
Buckley Barlow: Hello, insiders. Welcome. Today I am so excited to have the co-founder and co-chairman of VitalSmarts. And he's also the co-author of several New York Times Best Sellers, like Change Anything, Influencer, Crucial Accountability, and my personal favorite, Crucial Conversations. Joseph Grenny, it's an honor and pleasure to have you on Marketing In The Know. Thanks so much for coming on.

Joseph Grenny: I'm happy to be here. Looking forward to the conversation.

Buckley Barlow: And before we get started, I've gotta give a shout out and thank you to Matt Jones, one of your sales rock stars over there at VitalSmarts, who helped put this interview together. Joseph, I am a huge, huge fan of your work. I've been to your trainings, I've read your books, I've listened to your media. And more specifically, at least to this show, I've watched how you've grown VitalSmarts into this major leader in organizational training and performance. It's been one heck of a ride, I'd say.

Joseph Grenny: It really has. We had no idea, and still have no idea, of the kind of influence that we're able to have, but we're sure grateful for what the market has given us so far.

Buckley Barlow: Well, it's hard to know where to start, because we only have a limited amount of time, and I have so much to ask a guy like you. So I'm gonna dive right in, if you don't mind. Would you mind briefly sharing a quick snippet about you, VitalSmarts, and your role over there?

Joseph Grenny: Yeah. So my role is Intellectual Property Development. I do a lot in lead generation, giving speeches, helping and brainstorming for marketing strategy, and so forth. I've been with the company since its founding 25 years ago, and I – in short, our company is about behavior change. We believe that if you can change behavior, you can change the world, and that the most important problem leaders' face often, is learning to change behavior of customers, of employees, of other constituents. And so that's the kind of problem we help them solve.

Buckley Barlow: That's great. Well, we're not gonna talk about any of your bestselling books today. We're not gonna talk about the gigantic client roster you have of Fortune 500 companies, the numerous lives you've touched, the countries you've visited. We're not even gonna talk about how, in July of last year, VitalSmarts came to be

acquired by Providence Equity Partners. And by the way, this group owns some pretty incredible brands, like Hulu and ITT. So congratulations on that, Joseph.

What we wanna talk about today – and although those other things are so noteworthy that we should talk about them – but today, I have some questions that will hopefully shed some insight for me, and for all of our listeners, into how you grew VitalSmarts from this consulting company to this major education and training powerhouse, and really an innovative leader in corporate training. And so people wanna know how to grow these companies for a lot of different reasons, but it seems to me, Joseph, that your driving force for creating and growing VitalSmarts was that you really love helping people make permanent change. Would you say that's a fair statement?

Joseph Grenny: Yeah, I really agree. I think we believe that the future of the company depends on the magnitude of the problems we help our clients solve. And I think that's the way the world ought to work anyways. So when it gets down to it, businesses solve one of three problems: needs, aspirations, or impulses. So organizations that satisfy needs ought to thrive. Organizations that help people achieve aspirations ought to thrive. Those that just do nothing other than manipulate people's impulses, they drag down society. So we hope we're playing in the first two and not the latter.

Buckley Barlow: Well, having that customer-first model, people first rather than this me, me, me model, it almost seems straightforward. But why don't we see so many companies do that? I mean, why is it such a struggle for companies to really get this people first model?

Joseph Grenny: Well, I think there are two big barriers to it. The first is, we see lots of examples of companies that can manipulate impulses and succeed marvelously. So there's a lot of money to be made in that, even though it doesn't necessarily serve the real interests of the people that you have as a customer group. But the other is, I think oftentimes in our business schools, we're taught to get it backwards. We're thinking about businesses as an end in themselves, rather than an opportunity to serve. And I think that this latter way of framing it, of saying, "Where's a problem that I can solve, and where's a contribution that I can make?" is really the right order to get the entrepreneurial question in.

