. But the main idea in all of these processes is the same. You start to *define* the problem by doing some analysis of the problem space, trying to discover if there are other problems that might be more influential in the current situation. You do this by answering the question *What is?* The *What if?* is the *idea* state where you try to *define* new ways of solving the problems you found. Then you develop some different *prototypes* to see *What wows?* And finally, you *test* your prototypes and figure out which one to *deliver, what works?* So even if you will find a lot of different models of the design process they are all more or less the same. Some of them might also be circular because when you have reached the goal the process starts over again to improve the work you have done.

Also, remember that there will be times where you feel like giving up. This is a part of the process and you'll probably run into a breakthrough soon. So, keep up the good work.

What to design

As I said earlier everything is designed in some sense. But in a company the essential part is your brand. Containing things like your logo, your name, business cards, brochures, web page, your social media accounts, the office should probably also reflect your business values and design patterns. Then you should of course also put a lot of effort in designing your products and services. I can hear you asking, how do you design a service? Well there are documents describing the service. Things you include in the service, the way you talk to clients about your services and the way you deliver your service all need to be thought through and decisions made on what you can and cannot do for a client due to costs, legal issues or other reasons like your values. Design is not only about visual perception it runs through every decision that makes up your product or service. That is why we often equate good design with good quality. Because we can see that there has been a lot of thought put into creating what you are selling.

For each point in your business that is of importance to your relations with your customers you should at least think about how they should look and be managed. Also, referred to as the customer journey. Therefore, business advisors often start by talking about your business mission and vision statements. Because they mark the beginning of the path that influences what you should and should not do with respect to your design. If the mission of your organization is to make people healthier, then you might want to avoid red, as that color makes us hungry, or dark colors in your brand. If your mission is to entertain you might want to combine black with some bright strong colors, to emphasize the energy of your brand. You decide the personality of your company and then that will influence every design decision, whether it is about design or how you should operate in different situations.

Let users influence your design

You should always listen to your customers. See how they use your product or how they interact with your organization and try to meet them and improve the product from their point of view. You should also be aware of what problem you actually solve for the customer. It might be something other than you expect. An illustrative example here is the paths that people take when walking through green areas in cities. It is not always on the “designed” paved paths. Try to leave some aspects of your product unpaved so that you can pave it correctly after you see how your users interact with it.

Marketing

Who is your target audience?

Often when we talk about a target audience we talk about gender, age and region or similar but it is also interesting to look at what kind of media the audience consumes. But there is a lot more to explore here. One good exercise is to ask exactly what problem you solve for the customers and then explore who else might suffer from that problem. When you have that covered you can create several profiles that help you find the people that has the problem you solve. You should also acknowledge that you probably solve several problems and for each problem you solve you can find a list of profiles. Then you want to figure out which of those profiles are most profitable and focus your marketing towards that profile first.

The goal of this exercise is to end up with a list of the potentially best platforms where you can find your audience and when you are there what message you should send to get their attention. The more specific you can be here the less resources you need to spend and the happier customers you'll get. Sometimes you might notice that a competitor is targeting the same people as you do. Then it is a good thing to target a narrower subset of the group or differentiate your message from your competitor to highlight your unique qualities.

If you want to reach a larger audience you will need to smooth out the edges, removing the things that made you stand out from the crowd. Trying to fit everyone and you will end up fitting no one. You cannot both have the highest quality and the lowest price on the market, then you'll lose money. And it makes no sense to have the lowest price if you ship the best product. If you create a black shoe like everybody else, you will not get noticed in the shelves as much as if you start to make pink shoes. Not as many people buy pink shoes. But the ones that do will find your product as soon as they enter the store. If the quality of your shoe is outstanding your pink shoe lovers will tell their friends and then the friends will start to search for your black shoes in the shelves.

Even if you won't earn as much in the beginning, it will be a good way to test out your product and then let the word of mouth be the main part of your marketing. There is no better marketing for your product than if your targeted customers are telling their friends about it. The money you save on marketing will make up for the slow start in sales and give you more profit in the long

run. A good example of this is Amazon.com which started out selling books. Now, I guess they have almost every product imaginable in store. Another one is Facebook that started out as a site targeted at university students and now got over 20% of the world's population as active users.

Unique Selling Point (USP)

Since we just talked about pink shoes, we might as well continue with this example for your USP. If you know your audience and you know your competition, then you have an overview over the market. And if you are going to enter that market and take market shares you must make sure you are better than your competition. But there is an easier way to get ahead. If you figure out exactly what your customers want or if there is something that none of your competitors deliver on, or at least a feature of their business that they do not promote, you can make that your unique selling point. This will make you stand out from the competition and enable you to take market shares a lot faster. You can even mention features that everyone is delivering on if your competitors are not using that in their marketing. This could give you a good head start. But then count on them adding that feature as a part of their marketing as well quite soon. Some examples that are popular today are ecological, environmentally friendly or hand made. But it could also be things like better design, higher quality or just that you deliver in pink. There are a lot of ways you can give your business an edge by just modifying your communication slightly. But if you really want to boost your marketing you should try to stretch the change as far out as you can. Making your product something consumers talk about with their friends.

Which platform should I market on

There are an endless range of options. You might think of Facebook, Twitter, Instagram and other social platforms. You might also think that you need to be present on every platform to be successful. But as stated in the previous chapter, the better you know your customers and where to find them, the more precise you can be in your selection of platform. Social media are not the only platforms. When I talk about platforms I also mean billboards, magazines, games, social media of course but also things like mugs, cloths, specific events your potential customers like to attend. And the list just goes on and on. Depending on whether your message is best told in writing (articles in newspapers, blogs and books), audio (podcasts, audiobooks and radio) or video (television or video online) you have a long list of options to choose from. A good strategy here is to repurpose your content in several different media. If you make a video about a topic, you might also want to create a blog post on the same topic and put a short link out on twitter. Then you do not have to do the same work over and over. You can also repost content regularly to remind people of some of the blogs you have posted previously.

The main takeaway here is that you should use the channels you feel you have time to be active in, where you have the resources to be active and can engage in a conversation with your customers. When using social media, you should avoid the trap of trying to sell all the time. Most great marketers use the 80/20 rule in their content. 20% selling and 80% useful content that attracts their audience. The most important thing is that people know who you are and what you do, so that when they need the service you provide, they start by contacting you. Also, referred to as being "Top of mind".

As a side note, there is nothing wrong in including a link or reference to your product at the bottom of your content. And you can also ask visitors to provide their mail to gain access to additional content and then you can send mails directly to them. But make sure you include a link to unsubscribe in the mails you send.

How to create traffic

Most of us use a website or Facebook profile to market our products or services. But how should we get customer to visit our site? It is not always clear where most of your potential customers

hang out. So, you look at your most successful competitor. Where do they market, where do they get their customers from? And there are some tools you can use to help you in this search, one of them is <https://www.similarweb.com/>. This tool shows you all stats related to their online marketing. When you know where they find most of their customers, you just start to place similar ads on those sites as well. And you should be able to tap right into a stream of new customers.

No marketing is not an option

Do you think your product is so good that word of mouth is all the marketing you'll ever need? Well if that's the case then you would probably benefit more than the average company by doing some additional marketing. I know developers who start a company, where they sit at home and develop some smart application and then in best case show it to their developer friends. But their business never goes anywhere, because it never reaches the intended customer. I've also heard about projects that were budgeted to create a product. But when the product was finished there were no money left for marketing. So, the project got canceled due to lack of resources.

