
John Warrillow: And I think a lot of entrepreneurs don't get the chance to practice their exit. We get lots of practice building marketing plans and hiring employees and firing employees. You get tons of that practice. But very rarely do you get the opportunity to kinda go through the process and really think through what would it take to actually sell the business? And that's what we're trying to do on lots of different levels.

Male Speaker: Welcome to *Marketing in the Know*, the premiere podcast to help you leap ahead of the marketing curve so you can grow your business. Now get ready, set, and grow with your host and tour guide through the marketing jungle, Buckley Barlow.

Buckley Barlow: Hello, hello, insiders, and welcome to Marketing in the Know. It's a fantastic studio day today, and I'm thrilled to have my next guest on today. He's a best-selling author of *Built to Sell* and *The Automatic Customer*. He's also a regular contributor to Inc.com, one of my favorite media spots for those who know me. And lastly, this guy is ambitious. He knows a thing or two about growth, and he's started and exited a handful of companies. John Warrillow, thank you so much for taking the time to come on today.

John Warrillow: Thanks for having me, Buckley.

Buckley Barlow: All right. So John, funny and true story here. When I heard about you from my team, they sent a link over for *Automatic Customer*. And so I obviously clicked it to learn more about you. And then there on the home page was the image of your book. And by the way, it's a beautiful image.

And so on that same day after I viewed your webpage, I just received my copy of *Inc. 500 Fastest Growing Companies*. And what do I do? I immediately turn to Page 149. And for those who don't know what the heck I'm talking about, John has a nice page about his book on Page 149 of the latest magazine copy or edition of *Inc. Magazine*. So congrats on that.

John Warrillow: Oh, thank you. That's great.

Buckley Barlow: Now, for –

John Warrillow: I'm glad you got it.

Buckley Barlow: By the way, for people who know me, John, when I received that edition, I embarked upon a serious literary vigil. I walked around like a zombie holding that magazine if it were the Holy Grail of growth. But I'm a total growth junkie, and I love that magazine.

So before we dive into more about how you're growing your brand as an author, John – which I'm excited personally to find out exactly how you're doing it – can you give us a quick intro to you, your role, your company, what you're doing?

John Warrillow: Yeah, for sure. I run something called The Value Builder System, where we help entrepreneurs improve the value of their company by up to 71 percent. So I got into that from writing a book called *Built to Sell* a couple of years ago after having exited a couple of companies like you mentioned. We found that we were getting lots of inquiries after writing the book about how do I drive up the value of my business? How do I do what you talk about in the book?

And so we built this methodology called The Value Builder System, which really helps business owners who have kind of read the book and understand what we're trying to do, a system that they can go through to help improve their value. And that's really me in a nutshell.

Buckley Barlow: Yeah, and you've also started a podcast.

John Warrillow: Yeah, so *Built to Sell* radio is a fun little adventure as well. We're interviewing entrepreneurs who've exited their company and ask them, "What would you do differently if you had it all over to do again?" So that's another thing we're doing to kinda really help entrepreneurs understand there are more things in life than just your profit and loss statement. There's also the value of your company.

And I think a lot of entrepreneurs are really focused on the profit and loss as the report card at the end of the year. And what we try to say is, "Look, that's important. But arguably a more important number is the value of your company because that's really the end game is how much is your company worth over time?" Whether you wanna sell it now or 20 years from now, the more valuable it is, the bigger the asset you have to sell at one point in the future.

Buckley Barlow: Yeah, I couldn't agree more. You've obviously built and sold several companies. So I gotta ask, why write another book? Why start podcasting? What's the drive for you at this stage? I'd love to know that personally.

John Warrillow: Well, yeah, I mean, I think it just really comes down to contribute – wanting to have something at the end of the day that I'm proud of the – I think there's a real creativity associated with building a business. And I'm not a numbers guy. I'm not an MBA-type guy. I'm much more of a creative molding, shaping something. And I get tremendous satisfaction from seeing this business kind of grow and blossom and hopefully make an impact on lots of entrepreneurs who've –

You know, it's funny. You probably remember Sully, the guy who landed the airplane on the Hudson River. Sully had done everything there was to do in an airplane, right? He was a trainer. He'd flown every kind of plane there was. He'd never had the chance to practice landing on the Hudson River. And I think a lot of entrepreneurs don't get the chance to practice their exit. We get lots of practice building marketing plan and hiring employees and firing employees. You get tons of that practice. But very rarely do you get the opportunity to kinda go through the process and really think through what would it take to actually sell the business? And that's what we're trying to do on lots of different levels.

