Jaime Tardy: Welcome to Eventual Millionaire. I'm Jaime Tardy and I'm really excited to have Steli Efti on the show. He runs a company called **Close.IO**, and I actually ran across you – I don't know if you knew this – ran across you on the Internet, and I downloaded your opt-in before I ever met you via email. Thanks so much for coming on the show today.

Steli Efti: That's awesome. My honor and pleasure to be here.

Jaime Tardy: I know. Apparently your opt-ins get around. I was looking for something on sales, and I don't even remember how I got to it. But I was like, wow, this looks awesome, and I signed up. So I'm probably still on your list, which is kind of crazy.

Steli Efti: But it sounds like you don't remember if you ever received something from us, right?

Jaime Tardy: Probably. I remember looking at the lead magnet though. You did a good job on the lead magnet.

Steli Efti: Okay, all right. Fair enough, fair enough.

Jaime Tardy: So why don't you tell everybody what your company does. That way we all have a good idea.

Steli Efti: Yeah, absolutely. So what we do with Close.IO is very simple. We offer startups upcoming technology companies around the world a CRM, which is a customer relationship management tool, that allows them to close more deals and make more sales. And the way we do that is very simple, is by empowering sales people to do what they love to do, which is communicate with customers, communicate more, communicate better, to drive sales and take over all the kind of manual data entry that's soul crushing to most people that are doing sales, and automating that part.

So saving up lots and lots of productive time for sales people to do what they love to do and they need to do, and allow software to do what it's best at, which is keeping track of things and making sure that data is accurate. And you know, we've been around since January 2013. We've been highly profitable and growing really, really fast. We're probably the fastest growing CRM in the space. It's a very competitive space. We've done that with a very small team. So just to give you an idea of how small we are, you know, we just hired our 11th employee, and our nearest smallest

competitor is 120 people, and they have probably a little less revenue than us.

So just to set the stage and give some context. We've been able to do some tremendous things with a very small, but very exceptional team.

Jaime Tardy: That's insane. First of all, how do you get into a space that's super – like this is super highly competitive. I don't even know why you got into it. So please tell me why because most people would not jump in with sharks.

Steli Efti: Me neither. When people ask me, "How did you guys strategically decide it's time to enter this market?" I say, "By not using any strategy or thinking." If I told myself that I'd be in the CRM space five years ago, I would have punched myself. I had no desire to be in this space. What happened was that we were running a company called Elastic Sales, and Elastic Sales was an outsourced sales team that was focused on working with technology startups that were venture backed in Silicon Valley, and help them develop a sales process that would be predictable and repeatable and scalable at the end of the day.

So as Elastic Sales, we ended up working with over 200 venture-backed startups, doing sales for them and figuring out sales for them. And from Day 1, because I was the first sales person we rented out, I knew I hated all the software that was out there available to sales people, and my two cofounders were both developers. So we were like maybe we should build something internal that's going to be our secret sauce, like a software that's going to allow our sales people to be more productive, and it's going to help us to scale sales.

And that's how we really got started. And then within a year or two, the software that we have internal turned out to become really, really powerful, and we knew we were on to something. And two years into the company, we decided, you know what? We'll take this tiny team of just four people, we'll put them in this separate room, and we'll allow them to launch the software and see what it does. But the expectations were that it would take forever for the software business to grow because the market is so competitive and so crowded.

And I always like to say as an entrepreneur, I've been wrong my entire life about everything. Just everything.

Jaime Tardy: That's **[inaudible] [00:07:46]**.

Steli Efti: Yes. But rarely – but it happens rarely, I'm glad I'm wrong. And this was one of those times where I thought it would take us three to four years for the software business, for Close.IO to catch up with the services business. And I was wrong. Within 6 to 12 months, the software outgrew the services business. And we were like, "Well, I guess we should fully focus on this thing. We're on to something here." So this is how we got into it. We just built something for ourselves. Eventually it became really good, so we kind of just thought we'll launch it as a side thing and see what happens with it.

And we just hit a nerve. It was the right time and the right product and the right team to do so.

Jaime Tardy: Perfect. Okay, so now I want to know all your secret sauce on this sales process. Because that's what every – the thing is I don't think people pay enough attention to sales because they all want to do online marketing, that they don't have to actually do anything. We'll just write a sales page, and we don't need sales people. And I think that's not very right for most types of companies. So tell me sort of a trajectory or formula or whatever it is, to give us all the secret sauce on your sales tactics.