To develop a product or service without a strategy for marketing is bad. And don't start working on marketing at the end of the project. Marketing should start as soon as possible to test the market, even before you start to work on your product, to figure out if anyone wants it in the first place. There are a lot of ways to do this. You could describe your product as if you had it and then try to sell the idea for instance on a crowdfunding site. Then you'll not only get funding but customers as well and you know exactly who will buy when the product is done. This could also get you a lot of feedback during the development process. Another way to test a product is to place some ads on google and see if anyone clicks on them. The ads are very cheap and you can very quickly see if you have any potential customers, just make sure that they land on a page where they can register their mail. So, that you can contact them when your product is ready. Another good idea is to try different names for your product as well while you're at it. Perhaps use this as one of the criterion to decide which of your ten names to use, from the "Naming" chapter. Whatever you do, make sure to involve some potential customers in the development process, to bounce ideas off.

There is another tool you should consider if you want to boost the word of mouth. And that is to build marketing right into your product. Make it a thing to talk about. Give it a distinct feature, add a thing to share with friends inside or package it in a remarkable unexpected way. Let your imagination run wild. What would be the last thing your customers would expect from you. And it must be something that they just cannot keep for themselves. If you can create the urge in your customers to talk about your product, then you have got an ace up your sleeve.

As I said earlier it is important to know who your target audience is, but sometimes the customers you attract with your current strategy are not the ones you would like to have. In this case, you have two options. You might consider changing your marketing efforts and branding towards the preferred target audience or accept that you have a better chance selling your goods to a different audience than you expected and enhance your engagement with your new customers.

Automated marketing

Now you know it is important to continuously feed the customers with information that in one way or another promotes your product. But as a small business owner you cannot afford to create new content all the time. You have got other things to do as well. So how should we go about this? First of all, you do not have to create all the content yourself. If you find an article or a post that might benefit your customers, then you just should share it on your channels. Perhaps add a small comment of your own to tell your network why you shared this post. Another thing you should do is to repurpose your content. This means that you might have some old blog posts that

you can repost on your social media channels. If you do not repost the same content all the time it is nice occasionally to remind your network about older content as well. You can take a post and make it into a video or a podcast on the same topic. Then you do not have to do all research again, you just reuse what you already have. It is also a good idea to remake some of your content, things change and your 2-year-old post about your product might be almost completely outdated. You can schedule your posts and have a specific day every week or month to create scheduled posts for the upcoming period. That means that you will have less stress in that period about what to post. It is better to spread your posts out so you remind your network in different days and different times in the day than just getting all your content out there at once. There are also a range of tools that can help you manage several social media channels in one platform. So, that you do not need to login to all platforms all the time. Depending on what content you have in your business systems you could also have those systems auto generate some content for you. I do this with my site citypolarna.se where I have a script that generates a summary of the events my users have posted for the coming weekend. Then I can just paste that into our Facebook page in a matter of seconds.

You should also keep a notebook where you write down ideas for new content so that when it is time to post on social media you have a list of ideas to choose from. I mail most of my ideas to my inbox, where I organize them. As we learned in the design chapter, it is a good idea to separate idea creation from prototyping and delivery.

Permission marketing

Since it is tempting to rush into automation and spam your network with messages about you and your products, I thought this would be a good time to mention permission marketing.

The problem with all the direct marketing that is thrown at you in the form of billboards, banners, TV-ads, radio commercials, telemarketing and so on is that our brains learn to ignore it. To be effective, you either need to have a unique message or spend an enormous amount of money to always be visible, but it is usually not worth it. In Seth Godin's book *Permission marketing*, he compares direct marketing with having a hundred seeds and a hundred buckets of water and then planting all seeds and giving each a bucket of water. You'll be far better off planting twenty seeds and keeping 5 buckets of water for each plant. This way you can water them for longer and they might actually start to grow.

Permission marketing is when your first interaction is an attempt to start a conversation. If they accept, you start a dialogue and as time goes you earn their trust. If they start to trust you and have an interest in what you provide, then they are ready to pay for your services. They have become loyal to you and will keep coming back. Remember that finding a new supplier is an investment for them as well. It is like when you meet a new friend. You do not give him your phone number before you feel a sense of trust. Keep in mind though that a permission to market to a client can be withdrawn at any time. So, do not misuse your relationships and never ever sell your list to another company. Then you'll lose the trust and the permission is gone.

This process may feel like a lot more work, but consider trying to come up with one sentence or image that would make a potential customer buy from you. Versus slowly building a relationship of trust and then make the sale. The customer that trusts you will buy from you for a longer time while the other prospect might, if you are lucky, buy from you once when they see the message, but that is no guarantee that they'll ever do it again. So you need to keep marketing in order to remind them of your existence. The trusting customer will return to you first every time they need your help. Without you having to spend a dime in marketing.

Service

If you want a strong brand there are two things you should focus on. Your marketing and your service. These are the two main areas where your customers come in contact with you. You need good marketing to get customers into your business and you need to provide excellent service to make your customers revisit you time and again. The service is also a strong part of your marketing, because when a customer gets good service they tell their friends. And as mentioned before, referrals are the best kind of marketing.

So, what is good service? Do you need a person in every corner of your shop to make sure the customer receives the best service at all times? No, service is a lot more than human interaction. Service can be the small sewing kit in your hotel room, the large clean mirrors in the changing booth with the additional back mirror or the little piece of chocolate you get as a bonus when your order coffee at a restaurant.

Service is that little extra thing that shows the customer that you are trying your best to make them happy. You cannot fake service. You really need to care about your customer. If your customer has only one bad experience with you or your product he will start to look for other flaws right away, and if he cannot find any right away he will create some in his mind. So, you'd better not leave anything to chance.

In the book *"Hello! And every little thing that matters"*, Kate Edwards also explains how to properly end a customer experience. I thought it was so important and useful so I wanted to include it here.

- *Recap the experience and gain feedback*
- *Offer additional service*
- *Genuine thanks*
- *Heartfelt farewell*

Make the customer remember what you have done for them and then ask for their honest feedback. This is hard for some people because they do not want to hurt your feelings. So, make sure that you are paying attention to what they are saying. The feedback is your best source of information for you to improve your product or service. When the customer feels that you actually care about making their experience better, it is a good idea to also offer them some additional service. Perhaps to make up for some bad experience, to thank them for good feedback or to sell them a bit more of your excellent product or service. Always make sure that you thank your customers for choosing to do business with you and end by making them feel that you are looking forward to meeting them again soon.

Sometimes it can seem like a waste of time to give away service for free. But consider if that service is the reason why your customers choose you instead of a competitor. Perhaps the competitor has a lower price and if you do not give that extra piece of service all your customers just start going to the less expensive option. So service is not only a way to please the customer, it is a real part of the product you sell and it provides value of its own that customers are willing to pay extra for.

Service is a magic bullet that allows you to charge more for your product and at the same time make your customers market your business by telling their friends about you.

The customer journey

The customer journey is defined as the path that a customer takes from their first engagement with your business until he stops being a customer. And prior to internet you could pretty much create that journey by paying attention to your marketing, the entrance to your store, the engagement with your salespeople, the service provided after the purchase and the communication used to retain the customer and make him come back again. But today with internet and social media, everyone can post comments about your brand, connect your brand

with content you do not approve of and even write things in your name. So even if you do not feel like social media is your thing, social media users are engaging with your brand online anyway. And if you do not keep track of these conversations you are missing the chance to correct misleading information, help unhappy customers, learn what issues they have, to make your product better suit their needs and eventually sell more.

The hero's journey

To explain what value, you provide you can benefit greatly by using the art of storytelling. There are lots of resources online to look at for inspiration. But almost every great movie you have seen uses the hero's journey as one of its storylines. We are somehow wired to empathize with that kind of story and it makes us understand the brand more, we identify ourselves with the protagonist and the brand that helped the hero succeed gets a lot of positive emotions connected to it.