Buckley Barlow: Well, congrats, by the way, on the podcast. It's obviously resonating because I see it up there in the rankings on iTunes, and it's doing well. So there's something out there that is needed because I think like you had mentioned before, entrepreneurs get into something for the love of getting into it, right? There's that lure. But the end game is hard. That's rough.

John Warrillow: It's very difficult. And again, there's no practice. There's no dress rehearsal. And when somebody goes through it, oftentimes they can't talk about it because it's all cloaked in confidentiality agreements. So it's just a very difficult topic to understand, get through, and really kinda demystify. And again, that's what we try to do.

Buckley Barlow: Well, I think listeners on this show would love to know how John is going about building his personal brand as an author because obviously you've got an ad in *Inc. Magazine*; you've got a podcast going on; you've got books. It's a lot of stuff going on. And it can

be intimidating for a lot of people. How would you tell somebody – they take you to lunch and say, “John, how would I start building a personal brand like you? And how do I write a book? And how do I get out in front?” Could you take us through that journey?

John Warrillow: Well, sure. It’s –

Buckley Barlow: It’s a big one.

Buckley Barlow: It’s a big one, isn’t it? And I’m asking you to do it in less than 20 minutes. Geez, how unfair of me. And if it goes longer, maybe we’ll divide this podcast up into two series. So feel free. Take your time.

John Warrillow: Happy to share. So I wrote *Built to Sell* in 2011 almost on a whim. I had exited a company. I thought I had some stuff to share and just started really typing and didn’t have a grand plan, wasn’t trying to build my brand, wasn’t really doing anything in a sort of logical way. I was just – I felt like I needed to get some things out of my head onto paper.

And so that was the first book. And it sort of – it did quite well. And it had a bit of a nice kinda pop and following. And so after that, the business almost evolved out of it. I was looking to get into something else. And again, it sort of just naturally kinda flowed.

The Automatic Customer, the second book, was a lot more intentional. And what we found in the research – so we’ve had 17,000 users now go through the Value Builder System, these entrepreneurs. We have them do this questionnaire.

Buckley Barlow: Yeah, that’s great.

John Warrillow: And we found that one of the things that they’re weakest on is recurring revenue. Lots of entrepreneurs, unfortunately, are sort of still doing business models where they win a project, they do the project, they send the invoice, they wait to collect. And there’s no continuity revenue.

And so writing *The Automatic Customer* was very intentional. It was to try to help readers and our customers and our prospects understand that no matter what industry you're in, you can create some recurring revenue.

And so unlike *Built to Sell*, which was again a bit of an emotional sort of outpouring, *The Automatic Customer* was a much more prescriptive. And I think both can work in building your own personal brand, but I think you have to feel comfortable writing. Gary Vaynerchuk is great on camera, right? He's the author of *Crush It!* and *The Thank You Economy* and obviously so many others – *Wine TV*, etc. I mean, he's just a really good – he's a affable guy. He's a bit of a wiseass, and that's great. It works for his brand.

I think Tim Ferriss is a really good writer. I've seen Tim speak, and I think he'd be the first to tell you that he's not necessarily a comfortable speaker. And so for him, building his personal brand through writing was the right thing to do, right? Four best-selling books; great blog; now into a podcast. But he's not necessarily the world's greatest speaker.

And I think you have to play to your strengths a bit if you're gonna create a personal brand. You can speak, you can podcast, you can write. I wouldn't do all of them. I think you gotta pick which ones are really your strengths.

Buckley Barlow: Yeah. Now, what about for consultants out there? What would you recommend there? They may not – they're very, very good at giving directions, strategic direction, implementation, processes, whatever it is that a consultant does. It could even be someone doing graphic design or what have you. What do you recommend for visibility there in getting their personal brand seen?