Buckley Barlow: I like that. I think especially on Wall Street, people just wanna grow because they wanna see more profit, not necessarily what's great for the customer. Now I have a question, Joseph, from an insider who loves your work. She happens to be the CEO of a major institution in Silicon Valley. She's not yet a VitalSmarts client, and I think she'll really love hearing this. And I also can't wait to hear it, as well. This is really where I wanna kinda turn it over to you, Joseph, and I wanna go back in time.

And if you would, would you take us on that journey where you could tell us when and how did you know that you could really grow VitalSmarts into what it is today? What were the aha moments? What were the strategies and the tactics when you sat down with your partners and you said, geez; we've got something here that we could really, really – that could add a lot of value to the marketplace? Could you take us through that journey?

Joseph Grenny: Well, I think the real question that focused our attention starting at our founding – so my partners and I met in a white Volkswagen van in the summer of 1990, and kind of hatched this dream. And the dream was that if we could take good social science principles and make them accessible to people that desperately needed them – to parents, and leaders, and political leaders, and others around the work, that No. 1 that would be a meaningful life. We'd be helping to solve problems that were important. And No. 2, that the marketplace would reward us. That we'd get our fair share out of the problems that we were solving. So that was the first sort of important step, was meaningful to solve.

Second was saying, are we willing to work hard enough and are we smart enough to solve it in a way that the marketplace wants? And that's always a crapshoot. You're always betting on yourself with entrepreneurship. And so we worked really, really hard. We slaved, we traveled. Cumulatively to date, I've traveled five million miles on various airlines, going around the world researching, learning, trying and applying, and testing and measuring. But that really dogged effort, and hopefully a few brain cells mixed in, helped us develop solutions, like Crucial Conversations.

And once we started to see that in a classroom, on a small scale – I guess entrepreneurs today describe this as a minimum viable product – we had a very minimal product that we knew if we got into a classroom and taught it to people, they seemed to respond

well, and they'd go and apply things. And they came back and described some pretty wonderful outcomes when they did, both in the workplace and at home. Once we got to that point, the big question and the inflection point was, did we want to try to scale this? Were we willing to bet on ourselves and bet on that solution, that there was a much bigger marketplace out there for that idea?

And that was a terrifying time. So we had a small group of employees, a little tribe. Probably a dozen of us. We sat around in a circle and we said, all right, we got profit sharing coming up. Would we like to take that profit sharing money and buy five magic beans instead?

Buckley Barlow: How long ago was that, if I may ask?

Joseph Grenny: Oh, this was 19 – no, I'm sorry, 2000. The year 2000. So we had just decided that we would write the Crucial Conversations book, we found a publisher for it. The publisher paid us the smallest advance that they could possibly offer with their laws and policies, and – but we were excited, because it was a big name publisher. It was McGraw Hill.

And then the question was, were we gonna put gas behind it? Would we invest in publicity and marketing, and kind of an author tour? And so that was where the employee group put its heads together. And fortunately, a small majority said yeah, let's buy the magic beans. And we put a little effort behind the book, and the market started to pull it in, so we chased it with a little more money.

But that really was the inflection point that turned our destiny in a different direction when we said, we're gonna be about intellectual property, not just consulting services, and we're gonna bet on it with this investment.

Buckley Barlow: Well, when did you put together the study of the tapeworm? How long ago was that? Or the Guinea worm, excuse me.

Joseph Grenny: The Guinea worm, yeah, different book that we published, called Influencer, which really has been the platform of all our studies. So this is how you create rapid, profound, sustainable behavior change. And that's probably a good marketing story. So we had the academic peach of it, and we had the practical piece, because we've been applying these six sources of influences in companies

for about 15 years. And we said all right, now we think it's time for us to write this book.

It's a more complicated book than *Crucial Conversations* was, and so we knew that we needed some practice on an easier topic first, and that's why we focused on crucial conversations. We took that back to the marketplace and developed some capability in the organization of promoting intellectual property. When it came time to writing *Influencer*, we said, you know what? The intellectual model is not going to be accessible. People won't retain it; it's not going to sell.