Benefits of a tribe

As mentioned before, a tribe can help you spread the word. If you manage to serve the tribe well your product might be incorporated into the tribe's self-image. This is the product we use; this is who we are. This is a strong and powerful marketing force that also opens the opportunity to sell more related products to this group. Harley Davidson is a good example of this.

Seth Godin says in his book “Linchpin” that a tribe is the 150 people that live in our village. That is as many people that our brain can keep track of. In a tribe, you give gifts. People outside the tribe you do business with. The third group is everyone in the world that you do not have the connections to do business with. A gift is not something you have bought at the supermarket. Even though it could be. A gift is rather something you do or give without expecting anything in return. When you give to your tribe or to the masses, the number of people in the middle group, who wants to do business with you grows as well. Giving indicates that you have more to give and when someone wants and demands what you give, then they will pay you for it.

Gamification

This is such a hot topic today, so I would at least like to touch on it a little bit. Gamification holds the promise to engage your users almost as if they were addicted to your product, like gamers that cannot stop playing the game. But even though Farmville potentially could stop the world by decreasing its cycle for watering their plants, the real goal of gamification is to make a boring repetitive or administrative task seem a little bit more fun and perhaps a bit more engaging.

Customer engagement

Today there are some techniques that are used more widely. Like frequent flyer programs, customer loyalty cards of all sorts and leader boards for the person who gave the highest tip this week. But with the technology we have today, there are a lot of new opportunities that allow businesses to create new ways of engaging their customers. The focus should be on the three F's: feedback, friends and fun. It might be an app that is a game where you can compete with your friends in doing the thing that the business does and if you become good at it, the app suggests that you should apply for a job. This is what Dominos have done. You might get points for watching commercials and ads, for brushing your teeth or for walking to work instead of taking the car and in return you can use those points as a discount.

Employee engagement

This is a minefield. Be careful, and do not say I did not warn you. The risk you run by creating a gamification platform at work is that you put your employees under a ton of stress. Disneyland did this by implementing a leaderboard in the basement of their hotel, showing the speed in which the staff cleaned rooms. Employees nicknamed the system “Electronic Whip”. It is also quite common in sales organizations. You compete on amount of sales and if you do not fill your quota you might actually lose your job.

Gamification in companies should be positively oriented. Helping employees excel, figuring out where more education is needed and help them enhance their performance. You need to design the gamification elements so that they communicate this. And you also need to involve your employees in the design process of this game, if you want to try this out. In the sales organization sample, you could set a target on number of calls to make in a day, instead of sales. That way the employee feels that they have some control. Then you could have a team goal on number of happy clients. And if an employee is not contributing as much to that total, then the rest of the team should be instructed to help and share their knowledge and experience to increase the satisfaction ratings from customers.

Sales

Occupation with a bad reputation

Isn't it annoying when a salesperson calls just as you are about to put the kids to bed. And then they insist on selling you something you do not care about. Sometimes they even say that they are not trying to selling anything, “this is just a survey”. But even if they are not trying to sell you a thing, they are initially trying to sell you a good feeling in exchange for some of your time. Every time you try to convince your friends that you should go to the beach you are selling an experience to your friend in exchange for his or her time. Sometimes you know that a walk on the beach will cheer him up if he is sad. So, when he lacks enough energy to put his shoes on. You need to do a bit of selling because you know he needs the treat. And he will thank you for it later. This is how a good salesperson works. The customer should feel satisfied every time you make a sale. If you can do that, then you get the key to the secret room called trust. And in that room, you are the preferred salesperson when the customer needs the service you provide. This is one of the major keys you need to be a successful salesperson. One way to do this is to think of your customers as your partners in business. You help them reach their goals and they will help you in turn by paying you for your service.

Questions are your best friend

To get the key of trust you need to listen to your prospect. And I mean it when I use the word “need”. You are not the one who should convince the customer to buy, your job is to figure out what the customers really want. But be aware this might not always be what they say they want. So, you need to ask the right questions and most of all you need to listen and pay attention to what your client is saying and doing. Body language and tonality are more important clues to what they are feeling than the words coming out of their mouth. Your job is to make them feel comfortable. Salespeople always have an arsenal of jokes, keep track of sports and news so that they can interact with their clients about things that interests them. Without what is called “rapport” you are getting nowhere. Rapport is a complete chapter of its own. But in short it means that you behave in a way that make the prospect feel safe around you. When you have shown your client that you are a person that is like him, he trues you enough to start answering your questions. The next stage is to figure out if the person you're talking to is a fit for your product. To do that you need a list of questions that tell you if there is a fit. If you realize that there is no fit then you should not try to sell. Otherwise you might put the prospect off so much that he will never buy anything from you. But if you see that the prospect would benefit from your product

then it is your responsibility to make the sale. But you may only do that by asking the right questions to get the client to convince himself that he should buy.

Now you might think that making questions are hard, but then you should know that you can easily make a statement into a question by just adding isn't it, wasn't it, hasn't it and so on, after the statement and in so doing you force your client to take a position and respond. And you need that response in order to proceed. When the client takes a position for or against, you can use that position to convince him that he has made the choice to buy all by himself.

Rejection and failure

How you handle rejection and failure will determine your success as a salesperson. Rejection is hard on a person's psyche. And this can make even the most enthusiastic salesperson come up with all kind of excuses to put up the next call or visit to a later time. The secret is to prepare yourself for rejection. Know before you start that this is a numbers game. Don't be surprised if you only sell to 1 out of 10 calls. So, the secret to managing rejection is to just accept it as a part of the process, don't take it personally and move on to the next call.

Another way to think about rejection is that it is an opportunity. An opportunity for you to learn something new, either about your prospects, what turns them on and off, or something about you. Perhaps you did something that triggered your prospect to reject the offer. So, take the no in a positive light and ask the prospect what you can do better in your next sales meeting. Ask for their honest opinion, even if it hurts a bit. You'll be better off knowing, so you can do better the next time.

If you want some more motivation you can do a little calculation exercise. Let's say that you make the sale in 1 out of 10 meetings. And when you do make that sale you earn \$100. Then you can just divide that amount by 10 and say that every time you have a meeting, whether you get rejected or not you earn \$10. How about that as motivation.

If this chapter still does not spark your motivation, here are some sentences I got from Tom Hopkins in the audio tape "How to Master the Art of Selling Anything", that you should memorize and internalize. Just read them out loud to yourself every morning until you believe them:

- *I never see failure as failure, but only as a learning experience.*
- *I never see failure as failure, but only as an opportunity to develop my humor.*
- *I never see failure as failure, but only as an opportunity to practice my techniques and perfect my performance.*
- *I never see failure as failure, but only as the game I must play to win.*

And if that is not enough here is the magic bullet that will...

- *I'm not judged by the number of times I fail. But by the number of times I succeed. And the number of times I succeed is in direct proportion to the number of times I can fail and keep trying.*

This last sentence is true in every aspect of business development so make sure you understand this sentence and the impact it will have on your ability to succeed.

Finding prospects

Okay, I get it I should really care about my prospects and failure is a part of the process. But where do I find them in the first place? I do not recommend that you buy a list from some company that specialize in finding customers that match your business. If your marketing does its job, you should be able to get a list of prospects from there. And if you want to be proactive as a

salesperson you should try to build a list of your own. Since the best marketing is through referrals, you can help that process by asking your current customers for referrals. Some even go so far as to demand at least two referrals from every client as a demand for doing business with them. And remember, even if you don't make the sale you can ask for referrals that might be more interested in your product than your current prospect. If you are out of referrals or start to sell for the first time. Then try to figure out where your prospects hang out. And go talk to them there. Get to know them. Find out what makes them tick, and then ask if you may book a sales meeting or if you are bold make the sale on spot.