John Warrillow: Well, I think in the consulting world, what you wanna do is productize your service as much as you can. And what I mean by that is really making the service that you offer, whether you offer it by the hour or by the day or by the project, your time if you will, really revamping that model and offering a thing, a tangible thing that you offer. So in the case of *Built to Sell*, it was the five-step logo design process, was trademark, was the thing that he was offering in that book, the protagonist in that book.

And I think that's important to building your personal brand because you become – instead of a great graphic designer or really interesting management consultant – generic terminology – you become the owner of the five-step logo design process or the three-step strategic insight discovery process.

And I think naming your process and productizing it so it feels like a thing is really important for professional services providers because in the absence of a thing, a tangible product, you're defaulting back to your own personality. And the only way you can kind of assess somebody's personality is to actually have an interaction with it. And so it puts a limit on the scope and scale of your business. Whereas if you have a thing, that can build a bit of a life beyond just you.

Buckley Barlow: Hey, that's great advice. Would you mind offering up some examples of something like that that you'd like to elaborate on?

John Warrillow: Yeah, I mean – now I'm gonna forget his name. It's Ryan Levesque. Ryan Levesque is a great entrepreneur, professional services guy. But what he had done is developed an Ask flow. And forgive me; I can't remember the name of the brand. But basically, he's got a methodology where instead of engaging a customer through selling to them, you engage a customer through asking questions of them. And so he's got a funnel design, a product that prompts the user to answer a series of questions which leads them down a sales funnel. And he licenses that methodology to companies that use it in their sales funnel.

Well, Ryan has written a book called *Ask*, I believe. Ryan has a closed, a private Facebook group which he moderates. So he's got a really nice kind of intellectual capital piece that he's structured into a thing, as opposed to just Ryan Levesque, "I know –

Buckley Barlow: Awesome.

John Warrillow: I know lots about sales and marketing." You know?

Buckley Barlow: Yeah. That's great. Now, for you, going back to you personally, what is working out there, John? I mean, you're out there. You're using various channels, tactics. What's working for you, and how well?

John Warrillow: Sure. So I mean, couple of things. *Built to Sell* radio is a nice piece for us. It's hard to measure a little bit. My sense is we're getting out there. The podcast is being listened to both by business owners, who are our primary target market, but also by advisors who we partner with to deliver our program. So it's got a little bit of scope. It's a different medium, so I think we're turning on to a different audience.

I'll tell you that podcasts aren't for everybody. There's a cohort, a pretty large cohort of our users who have never listened to a podcast and just don't listen to them. So I think it's one of those mediums where you can build a relatively high degree of influence with a small number of people, as opposed to a more broad-strokes medium like print. With my *Inc.com* articles, you could kinda reach 100,000 viewers or readers. But I wasn't making the same emotional connection with each of them that hopefully I do through the podcast, if that makes any sense.

Buckley Barlow: Yeah, yeah, it does. Now, it looks like you're embracing some offline advertising, for example your *Inc. Magazine* ad. How well does that work for you? And how does it convert against other channels? I'd love to know that as well.

John Warrillow: Yeah, I mean, print magazine advertising, it's very hard to track, and the tracking that we do do, it has very low response. Really, it's about awareness. So the *Inc.* stuff, we've got – I write for *Inc.*, so it's a relatively integrated partnership and there's lots of different benefits back and forth between us and *Inc.* So I won't get into all the details, but essentially the magazine ad helps promote, broadly speaking, awareness of the book. But it's not gonna sell books for us.

People buy books when – I wrote a guest blog for Tim Ferriss' blog, and that single-handedly sold more books than any other article I've written or podcast I've been interviewed or – It single-handedly was the best thing that we've ever done to sell a single book. So.

Now, Tim's not out there accepting lots of people to guest blog for him. But if you can get a high-profile blog like a Tim Ferriss or Ramit Sethi's another good one, those are gonna convert for sure –

Buckley Barlow: You know I –

[Crosstalk]

John Warrillow: – because part –

[Crosstalk]

Buckley Barlow: – oh, go ahead. Sorry.

John Warrillow: Oh, just finish this thought – because in part, it's because when you read the content, you're just a click away from buying the book, right? Whereas with the podcast, you're in the car, you're doing the laundry. Yeah, maybe I'll buy that book. But I gotta remember to do it. And so that's the downside of podcast versus print or versus online.