And so we knew we had to put flesh and bone onto it. We had to have stories that would illustrate how it works in dramatic ways. And so we began trying to find case studies around the world of people who'd created dramatic behavior changes in ways that had solved enormous problems that would be stunning to most people. So that led us to the Guinea worm. So many people would call that flesh but not bone.

But we found this just horrific disease that had racked the lives of millions of people across Africa and the Middle East. And it turned out that this intrepid group of influencers at the Carter Center had taken tremendous social science wisdom and found a way to solve a disease, to cure a disease for the first time in the history of the world without finding a cure. The way they eradicated it was by changing behavior. And so that dramatic story, I think, illustrated the principles in the book in a way that helped to achieve a bestseller status. So that's how we came across the Guinea worm.

Buckley Barlow: Yeah. I have to tell you, when I saw that for the first time, it was really impactful to me from a standpoint of – an emotional standpoint, and even from a professional standpoint. When I saw that, I thought, they did such a marvelous job of taking something so impactful and so empowering, and combining it with the content that you had known after all these years – you had mastered – I have to tell you, it was just an exceptional job. You did a great job. And it – I'm sure it makes a huge impact on people's lives across the world, including – both professionally and personally.

Joseph Grenny: Well thank you, and you should warn your listeners not to Google Guinea worm, because they'll never eat spaghetti again.

Buckley Barlow: Oh, well, you know what I love? I love what you said about your dogged determination and testing, and trying different things. And so I think a lot of people think that things come easy, growth comes easy for people like yourself. You know, you're charismatic, you're a handsome devil, you're a great speaker, and people may assume that you may have never made a mistake or had a major wrong step when it came to growing VitalSmarts. Tell me that Joseph Grenny is not perfect, and that you actually had a few missteps along the way.

Joseph Grenny: How long is the show? Oh, boy. We've tried so many things. The problem is, oftentimes you don't know if it's a failure or it's a modest success that just requires more exertion and some tweaking. So in the early stages, we had a wonderful partnership that gave us a chance to do lectures to promote the tour with an athletic club, Executive Athletic Club Group. And I remember showing up at some of these events where there would be six people, and we'd spent money on a plane ticket to fly to Philadelphia for me to do a lecture to six people, and then come back home again, all on our own dime.

And it's hard to sit down at the end of that and say, was that a success or a failure? If we got one new client out of it and we're turning the flywheel slowly, but it's gaining some momentum. Sometimes what looks like failure is actually investment in the future.

Buckley Barlow: Yeah, I think that's fantastic, because every single misstep is a learning experience to improve, right? And it sounds to me like that's a major business tenet that you hold closely to at VitalSmarts.

Joseph Grenny: It really has been. And we got a nice compliment from a colleague with whom I'd worked at the Covey Leadership Center for many years who came and joined us, did some wonderful work with us for a while. But when he was reflecting on our culture, one of the things he said VitalSmarts does well is we say no to things. We kill things. And I was surprised at that characterization, but as he elaborated on it, I realized it was really true.

That first of all, trying things is important, and being persistent in their application. But then as soon as it's clear that they're a failure, being able to cut through the politics, not worry about

hurting somebody's feelings, admitting failure to it, and killing it. Because as a small business, you can really only do one or two things. And if you don't kill a lot of things, then you're not gonna be doing one or two; you're going to be doing ten, and you'll accomplish nothing. So that willingness to admit failure, to kill your errors, to go bury them somewhere and move on, is a critical part of entrepreneurship.

Buckley Barlow: Yeah, that's great. And since this is a marketing show, and we're trying to pull all the discreet pieces of a very big puzzle together for people, if you were to go and start something all over again with the way marketing is today – and it's so wide, but it's also very granular. For the first time ever, we can really start to test and analyze more and more with some of the software platforms that we have today. Would you do the same thing all over again today, in today's landscape? How would you do it? And I would ask you the same question if you and I were sitting over lunch. Joseph, how would I start a company like VitalSmarts?