The close

Sometime during the sales process, you must make a close. You need to get your prospect to agree on or refuse to the offer you are giving. If you try to close too early you'll be perceived as pushy and if you wait too long, the prospect might get bored or even worse, find out that he does not want your product after all. Some sales people, especially beginners feel that they need to mention all the benefits of the product before they close. There is no need, you should close as soon as the prospect is ready to buy, when you have established value and the prospect feel secure that he has made the right decision. Regardless of where you are and what you are doing. Always have the closing material prepared for the prospect to sign.

You should also know that a close is not the same as a sale. A close is just an attempt to make the sale and check if your prospect is ready to buy. On average, you need about five closes to make a sale. And most salespeople never attempt more than one or two, before giving up. Here you need your social skills, because first you need to ask the prospect nicely, not to put him off, if he is ready to buy. Then you need to listen and figure out if there are any objections to the current deal. You need to figure out why the prospect is not interested and then either accommodate his needs or give him some more information that might help him make the right decision. And you continue doing this until he buys or you run out of options that could make him change his mind. Do not fall into the trap of trying to convince him that he should take the deal. That is just being pushy. A prospect will never change his mind, but with some additional information he might make a new decision.

People buy what they want. When they want the product more than they want the money it costs to buy the product.

A close is helping people make decisions that are good for them. You must close with empathy. People need a feeling of confidence to rationalize the decision they really want to make. Some queues to look for is that they slow down the pace, they are convinced and are trying to come up with some new objections. When they start to ask more questions, they know they want the product, they just want to know more about it, perhaps searching for new reasons to turn the deal down. When you receive this kind of positive stimulus. You know they are ready and you can start your closing sequence with a test close.

The test close is a question that when answered show the prospects high interest. Do not confuse this with a close, which is an attempt to see if the customer is ready to buy.

When delivering a close the prospect can either accept, in which case you make the sale and everyone is happy, or object. If you get an objection you should not be put down and leave. You should at least give a response to the objection. And here is some inspiration on how you could respond to different objections. Remember that it's always a good idea to agree with the customer's objections and then shift focus to something else that might make the difference for them. And perhaps help them make another decision.

I don't need it: We don't sell what people need, we sell what they want. If the prospect want your product, it is your duty to help her come to the decision to buy.

Need more information: Then make sure the prospect get the information they need. If you do not have the information, make sure you do before you talk to another prospect. And make sure to return to the current prospect with the information requested.

Too expensive: Is actually “I don’t have the money for you”. Uncover the real reason why they don’t want it and figure out what they really want. One obvious strategy is to play on cost versus price. Where the initial price will be high because the lifetime cost of owning, the product is so low. Here are some versions of that:

Dear prospect, you are going to be concerned with price one time. That’s when you buy. But you are going to be concerned with quality during the entire lifetime of the product. (Lower your voice and say) Wouldn’t you agree that it is better to invest a little more than you had planned, instead of a little less than you should.

The problem with money is never that it cost too high but how much too high. If you assume you made the sale at the price the customer expected, you can take the additional cost and reduce it to the ridiculous. Take the difference and divide it into years, weeks and days and you’ll end up with a few dollars. Then it is easier to convince them to spend. And you can compare it with other costs that they might have that they could reduce or even get rid of to finance the extra investment needed to buy your product.

Our company made the decision, that it would be easier to explain price once. Than to apologize for poor quality forever. And I bet your glad we made that decision. Aren’t you?

I’m not in a hurry: The problem with waiting is that you’ll end up never buying. Since you want it and you have the product in front of you, why not take it right away. The fear of loss is greater than the desire for gain. The product might be out of stock next week. This special offer ends tomorrow.

I don’t trust you: Be the right kind of person, be nice. Have integrity. The most significant thing that separates one salesperson from another is the feeling of trust they convey to their prospects. You cannot be one kind of person and another kind of salesperson. That will shine right through, so be yourself. And do not try to play any games. Honesty wins in the long run.

You are not the expert: Experts tell you what to do, they do not listen to your needs. You want to work with an open-minded supplier that can adapt to the challenges you are facing, not an expert that has 10 years of experience doing things his way. And is now stuck in his preconceived ideas.

I’ll think it over: Is a put off used with the hope of getting rid of you. Agree with them and say, “that’s fine, you would not think it over if you were not seriously thinking about it. I mean you are not telling me this to get rid of me, are you? Just to clarify my thinking, what is it that you want to think over, (do not pause here...) is it the integrity of my company? My personal integrity? Is it the capability of the product?...is it?...is it the money?”.

Make sure you include the first “is it” right after the question to make the prospects focus his attention on a feature he has already agreed on being positive. The “think it over” objection usually turns into the “Too expensive” objection. And you already know how to handle that one.

The Ben Franklin Close: Use this when a prospect seems to have problems with deciding. You say that you want to do a logical analysis of the situation. And if that proves to be positive you should buy and if it is negative then you should NOT buy. Then you draw a line on a piece of paper and start writing all the things that are positive on one side and all the negative on the other. Let the prospect help you with the list and hopefully you’ll get more arguments on the positive side. Making the prospect feel more secure about the decision.

Referrals: Use a referral, make sure you have called the referral the same morning preparing him for the meeting. Preferably someone your prospect knows and trust, it might even be a competitor that uses your product. Especially if it is a more successful competitor. The important thing is that your prospect knows the referred person. Then during the meeting, you call him up and hand over the phone, so that your prospect can ask all the questions he want.

Same situation: Talk about someone in the same situation as the prospect. Someone that lost money because when they decided to buy the product was not in stock, and therefore he lost a lot of money. You might have other stories that could convince the prospect to make the right decision.

Always be careful with negative words like price and buy, instead use words like invest and own. And whenever you have asked the closing question you need to SHUT UP! The first one who talks loses.

Additional sale

In this chapter, we will look at how to make more money regardless of what you are selling. Salespeople are often tempted to move up to a higher price market to earn more money per sale. But a low-price item is sold more often than a high-priced item. You buy candy every weekend but you only buy a new stove after five to ten years. The secret is how you approach the sell you are doing.

If you want to sell more products, while you have a meeting, do not try to sell more to a prospect until he has bought the first product. After he has bought, he is psychologically committed to you and are open to buying even more from you.

Here are some major ways to take one sale and turn it into more sales. Just like a nuclear reaction turns one exploding atom into a nuclear explosion, you can turn your sale into a chain reaction of more sale, if you know what to do.

The first thing to do is to sell to family, friends and colleagues. If your prospect buys your product, rest assure that he knows someone else that potentially could be interested in your product. I heard about a dentist that have a policy that “you cannot become a customer unless you can provide at least two referrals”. And customers are happy to provide, because they have been recommended by someone they know and have heard good things about the business. You should at least ask your customers to consider if they know anyone they can call and refer to you.

Add additional matching products like a training program, or a special offer you know that a lot of your customers want any way. Perhaps something they need to get an even better experience of your product.

“Sell them in bunches like bananas”. If you sell one, then perhaps the customer is interested in buying a whole bunch of them as a gift for his employees or a giveaway at the company expo. Perhaps your product is suited for being a small gift to guests at a party. But make sure you can offer your product at a discount, if sold in large amounts.

Keep track of your products “itch cycle”. The itch cycle is the time it takes from a purchase until the customer want a newer version or an upgrade. For instance, the itch cycle for a car is 2.5 years. So, if you have sold a car then make sure to remind the customers about your existence and tell them about your new models and current cars in stock after about 2 years, when they are getting ready to look for a new car. What is the itch cycle in your market? Try to figure out how long your customer in average use your product before they buy a new one, and then make sure to put some extra effort into reminding all your customers when that cycle is about to end, so that they return to you instead of another supplier.