Buckley Barlow: Well, I was gonna ask you also, what's not working out there? And I think in general this is what's really cool about online marketing today and digital business development and the channels and how far-reaching they are. You just hit it right on the head, and that is with one blog post, you're driving just tons, tons of traffic and sales to your product. It's incredible.

John Warrillow: Yeah. In terms of what's not working, for us, SEM, Search Engine Marketing, meaning buying Google keywords instead of – or LinkedIn, Facebook keywords. We have failed to make that convert. We get the ads to convert from a traffic perception, getting the click-through rate to a reasonable rate. But when they get to the site, we're just failing to get them to convert in a paid relationship. So we find that's been a struggle.

And we've hired third-party sort of high-end SEM companies that charge an arm and a leg to do it for you, versus we've done it – our own marketing people do it in house. And we've tried both models. But we're still hopeful because of course that scales beautifully. But we haven't quite nailed the conversion into a paying customer, and that's a bit of a frustration for us right now.

Buckley Barlow: Yeah, I bet. What did you learn from the SEM consulting? – Not a lot. Not a lot.

John Warrillow: No, no, I think there were lots of lessons. I think if you're gonna use a third-party firm, really getting them clear on what drives your success. So I think SEM firms can focus in on, "Well, we got you the traffic," or "We got you the click throughs." And in reality, the

fact that we get traffic doesn't really necessarily equate to revenue. So I should have probably done a better job of aligning our priorities so that the sell-through of the product was how they were being compensated and bonused. And so that was probably a bit of a learning for me in that one.

Buckley Barlow: Yeah, interesting. Now, I've noticed that especially for authors, consultants, people looking to build brands, they think of SEM as a way to also build out organic vanity metrics, right? Like, "likes" on a Facebook page, followers on Twitter. How do you feel about using SEM for building an organic following just from the organic spillover?

John Warrillow: Never tried it. Never tried it. And I'm not a huge fan of kinda paying for "likes" or Facebook fans or Twitter followers. I went through very – at the very beginning of *Built to Sell*, we hired – I mean, this was 2011. I didn't know much about Twitter, had sort of heard of social media, and so had hired a firm to do some social media stuff. And they went out and basically had me follow everyone that follows people back on Twitter. And after three weeks, they said, "Hey, look! We've got you 5,000 Twitter followers!" And they were completely useless followers. Obviously, you know if everybody just follows you back, there's no following there whatsoever.

And again, that was my ignorance on behalf of I was completely naïve about social media. I ended up declaring social media bankruptcy and closed the Twitter account, fired the firm, and started from scratch.

And now I think I don't have a big social media following, but the folks that do follow me on social media I feel like I've got a reasonably good connection with. So I feel good about that.

Buckley Barlow: Yeah, that's great. I've taken that approach as well, very organic, very authentic; don't care about the number, care about the quality. So John, one of the things that I'd be interested to know, have you ever converted a high-priced e-book into a hardback or Kindle version that you've sold? Have you gone from e-book to hardback or Kindle?

John Warrillow: No, not really. I mean, we've done a few e-books, but we usually convert them for other things. So for example, we have an e-book that we've used from time to time which is an offer – well, I'll give

you a good example. I mean, you can go to automaticcustomer.com and download an e-book of *The 9 Subscription Models*. So that's a free e-book, and anybody can go there and you can just download it. The hope is that folks who download that e-book then go on to buy a paid version of the book, a hardcopy book, or a Kindle version, and that would be the conversion.

We don't necessarily have good visibility into when they go and buy it, so it's hard for us to track that. But when we made the e-book, we wanted to make it as compelling as possible for people to go ahead and download the *9 Models* and start a conversation with us.

Of course, we have a whole workflow on the backend. We use HubSpot. So we have a whole workflow that once you opt in, we've sort of got a nurturing process we go through to really encourage business owners in particular to think about getting their value builder score, which is the first step in our funnel to ultimately working with clients around improving their value. So if you opt in at automaticcustomer, or if you opt in at builttosell.com, you're gonna get a series of e-mails from us over a period of 30 or 60 days which basically gently nurtures you into this idea of hey, if you're running a company, you may want to get your value builder score and see how you're doing. So that's the nurture process we've got in place.