Steli Efti: All right. So let's start with the philosophy because I think you're right. And I don't disagree. I'd love to just put together a website, a little thing, and then just lean back and millions are flowing to me, right? And I never have to look at it again. Like I'd love that. Like who wouldn't? That's such a powerful premise. So I think that's why it's so attractive. But the reality is, not that everything needs to be heavily sales focused – there are consumer businesses that don't need sales people and don't have like a heavy-handed sales approach to things.

But one thing that's always true, I believe, in any business, is that the better you understand your customers, the better you'll be able to serve them. And to understand your customers well, you want to be as close to them as possible. Right? There's no such thing as second-hand insights. There's no way for you to put together a website and then just look at clicks and truly understand who are these people and what do they like or dislike. What's their life like? What's the context around their desire to use a software like this or product like this?

There's so many things you need to understand, that you don't, that if you only look at – if you distance yourself as far away as possible from the actual human being that's supposed to use your product. So the early days, I think that if you come into building your business with an approach of I'm going to be as close to people as possible that I want to serve, I'm going to try to communicate with them as much as possible, not just to bully them into buying my product, but in order to learn from them and learn about them, so that I can serve them better.

I think that's a way to think about sales that's maybe a bit different from what we are used to. And this starts with like even doing landing page tests. Right? I always tell people, when you start off and you have a landing page, yes, cool, you could buy some Google Ad Words and look at the clicks and look at the conversions, and all that's cool. But you know what's even better? Take your laptop and your landing page, and go to a local Starbuck's or coffee shop. Buy somebody a coffee, turn around the laptop and go, "Can you look at this and try to figure out what I do and what's this supposed to be?"

And then even better, don't describe it to me. Tell is to this other person in this room. There's no better cure for your stupid ideas, for our stupidities, than seeing the confusion in people's faces when they're trying to figure out what the hell we're doing. Right? And I've seen this plenty of times, where people will look at things. They're in agony and in pain, and they're like – they're trying to see what – and then they kind of like, "What am I supposed to do?" And they click something, and that click would have just translated into one other conversion on your dashboard of analytics.

But when you see the human behind it and their facial, body language, expression, and when you have them turn around and butcher your value proposition to somebody else, that's the type of humble pie we need to eat and the type of insights that you can get if you're removed as far away as possible from the people that you try to serve. So try to be close to people. And don't worry if that's scalable or not. At the beginning, I think, you need to do a lot of things that don't scale. Paul **Graham**, who's the father of **[inaudible] [00:12:02]** and somebody that lots of entrepreneurs admire, Paul Graham –

Jaime Tardy: **[Inaudible]**.

Steli Efti: – Paul Graham – yes, **[inaudible] [00:12:08]**, right? PG wrote an article about this, doing unscalable things. I think everybody that listens should read it. It's a very, very good piece. And nobody has worked with more early-stage entrepreneurs one on one than Paul Graham. So it definitely comes from experience. So that's my No. 1 thing. You want to be close to people. You want to truly understand them. You want to figure out what's going on. So by that – the types of activities that you're going to do, we could call it customer development. And we could call it sales. At the end of the day, it's you need to communicate and be around people that you're trying to serve.

And don't worry about it scaling or not scaling down the line. At the beginning, just try to understand them better. That's the first thing. And then, based on your understanding of people, and the people that you're trying to serve, based on your understanding of the value that you can create, you'll figure out if you need to sell or not to sell, or how much to sell or not to sell. Some businesses require very light touch sales. At Close.IO, for instance, all the selling that we do is all inbound. It's all inbound sales. People come to us. They discover us through our content. They get into our content funnel and eventually they sign up for –

Jaime Tardy: **[Inaudible]**.

Steli Efti: There you go. You sign up for the free product, for a free trial of the product once it becomes relevant, and then we heavily communicate to you with lots of emails, lots of calls, trying to figure out who are you, how did you find us, what do you need to do? Are you a good fit? Is our product truly the right product to get you the success and the value that you need? And if it is so, we're not debating anymore. We're not asking you kindly. We're telling you what to do. We're telling you to buy. We're telling you how to buy.

If we discover that this is not the right fit, we're not going to take your money, even if you want to give it to us. We'll push you in a different direction because we'd rather have a successful non-customer than an unsuccessful customer. So we could talk a lot about how to write sales emails, how to make sales calls. You know, we can talk about all the tactics that you'll determine are useful for the people that are listening to us. Because as you can tell, I can speak for hours without any problem.

Jaime Tardy: **[Inaudible] [00:14:16]**. I would. I would totally do that.