Structure and planning

Why is paperwork so important? Salespeople love to be out on the field talking to new potential clients. Not sit at the office filling out forms about their progress. But if you are going to have the slightest chance to track your progress and remember what customers you should engage; you need a system to track this information. A system to help you track birthdays, anniversaries and things you promise the clients. If you do not remember what you have promised, the clients will no longer believe in your ability to deliver and then they might look for other suppliers.

A good way to keep track of your prospects is to split them up into a few groups. The first group is active leads. Sometimes referred to as cold medium and hot, sometimes as the sidewalk, slow lane and fast lane. The idea is that the prospects that are hot or in the fast lane have the need for your product, they qualify as a customer and will make the mental decision to buy within seven days. You just need to make sure they'll buy from you. Then you have the medium or slow lane, which are the prospects that are highly motivated to buy your product, and some event, a small push from you or the itch cycle will soon make them hot. The cold prospects are on the sidewalk and this is basically all the rest of the leads you have. They might just be thinking about your product or just out looking, pondering the market. A professional salesperson goes through this list of prospects every 3 days to find prospects to bump up to the next level.

The next thing you want to track are all the contacts you have that are not currently valid prospects, but they might become in the future.

The last category of customers is in the itch cycle, so that you know when to get back to them again. You also want to keep a separate category for referrals, so that you know who referred them.

You should also plan your time. Keep a calendar where you schedule appointments, do not forget to plan time with your family. If you have a training program enter time for exercise as well. If you do not book time for finding prospects or what is most important in your line of work you run the risk of not doing enough of it and last but not least plan some time for play. Play is important to enhance your creativity.

At the end of every day you should also write down a list of the most important things you should do the next day. That way you'll always get a good start and you'll get the most important things done first.

A good mindset to have is "I must do the most productive thing possible in every given moment". If you start to think like this, you'll soon be far ahead of the pack.

Sales funnel

I would like to wrap up this chapter about sales by talking a little bit about sales funnels. Today a lot of the sales are happening online, so you do not see your customers face to face. But you still want to do some additional selling and include a special offer as a service. Then you create what's called a sales funnel.

A sales funnel is a way to categorize customer and at the same time lead them to buy your product and then do some additional selling, completely automated. The AIDA model is a good fit for creating funnels. First you try to get their *Attention* by creating some eye-catching headlines or banners, if they click you need to get them *Interested* with some video or blog post where they can learn more about your product and its benefits. Now you want them to sign up for your newsletter or provide their email to download some free content, this makes them *Dedicated* and after they consumed your free sample they now want the full package and they go into *Action* and buy. Perhaps after you reminded them a couple of times via the mail they provided. When they

buy, and are about to pay, make sure to show an additional offer, so they can add it to their basket before paying.

Once again you should go and have a look at what your best competitor or someone else who is selling to the same target audience are doing. See where you first find them, follow the steps as if you were a potential customer and go through the entire buying process and buy something from them. Then you see how they do it every step of the way. All the follow up contacts to get you to buy. When you buy their product, you see what additional products they offer. Check out what price points they are using for their offers. Do not copy, but try to get the gist of what they are doing into your funnel as well.

Process optimization

Do you have any task that absolutely needs to be done, but you think it is boring? Or do you have your desk filled with post-it's and now you cannot find the post-it where you wrote the phone number to the hot lead you were supposed to call? Or even if you just have a bad feeling that you might need a bit more structure to be able to do a better job? Then you probably need some process optimization.

Calendars are great for tracking dates; to-do lists do wonders when you need to remember things to do and phone books are a great tool of keeping track of clients. But what about all the things you do in your business that does not fit into any of these tools? And wouldn't you like to see the client's phone number and the next appointment booked with them when you are looking at the tasks assigned to you by the client in your to-do list? What if you could have a system where your client register requests directly to you in your to-do list, and then you get an email about it. You'd save the time you normally spend on registering tasks in your task list. And what if you have a question you had the phone number visible in the task. So, that you do not have to look through your pile of business cards to find the number. How much time would you save each day? 5 minutes perhaps, 30 minutes in a week 2 hours in a month. And you have 5 employees so you'll end up saving 10 hours each month. That is almost 2 days of work. And I guess you spend more time than 5 minutes looking for phone numbers and writing down tasks that should be solved for clients.

Business software

You are probably not sitting around thinking you need a computer system to aid you in your daily work. You are probably happy with your bookkeeping system, your contact list and excel or even pen and paper to track your to-dos. But today I cannot imagine any business that would not benefit from a database application to track customers, tasks, campaigns, contracts or whatever information is stored in your organizations excel sheets and walls of post-its. Because when you move all your search data into a database, you not only get a more usable interface and the capabilities to quickly search for information. You also get relations between different categories of information. For instance, when you look at a task you need to do, it is linked to a customer, so you have the contact information in the same screen. You also have a list of all previous things you have done for this customer, so you can easily see if this issue is a recurring issue or if this is the first. This is a necessary foundation for good service. But you also get the possibility to create reports and information dashboards cross pollinating information giving you a much clearer picture of who your customers are, which customers cost more than they pay you, those you might want to get rid of or at least raise the price for, and which customer you can afford to spend some extra time on, to keep. This will also help you figure out what kind of customers you want to look for in your marketing.

I'm not saying that you need a business application to better structure your day. There are many non-digital ways to do that as well and in some cases, it might even be better to choose an analogue process. But digital tools do have their advantages.

Standard systems, tailored or DIY framework

When you decide to go for some business software there are some different options to choose from. It could be tempting to go for a standard solution, at least it is cheaper because you only pay a small fee each month, a tailored system made by a consultancy firm will cost a fortune and you probably do not have the skills to do it yourself. At least that is what you think, but you could spend some time learning to code as well. Let's explore the different options.

Standard solution

The best thing with buying a standard solution is that it is often a fairly low initial investment, the application is already available so you can start using it right away and you will automatically get all the updates as long as you pay your recurring fee. The downside is that you pay for a lot of functionality you might not need. Because it is part of the product. It is hard to integrate with other systems you might depend upon. Even though you can export some data, it might not match the data in your other systems and then you need to do a lot of work in excel to get the reports you want. You can of course ask for new features from the vendor, but they decide if they want to implement them or not, and you might even have to pay extra to get your request into the system. I have heard a lot of stories where the company went for the standard solution and then had to pay far more to modify the standard system to fit their need then it would have costed them to build their own system from scratch.

Tailored system

Most people think of expensive solutions from SAP, IBM or Microsoft when they think about tailored systems. Consultants that charge high fees and contracts that bind you for years to come. But this does not have to be the case. Today there are smaller firms that specialize on building different kinds of applications at a lot lower price. The reason is that most programming languages today have frameworks with a list of predefined components that make the production of business applications a lot easier. But before you start you want to make sure that your applications are being built by someone with database experience, so that the database gets defined correctly from start. You also want to make sure that the firm you are hiring have high standards when it comes to maintainability of their code. Because otherwise you might end up paying a lot more when you want to add additional functionality. Another good thing with tailored systems is that you can start out with a very small system that only takes care of your primary business tasks and then you can extend the system with new functionality as you see a demand for it.

Learn how to code (DIY)

Do It Yourself is a tempting strategy today, because there are so many easy options, like MS Access, File maker and even applications built with macros in excel. And yes, there are also a lot of online tools for building websites and even online applications. But I do not recommend that approach. First of all, I have seen too many completely illogical ways to store data in a database, the options mentioned above does not even have a real database so you will likely need to rewrite your entire system anyway after a couple of years. The only framework I have seen for building business applications that is good, easy to learn and connects to all the major databases is DataFlex. But I still recommend you to consult a database expert when designing the data model of your application.