Joseph Grenny: From a product perspective, I'd follow the same journey. It's really about developing a product, testing it, being rigorous about measurement. Understanding both the user experience, as well as objective outcomes, and making sure that you have something that solves a real problem. So that I wouldn't change at all. But of course, the marketing world has changed dramatically.

I know the questions that you sent in advance that you wanted to explore; one of them was if we could hire somebody today, who would we hire? The one nut we haven't cracked yet – we've cracked it pretty darn well, but we know there's a lot more upside to it – is social media. We have tremendous intellectual products, and we've gotten a fraction of the exposure for them that they deserve. And some of that has to do with us presenting them and organizing and packaging them better. Some of it has to do with just wit and wisdom and cleverness about getting eyeballs to come and look at them.

So that's a brave new world that we're still pretty early in our learning curve about, that would probably be front and center if we started again today.

Buckley Barlow: Well that's great, Joseph. Thanks for answering that question about who you'd be looking for and why, in terms of a hire. And you just can't get away from social media anymore, can you? And

why would you? Because for the kind of content that you have over there at VitalSmarts, social media is the greatest way to leverage that content and get it visible. And so there's tons of tools out there.

And may I recommend one that is new? I'm getting my hands around it. I'm gonna have one of the founders on the podcast, Mike Cheng from Sniply. I think it's a fantastic tool. We're just starting to play around with it, and you can find them at snip.ly. So anyway, I wish you the best of luck there, because you do have fantastic content, and I'd love to see you push that harder over social media.

All right, I have one final question, Joseph, for you. And that is, what is the best growth or marketing tip or piece of advice that you've received in your life that's impacted what you do today?

Joseph Grenny:

Oh, I don't know how to generalize this to other industries; all I know is ours, so I'll comment to that. But for me, the essence of marketing is adding value. So it's not just attracting attention. It's to ensure that in your marketing promotion, that you're telling stories, that you're educating, that you're inspiring, that you're influencing behavior in a positive way.

And so we, from the beginning, believed that if we had a research-led marketing strategy, that we'd be rewarded for it. Meaning that we develop intellectual property that helps people understand how to solve problems, and use that to attract earned media, to get editorial coverage, to get television coverage. To have traditional channels that want good ideas to distribute, to pick that up and, at their own expense, carry that out for us. We have some very, very wise and talented people that continue to promote that in our company, and that investment has paid enormous returns. So I'd say, don't just focus on marketing to attract customers; make sure the marketing experience is one that adds value as an end in itself.

Buckley Barlow:

Well, if there's anybody that knows how to position a story, tell a story, and make it so impactful, it is you and your team. I have to tell you, just really, really great insights. And I'm gonna close it up. That's a wrap. Joseph, I cannot thank you enough. I'm personally gonna take those nuggets of wisdom to the bank. Actually, with the Greece fiasco, I'm gonna put them under my mattress, or bury them in my backyard. But seriously, great stuff Joseph. I wish you continued success.

And if you'd like to know more about Joseph, should they find you at josephgrenny.com, or should we direct them over to vitalsmarts.com? Or both?

Joseph Grenny: How about vitalsmarts.com?

Buckley Barlow: All right, vitalsmarts.com is where you can find more information, or you can also head over to beintheknow.com to find more on this episode. Thank you so much, Joseph. I appreciate your time.

Joseph Grenny: Thank you, Buckley. Great to talk with you.

Buckley Barlow: All right, insiders. That's a wrap. Thank you for joining Joseph and me on marketing in the know. Now I'm gonna ask you to take just a minute of your time to subscribe, rate and review, and then give me some feedback, would you? This is new to me, and I'll take the good, bad, and ugly. I love to learn and improve. I really do mean that. And if there's someone out there that you'd like to hear from, or a topic that you'd like covered, all you have to do is reach out and let me know, and I will do my best to make it happen. So again, I'm Buckley Barlow, your host and your guide on Marketing In The Know, and I'll see you next Tuesday.

[End of Audio]

Duration: 20 minutes