Buckley Barlow: Well, by the way, I just need to say, good job on the e-book. I downloaded it. It has tons of value. I would say to everybody that's listening you should go over to automaticcustomer.com and download your free copy because John's an expert at really analyzing and understanding these recurring or continuity programs, these revenue-based models. So John, I've gotta ask you. What is your all-time favorite subscription model out of all of them?

John Warrillow: Oh, wow. I mean, I've got so many. I mean, I still love Dollar Shave Club. I love the idea that they've just keyed in on a very simple insight; that is that a.) razor blades are too expensive, and you completely feel beholden or hostage to them every time they change their handle or their configuration. You've got a drawer full of completely useless handles and blades. So I like Dollar Shave Club.

I'm a huge Netflix consumer. I think that \$10.00 a month is the most ridiculously good value proposition of all time. And so I'm a big subscriber to that. I'm curious about Starbucks' subscription. I haven't subscribed to Starbucks yet, but I'm curious about how they are able to monetize that. So lots of different examples. There's nine different models in the book, so it's hard for me to pick just one. But.

Buckley Barlow: Well, that's cool. Now, I ask a couple questions of every guest that comes on. And I'm personally interested in these things. So if you were to hire one person on your growth or marketing team right now for you, what would you be looking for and why?

John Warrillow: Really, it's analytics. It's the math behind the marketing. I think for someone to really be able to grind through Google analytics to really look at optimizing our workflows, our onboarding process, our conversation rates. I mean, market I think has gone from, oh, that's the thing that the cool kids did on Madison Avenue or the pretty brochures and so forth. And today, I think it's very, very much a math game. So I think if you want to be a chief marketing officer for a Fortune 500 company, I think that you could make a really strong case that a Master's in Mathematics is a more important degree than a Master's of Business Administration. And so I think that role is one that would be keen to fill.

Buckley Barlow: Wow, that's great. How about the best piece of marketing or growth advice that you've ever received in your life?

John Warrillow: I mean, it's an oldie but a goodie. Jack Trout, Ries and Trout: Narrow your focus to broaden your appeal. That the more you can say you do one thing better than anybody else. My favorite example – this is Scott Schwertly. Scott is a graphic designer by trade. There's 25,000 graphic designers in America. It's a terrible business. You're competing with a bunch of guys who are using the spare bedroom of their house. They've got no overhead. You're ground down on margins. It's project-based. You're billing by hour. I mean, it's a terrible, terrible business model.

And so Scott took a fresh approach and said, "We're not gonna be a generic design firm. We're gonna create the world's best PowerPoint presentations." And so he created Ethos3, which is a great company based in Nashville, and all they do is create PowerPoint presentations.

So here I am talking about Ethos3. I would never talk about a generic designer, but I'm happy to talk about Ethos3 because they picked one thing and decided to do it better than anyone else. And I think that's really the secret to building a great business and building a growth business is to narrow your focus. And it really does broaden your appeal.

Buckley Barlow: Awesome, John. Thank you for that. That's great. So insiders, you need to go listen to John's podcast. I love it. It's *Built to Sell*. And if you're interested in understanding how to transform your business by building out a subscription-based business model, you gotta head over to automaticcustomer.com and at the very least download that free e-book. He's an expert on building out the right kind of systems and models that can truly help you build, grow, and then exit and sell your business. And seriously, who wouldn't be interested in that, right John?

I know I would be, many times over. So John, thanks so much for coming on today. It has been very, very insightful for me personally.

John Warrillow: Thanks for having me, Buckley.

Buckley Barlow: All right insiders, that is wrap. Hey, thank you for joining me on *Marketing in the Know* today. Now listen, if you have a tool or platform out there that you think deserves to be on our exclusive list of resources at beintheknow.co, please reach out to me so that we can test drive it ourselves and see if there's value to our community of insiders there. And plus, I'd love to have you on the podcast where we can discover these new and innovative cutting-edge marketing tools to help grow a business. So again, if you have something that's worth noting, please reach out, contact us. And we'll go from there, all right?

So thanks again for listening, and I'll catch you all on the flipside.

Male Speaker: We appreciate you joining us for this episode of *Marketing in the Know*. For show notes and a free version of *Ready, Set, Grow!*, visit beintheknow.co. Thanks again, and we'll see you next Tuesday here on *Marketing in the Know*.

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