Don't downsize - Optimize

Sure, there are times you really need to downsize, the numbers are bad and your business is failing. But letting people go is not that good for moral and losing one of your assets does not help you get more done. Instead you should talk to your closest allies, your employees and tell them the truth and say that everyone in the company must lower their salary if the company is to survive. And if someone want to leave because of this then it is up to them. But those who stay need to be prepared to put in an extra effort to turn the company around. So, make sure everyone is in the game and are looking for other ways to optimize the business and find more clients. If you do not have anything to do, you should go out and bring home some new customers. If you cannot afford to run the business due to high expenses, then you either need to charge your customers more or you need to find a way to lower your expenses. But remember that your employees are your greatest assets. So at least do not start by firing them.

Today the options for optimizing your business is endless in every aspect. There are digital platforms where you can market at a fraction of the cost, you can use free online tools to structure your work, even though a business application might give you more advantages in the long run. There are a lot of processes you can automate with robots and machine learning. Even though these solutions still come at a fairly high initial cost, they can save you a lot of money in the long run.

Another thing you should think about here is that you might have to redefine your business completely. Perhaps you must find a new value proposition. You might have to focus more on service than on your product to keep customers. It is also critical to have a dialogue with customers and check out what your competition are doing to fix what you are doing wrong.

Automate or delegate

If you run a business that is growing, you will inevitably run into the situation when you run out of time, to be able to do all the things you need to do each day to manage your business. Then you only have two options if you want to continue to grow and that is to hire more people that can do some of the work for you or create a system that can automate some of the tasks you are currently doing.

Of course, it is nice to get a new crewmember to share your workload with. But if you can build a system that can remove some of your workload, then that is a good place to start. It will not only make your business more reliable giving a higher quality of service giving you an edge against your competition, it will also free up your time so you can focus more on expanding your business even more. Securing that you will still be in business for years to come.

But there are other options, at least if you ask Rory Vaden. In his talk, “How To Multiply Your Time” he says that you should look at your to-do list and for each item start by asking if you can eliminate the task, if you cannot ignore it then try to automate it, so that you never have to do it again. If that is not possible then try to delegate. If all of these fails, then the question is, do you have to do it right now or could it wait. If it can wait you return it at the end of your to-do list, otherwise you do it right away. The new way of thinking about time management is to find the thing that will save you most time in the future. And focus on doing that first. Urgency and importance are still very relevant. But the main question to ask is, how long time will it matter.

Staff

In the book “Good to Great” Jim Collins writes that you need to “get the right people on the bus”. Even before you decide your destination. The most important part of any company is the people in it. So, you should really make sure you get the right people. Richard Branson says “Train people

well enough so they can leave, treat them well enough so they don't want to". You need to surround yourself with people that are smarter than you and then let them do their thing. Trust that they also want what's best for your business. Because that is what pays their salary every month. Do not hesitate to delegate, even if the person you delegate to is not able to do the task as well as you, the task will get done and you will free up time for yourself to do more important things. And people can learn if you let them. Valve is an excellent example of a company that is run completely without any bosses and has made a great success in the gaming industry. Employees can move between teams at will.

Another statement that is good to remember is "Hire slow, fire fast" but I rather advice you to start with a conversation with the employee you are thinking about firing and clearly state what you expect and then ask if he or she is prepared to put in the work required and adapt. Sometimes you hire a person in a growing dynamic company and at some point, you fixate on certain projects and tasks, and then you might need a different kind of structure. Some people are not up for that change, but you should at least hear them out before putting them out of a job.

Project management

When setting up a theater play, you often start out with a deadline. If you do not have a manuscript you may start earlier by brainstorming ideas and writing your own. But when that is done you need to have a date when the theater stage is available for you to perform your play. Often theaters run a quite tight schedule so this is a deadline you cannot change when it has been set. This makes people focus on getting things ready in time. Then you start to cast roles, organize funding and rehearse. When you see that all people know what they are supposed to do you start to imagine what costumes they wear and what scenery you need on stage. So, you start to select costume and build scenes and then you pray that everything is going to be done in time for the opening night. This is a really good model for how to run a project. You start out by fooling around, trying all kinds of ideas. Everyone may pitch in and make suggestions. When you see that this is something you can work with it is time to set a deadline. The next thing to do is to assign specific tasks to different people, so they can do their job undisturbed. Clothing, makeup, scenes, funding, specific technical devices and music. Then you keep on rehearsing with the actors polishing the act with finer and finer grain. When you do have the premier it is not a question if you are ready. It is a question if you are more than 95% ready. Anything above 90% is okay. Because the only flaws left is some that were never found in costume or some lines that are not delivered exactly as the director wanted it. But seldom something that the audience notice anyway. The thing is that there are different mistakes being made on every show that you would not notice anyway. If you did not see them all or know exactly what to look for. The actors are well trained to cover up any crucial incident live on stage.

Is this how your projects work, or are you part of a team that start to look at costume and scenes and at the best try to get some funding and in the last week everyone is trying to figure out how all the pieces should fit together? If you cannot split your team into some independent units of people as small as 1 to 3 in each group, you set yourself up to fail. Nine women cannot have a baby in one month. It just does not work like that; you need one woman to carry the child for nine months and the other eight may at best support her along the way. There is no other way to create a miracle. The complexity of a project grows exponentially in relation to the number of people that are involved. At least if you are not able to very clearly assign them to completely independent tasks. Also, make sure you do all the mistakes in the beginning of a project, so that you can focus on making it great in the end. Start by figuring out what things can go wrong and test them, make proof of concepts and make sure you got the hard pieces in place. Then you can start to work on the cosmetics.

Set a deadline and keep it, no matter what. The important thing is to release, not the quality. You can always improve later and you get the chance to improve the right things as you get feedback from your users. It might be that the part you had left never would have been used anyway and there is another more pressing issue that need to be solved for the next release. So, make sure to

create and publish, over and over, even if you feel like a failure. Because in time your releases will get better and better and before you know it, they will be great.

Machine learning (ML)

Just as gamification, internet of things (IoT), cloud computing and big data are technologies on the rise, at least as I am writing this book. So is machine learning (ML). And ML is the one technology that can make use of and merge the other technologies into one great tool. Today ML is not only reserved for the big companies with huge research budgets. There are a lot of free, or at least cheap, tools and frameworks you can use to build applications that can recognize images, speech, understand written text and reply by speaking back to you. And there are a lot more things these technologies can do. Today a lot of them are using neural networks (NN) or deep neural nets DNN, which is a set of NN:s stacked on top of each other, that today can simulate simple brain functions like the ones I just mentioned, and beat the world champion at GO. The limitations are still that they are not intelligent in any sense. It is all calculations created by very small units connected. They cannot create any uniquely new ideas, only answer questions that are a subset of the data they have been trained on. So, if I train an image recognizing app to see the difference between cows and horses it would guess that a donkey is a horse, if I show it a flower it wouldn't have the slightest idea what it was. So, the system will not draw any conclusions for you, it will only answer with information it can find in the training data. At least for now.

Some of the frameworks you could play with are:

- *TensorFlow - Open Source Library for Machine Intelligence*
- *OpenCV - Open Source Computer Vision*
- *spaCy - Natural Language Processing from text*

Many of the applications we hear about is things like robotics and trading applications. But there are a lot more that is done. Every result you get in google is carefully selected by a NN, the posts that are shown to you on Facebook have been selected specifically to you by a NN that looks at several hundred parameters of what you like what you do, who and what you normally interact with and how often you login. Amazon uses it to show you other things you might want to buy, many marketing firms use ML to track how people feel about a brand on twitter, by letting the algorithms read the twitter posts where their clients names show up and figuring out if the tweets are positive or negative. Every physical letter you send is scanned by a NN that can read addresses and numbers and automatically sorts the mail into different buckets for delivery. If you have a system with a lot of data, you could probably also have a ML system that learns from that data and then can aid and perhaps even automate actions to be taken on certain inputs to your system.