Steli Efti:	I'll pause here. I'll take a little break to let you direct me in the right direction. Let me know.
Jaime Tardy:	Everything, everything you know, just done.
Steli Efti:	Just tell us everything.
Jaime Tardy:	So I think what's so interesting is that your sales company and sales software now is doing better from content marketing and inbound and stuff like that. So do you have a sales team where you're actually talking to people on the phone, trying to get people to buy?
Steli Efti:	Yes. We do have – I mean there's two things. No. 1, to be fair, we have a sales IQ in the company that's way above average. So even a junior engineer at our company knows a ton more about sales than the average sales person out there. So sometimes I hear engineers on the phone with a customer, and just the way they formulate things and the way they say things, I'm like, holy shit, this is a very, very well communicated way of interacting with customers. It's just because they've been exposed to it so much. But right now, we only have two people on the sales side.
	And these two people are driving millions and millions in revenue. And that's because we have these – we have built a pretty fine-tuned machine. So to give you a few examples of that, we have a lot of email automation. So once you sign up for a trial, you'll get a number of automated emails that are personalized from different people in the company, that seem like, oh, this person just sent me this email at the exact right time. Right? I just had this question, and then boom, there's an email about this. But it is not all random. We design it fairly well and we fine-tuned it.
	So you'll hear a lot from us in a very personal way. Although we don't sit there and write emails one on one. We even go so far – because we have the technology in our own product, that you'll get an automated voicemail from me on Day 7 of your trial, as the **[inaudible]** of the business, where I'm going to be welcoming you to the first week. I'm going to ask how it's going. I'm going to ask you to call me back. And a number of people will reply to that voicemail in an email. A number of people will call me back.
	So we do a lot of things that seem highly high touch, but are actually pretty automated.

Jaime Tardy: Do you actually answer your phone when they call you back?

Steli Efti: Not always obviously. I'm not around 24/7. But I have a pretty good voicemail set up just for these type of people that call, and then I'll call them back. Or I'll send them an email. I'll send them an email based on that. So that's one part. And then the other part is that we're very disciplined about qualifying people and segmenting our leads and deciding which are the type of businesses where their buying process is going to be very complex because of the size of the team or the size of the challenge? These people get high touch, one-on-one time with kind of our senior account rep.

Everybody else, we funnel typically to more one-to-many frameworks where we do a product demo that's like a one-to-many webinar. We'll do things that are a bit more scalable. And a lot in our communication, we'll use a ton of just links, pre-automated articles, videos to make things a lot more scalable as we communicate with people. But yeah, we do have a sales team. It's tiny. It's able to create the kind of results it does just because we've built a machine, and obviously we have a ton of unfair competitive advantages because we were building these sales machines for hundreds of companies.

So when it was time to start our own thing, we knew a thing or two about it.

Jaime Tardy: A thing or two. Okay, so there's so many questions that I have. So we're going to segment this. Okay? So first, I want to dive into this sales process and figuring out, especially for people that are listening, what they can do to improve their sales process first. And then I want to dive in a lot more granular, into what your marketing system looks like. Because I love the high touchness, and I want more tactics on that side. So first –

Steli Efti: Cool.

Jaime Tardy: – okay, so that way, we all know what's going on. Okay, so first, you sound like you're amazing with systems. So if somebody has a small company, maybe like three to five people on their team, like one sales guy, they're trying to get better at this, but aren't great, give us what we should do to try and make the sales force better.

Steli Efti: All right. So it starts with unscalable things. So everything we're going to do is first going to be high touch in ways that doesn't scale

to millions, but allows you to create the insights you need to put systems in place in the first place that makes sense. So if you're doing something that is kind of working, but is not yet great, you're trying to figure out what's not great yet. Where do we attack in the funnel? And the way that most people think about things when they think about sales is they only think about the end of the funnel. They think, how can we sell better on the phone or write better sales emails? Or how can we negotiate better?

Or how can we make a better product? All these things are important, but if you look at the bigger picture, they typically come towards the end of the funnel. And optimizing there may or may not be the best use of your time. So let's give you an example. Let's say we do sales calls. Let's say we do a lot of sales calls. The way that I would approach it is I would look at our numbers and try to create a funnel, and I would say, "All right. The first thing that I want to look at is how many dials do we make? What's the level of activity that we have?"

Let's say we dial 100 people a day. The next question that I have, which is a question almost nobody asks themselves, is how many people do we reach? This is usually where calling either works – this is where sales calls are either working or not working. That's the step where most companies fail at. So we have 100 dials. Out of 100 dials, we, let's say, talk to 10 to 15 people that truly are decision-makers. So we have a 15 percent reach rate. Now I'm going to ask myself, out of the 15 people that we talk to, how many of them are truly qualified to buy our product?