There's a lot more to be said about ML and how it could be used to automate more things in your business than you could ever imagine. But I'll settle with telling you that this is a force to be reckoned with, if you want to be ahead of the game, now and in the future.

Finance

Startup investment

Great! You have your idea; you know what your mission is and you know your market inside and out. Now you just need some money to start your business. And you start by looking at angel investors or even worse, banks to lend you some money. Okay, do not get me wrong. Banks and angel investors are great if you have a demand that you cannot meet with your current budget and you need to gear up to meet the demand. But in the case of a new business you rarely have

that initial demand. You are happy if you got some family and friends who want to help you out or have an interest in buying your product.

Usually you hear something like, you need to take a loan and then you will spend the next 2 to 3 years to earn enough to pay that loan back before you can start getting some real salary. But it does not have to be that way. At least not if you ask Seth Godin. He says that you should create a business strategy, that lets you start without a loan and will pay you a salary within 2 weeks of starting the business. How is this possible? Well, think about what it is you want to do in your business. No, not what you want your business to do, but what you personally is good at, and aim to do when you have employees that take care of all the other stuff you do not care to do. Now try to find companies that do what your company is supposed to do and try to sell them the service you aim to provide in that kind of business. It'll be like an employment, but you are an external consultant, charging for your service making some extra revenue. When you have enough money, you can scale up and hire some extra personal and do more of the services yourself and in that way, gain a larger profit from the work you do. Because you outsource less and less.

You could look at it as outsourcing all the things you eventually would like to do in your own business or you could see it as finding the exact kind of work you personally want to do and then provide only that, until you earn enough to expand. Then you will also benefit from a focused message on what services your business provide.

The safest way to success is not to do something new and creative. But to start a business that someone else is already running. Copying the things that work and then make your own improvements and personal twist on it. Perhaps something that run well in one city but, does not even exist in your city or country. But if you have a great new idea that will revolutionize the way we live our lives; you could very well be sitting on a goldmine. In which case, you should probably not go for the safe option.

What is money

Let's not end there, finance is a bit more than just your initial capital. It is the air that your business need to breath. So, what is money really, how should you think about it? Money is nothing more than a certificate of work well done. If you ignore the banking part with debt and interest. Money is just a way of keeping track of the value you have created. If you create value for a paying customer, you will make money. Not get money, but literally make money. I like to compare money with water. We all need water to survive and there is plenty of it in the rivers. But if you build a dam to store the water for the dry season, no one else will get any water. But if you use it and send it forward it will eventually come back to you. The faster the money circulate in the system the more people will be able to use that money in a day. If you have \$100 and make one transaction in one day that \$100 will only generate value that matches a \$100. But if the person you buy from immediately goes and buys something else, and that person also buys something, this \$100 has created the value of \$300 in one day. In a society, it is better the more those money change hands. That is why bad times in a market is just an illusion. It is a way to make people hold on to their money and suddenly, less value is created and then workers lose their jobs, which accelerate the process even more. I still have not fully grasped how to leverage this information in an effective way. But I have a feeling that something good will come out of this knowledge one day. And then I'll probably write a book about it...

Confusing good advice

Think inside or outside the box

Most of you have probably heard the phrase "think outside the box". The idea is that life is full of boxes or constraints, that limit the things you can do. And to succeed you need to look outside

these boxes to get inspiration for new creative ideas. But you will not be able to realize those ideas, they will only be dreams of a life that could have been, because you do not get rid of the boxes just because you think it. Everyone can imagine a life without limitations. It is when you start to look inside the box and accept your limitations that your brain will start to do magic for you. It will try to find ways to solve problems with the constraints you are currently under. And when those ideas start to pop up in your brain they follow the rules of your current state and are therefore ready for implementation.

As Joseph Campbell so poetically puts it “The cave you fear to enter holds the treasure that you seek”.

Did you believe me? Did the previous statement seem convincing? Sure, but if you listen to the advice on thinking outside the box. They use another reference point for the box. In this case the box is the known, safe space that you normally keep yourself within. And to look outside the box you start by categorizing things you do into small groups of tasks. Then looking at each task try to change it. Say you sell flowers. Then one task could be wrapping the flowers. Then you might ask, what if you started wrapping in some other material or perhaps stopped wrapping all together. What would that look like, what constraints do you need to abide by and what constraints could you ignore. How could you improve speed of wrapping, perhaps you could pre-wrap or use some automatic wrapper? By asking these kinds of questions you force yourself to find new options that you may not have thought of before. You still need to keep many of the constraints, but looking for constraints that could be broken is a very good exercise.

So, in the end I think you should do both, but remember to use each in its respective box. The goal in both exercises is to look at what you are doing and finding ways to change and improve your processes in a way that still respects the limits that govern the work you do. But you never know where those limits are until you have tried to break them. If you look back at the design chapter, this kind of exercise works really well in the “What is” and “What if”. Where you look at what you are doing and then try to find new ways to do things.

Focus but don't put all your eggs in one basket

In order succeed to you need to focus and find the one thing in your market you should be the absolute best in. Otherwise you will drown in a sea of mixed messages. Though you need to focus to be visible you should not rely on one product or service in your business. You need a couple of legs to stand on.

First, you should make a habit of always trying out new things. Not on a big scale but small trials, just to see if they fly. You can offer these as additional services and products, that match or complement your main area of business, to see if your customers are interested. If you notice that one of your legs are growing faster than the others, you need to be able to switch your core focus. Perhaps one of the products you try out brings more revenue than the one you are currently promoting as your primary product. Then you should probably change your marketing message to reflect that you are moving towards a new core business.

My experience says that you need to focus in the beginning but as soon as things start rolling you should look for some optional areas to expand into that could potentially take over the revenue generation of your business. If all goes well you will not need to change your core business, but you'll still benefit from some additional products and services. Additional products could be a good upsell strategy or you might need to provide an alternative product, if your current prospect is not into your main one.

Target audience and the masses

Of course, you want everybody to know your business. And that is why so many business still throw money at broadcast marketing. But it is impossible to please everyone. There is actually no point in trying. Instead you need to limit your offer to a clearly defined target audience. You should know everything about that audience to send a clear message that is easy to understand and speaks directly to them. The more specific you can be in your message the better it will be at finding customers. Think of a laser, it sends out a very narrow beam of light but it is really clear where it hits. Compare that to a light bulb that spreads its light all over the place. The laser has the same intensity when it reaches its target but the light from the light bulb get weaker the further away the target is.

When you have reached your early adopters and you notice that the market is exhausted you might need to modify your message to reach a larger audience. But then you have a list of reference users that can validate your business. The thing is that early adopters often focus on technical details and specifications, while the late majority focuses more on the general problems that your product solve. Cameras is a good example here, where there is a switch that sets the camera in auto mode for the late majority while the technical early adopter can use the camera with all the manual settings they want.

Find your passion or get rich

When applying for school, a lot of young students look at the market trying to figure out where there is a demand and where the chances for a high salary is the best. Parents are also a big part in this process, telling their kids to study to become lawyers, engineers or focus on other highly paid professions. But a lot of those kids bail out of school and if not they continue to work at a workplace that does not fulfil them, making them do a poor job, never reaching the salary they hoped for. At some point, they hopefully realize that they need to change career to something more fulfilling. Otherwise they will just get depressed, wondering why they do not have the energy to make it in the profession they have chosen. Then it is better to start with your passion and let that passion drive you to excellence. And when you do what you are passionate about, you will be the best in your market, you will love your life and earn more than enough money to get by. But remember money is not the key to happiness, passion is. So, if you want to be happy, don't focus too much on the money. Unless money is your passion.

There are two ways to work with your passion, the first is as mentioned above that you start your career with your passion. The other is where you change your thinking in your current position to bring your passion into your work. Perhaps by thinking about how your daily work relates to your passion. Use the technique of thinking inside the box and you probably find that you can move your passion right into the work you do today and perhaps create a unique combination of your passion and your skill in a way that make you unique. This could potentially also make you more attractive in the marketplace. But be sure to talk about your passion at work and don't hesitate to let it be a part of your daily routine. Perhaps you might have a colleague that shares your passion.

Fail fast or be patient

Patience is known to help kids in school, keep friends, have a healthy relationship, and build successful businesses (See the marshmallow test on youtube.com). But being impatient making quick decisions regardless of the outcome also increases learning and "fail fast" is a well-accepted strategy. It is supposedly one of the main reasons behind the success of Silicon Valley. So, what to believe? Is there a certain criterion for when to act quickly and when to be patient? Well no, you should do both at the same time. Patients is about not giving up and keep trying to reach your goal. But if you want to get there you cannot just sit and do nothing. You need to continually try new strategies and ideas. Dare to open doors and never fear failure. Because if you are going to progress you need to patiently fail repeatedly until you figure out the right way to do it. If you stop experimenting and trying you have lost your patience and then you cannot succeed.

So basically, it comes down to what your goal is. Try all things and never give up until you have reached your goal. If you want two marshmallows, the task is simple. You just wait. If your task is more complex and the path to it is unknown, then you need to fail fast to progress and find the right path to your goal. But be patient and do not give up.

Word from the author

Like I haven't given myself enough attention already, just by writing this book I thought I dedicate a chapter to some of my own thoughts. Most of the content is summaries of books and videos created by other authors that are well respected in the realm of business strategy. I merely stole their work and repackaged it with my own twist in a more compact format. I want to start out by thanking everyone that have spent time doing research, writing books, composing courses and podcasts that has contributed to this book. And thank you for taking the time to read it. Here are my own thoughts on this topic as a summary of the summaries.

We have covered a lot of topics and assigned them to the category of business strategy. But most of the things in this book apply to every part in life. Business is nothing but a group of people solving a particular problem. A family is also a group of people trying to solve their problems. The football team, your department at work, the friends you hang out with. They are all groups of people trying to work towards a common goal. Be it educating the kids, finding the best beer in town, winning the cup or designing a new product. We all have goals, because it is more fun and engaging when you know where to aim. The goals need to be defined, a way to reach the goal must be designed. You need to sell the idea of your goal to the group and in so doing you might need the help from some of the marketing strategies. Every day I must resell the idea that brushing your teeth is good to my kids and every day my kids are trying to sell me an endless list of small ideas that they want me to explore together with them. The group also have financial strategies, perhaps not everyone can afford to taste 10 beers every Friday, nor handle it. So, you settle for 5. Perhaps you need to convince your boss that the project you have been thinking about could be a good investment for the company. And thus, you might want to prepare a financial document in your sales pitch and make sure to market to your most loyal colleagues in advance so you have their support when it is time to make the big presentation.

With these thoughts in mind, perhaps I could resell this book to you as a book about family planning, project management, social engagement or how to manage your team. Just because my target audience is entrepreneurs eager to learn new things about business does not mean that it won't help you in other areas as well.

If you are anything like me, you might feel a little bit annoyed at this point. I sure did after spending 5 years trying to understand the inner workings of business success. You have read the entire book and it says almost nothing concrete about what you should do or think in regards to your own business. No recipes, no guidelines, no map to guide the way into the future. Only a few tools that you have heard about many times before and still don't know what to do with. If this is how you feel, then listen carefully. Those things you are looking for are hidden within you. They are personal to you, to your niche, to your values and cultural inheritance. It's like playing paper, scissors, rock and asking someone for advice on which one to pick. I can only show you how the game is played but it is up to you to play the game. As soon as you start to pick rock your competitors will start to look for a way to pick paper and around it goes. Only we never go back to rock in real life. We just keep moving on to the next hill. What I hope that you get out of this book is that you collect the courage to try something new, try to find the paper when everyone else is going for rock. That is the only way to succeed, you need to stay ahead always ready to change and adapt. Even the smallest company can disrupt a market, overturning the biggest competitor. Just because the bigger player felt safe and secure on their rock. If you had success with rocks for a long time and your company start to lose some of its glory, you need to get moving to a new hill. Because standing still gets you nowhere.

Reference list

To write this book, I have covered a lot of resources. Here is a list of some of the main contributors of information that helped me make this book a reality. But there are countless more good resources on this topic and I encourage you to always search for new information. But remember it is the doing part that creates value and that eventually leads to success.

Books

Malcolm Gladwell

Outliers - says that success is a combination of hard work and luck. If you are in the right place at the right time with the right skills, you will succeed.

Tipping point - describes how a seemingly unimportant emerging technology can surprise even the biggest giant and turn an entire market on its head.

Blink - what you are thinking when you are not thinking. How our old habits and predispositions control our behavior and influence our decisions when we are under stress.

David and Goliath - is a book about the underdog can completely sweep the rug from under the feet's of his seemingly invincible opponent by using unexpected strategies.

Seth Godin

Permission marketing - Find your audience and have them sign up for your marketing message.

Purple cow - The struggle to always be new and inspiring.

Linchpin - A book about going the extra mile with service to become indispensable to your organization.

Tom Hopkins

How to Master the Art of Selling Anything

Zig Ziglar

Secrets of Closing the Sale

Podcasts

<http://www.amyporterfield.com/>

<https://www.ducttapemarketing.com/>

<http://www.marketingovercoffee.com/>

<http://freakonomics.com/>

Videos

MOOCs - Online courses

<https://www.coursera.org/learn/smart-growth-strategy-1>

<https://www.coursera.org/learn/smart-growth-strategy-2>

<https://iversity.org/en/courses/design-thinking>

<https://www.coursera.org/learn/management-philosophy>

<https://novoed.com/designthinking/>

<http://www.darden.virginia.edu/mba/entrepreneurship/design-thinking/>

<https://www.coursera.org/learn/gamification>

<https://www.coursera.org/learn/wharton-operations>

<https://www.coursera.org/learn/innovative-ideas>

<http://www.udacity.com/overview/Course/st101/CourseRev/1>

Other videos

How to respond to the 3 most common Design Objections in Sales

<https://www.youtube.com/watch?v=LMvb32KyXP8&list=WL&index=40>

Naming a product or business

<https://www.youtube.com/watch?v=FNbQYisK5Wc&list=WL&index=39>

Richard St. John's 8 secrets of success

https://www.ted.com/talks/richard_st_john_s_8_secrets_of_success

John Cleese on Creativity

https://www.youtube.com/watch?v=4j-Lz0D5_ck

Josh Kaufman - The first 20 hours -- how to learn anything

<https://www.youtube.com/watch?v=5MgBikgcWnY>

Tim Ferriss shares how to master any skill by deconstructing it | The Next Web

https://www.youtube.com/watch?v=DSq9uGs_z0E&t=715s

Rory Vaden - How To Multiply Your Time

<https://www.youtube.com/watch?v=y2X7c9TUQJ8&index=2&list=WL>

Tony Robbins

<https://www.youtube.com/user/TonyRobbinsLive>