Qualified in my definition means we can help them, they can help us. Our product is solving their problem in a better way than anything else that's an alternative to them. And they have the money, the decision-making power to buy it, and a timeline that works for us. It is not going to take them two decades to purchase, but it's going to take them whatever it is – two months or two weeks. So how many of the 15 people are qualified? Let's say out of the 15 people, 10 are qualified. And then out of those that are qualified, how many buy? Right? So that is the funnel that I would look at.

And now depending on how the numbers look, we have different problems and different areas that we need to optimize. If we have a reach rate that is below 10 percent, that's where we have our problem. If somebody tells me, "Hey, Steli, we're dialing 100 numbers. We're only closing 2 of them. How can we double

that?" I would look at that funnel, and if your reach rate is 5 percent, you're reaching 5, and out of the 5 you have 3 that are qualified, there's nothing I can do for you. There's no sales training that's going to get you to close all of the people.

So there, the biggest impact we have is trying to figure out how can we make it so we reach a lot more people? So on average, you want to have a reach rate, at the lowest level, at 15 percent. The higher it is, the better, the more productive you'll be. But if you're below 15 percent, you're probably dead in the water. You're probably – nothing you do will make the math work. So you want to fix that. How can we reach more people? Maybe it's – do we call the right people? Do we have the right phone numbers? Are we calling at the right time of the day?

Is that buyer a buyer that buys from the phone, picks up the phone in general? If I sell to lawyers or real estate agents, they will pick up the phone many times, even if it's a stranger. If I try to sell my software to CTOs of Fortune 500 companies, they're not going to pick up their phone. So it doesn't matter what I do. That's not going to be a channel that I'm going to get a great result at. So that's on the reach rate. The next level is the qualifying rate. If we – let's say we reach 20 out of 100, which is not bad, right, and then out of the 20 we only qualify 3, what do we have now?

We have a lead generation problem. We are spending all this energy and effort going after people that we should never call in the first place. So the quality of our leads is bad. The quality of the phone numbers are bad. The people we're trying to reach are not the right people. So that's a lead generation, marketing data issue, not a sales issue. And then if we want to have a very high qualifying rate based on the people we reach, hopefully every single person that we've put so much effort into reaching, is somebody that was worthwhile talking to.

And then out of the people that we reach and that are qualified, we want to have a high closing rate. At that point, if you get to like 5 or 10 people that are fully qualified in your reach, you want to close half of them at least, if not much higher. And if you don't, that's a sales problem. Right? If you have 10 people, you reached them, you had a conversation with them, they're qualified, they should buy your product, and you only close 1 out of 10, that's a sales issue. You don't know how to sell. You don't know how to manage objections. There's something about your pitch that stinks.

So then it makes sense to optimize that. And I think this seems like a lot, but if you think about it, it's very simple. What's the activity we do? What's the quality of the activity? Like how much result do we get? And then what is the conversion of it? You can do the exact same thing in email. How many emails do we send? How many are opened? How many people reply? How many end up converting? Depending on that funnel, we decide what is our problem? If nobody opens our email, let's not write a better last call to action.

Because it won't matter. So I think that if you're looking at what you do and you say, it's kind of working, but it's not great, then how do we improve it? The first thing you need to do is just write down the funnel, and if you don't have the perfect numbers – a lot of times I know that people don't' have the instrumentation to have all the numbers perfectly accurate – that's fine. Guesstimate it. Ballpark it. Just roundabout. And look at it and try to identify where is the issue here?

So if you do a lot at the top of the funnel and then you have a huge drop, maybe that's where you want to optimize, versus if the entire funnel looks really great and just at the end you're not converting enough, maybe there's a different problem you want to fix or tackle. That's the simplest way of thinking of a machine. And based on that, you always want to start at the highest level of the funnel that's going to have the biggest percentage impact, and go down it and optimize step by step by step, and try to improve it.

But always be very hands on. Don't just prescribe things to do to other people. If you're the business owner and you have a sales person on your five-person company team, maybe you want to do some sales calls yourself, to figure out what's working and what's not, or where the problem is. You want to really immerse yourself to gain insights to know how to fix things. And once you have that, there's many, many things you can do to optimize. But that's a framework I think everybody can use.

Jaime Tardy: Yes, I love that as a framework, and I think not enough people even do that. They're just sort of trying to go, and they don't know their numbers. So what do you do to sort of figure out the funnel? Because when people think of their funnel, what you just said makes perfect sense. Right? Oh, then there's this and then there's this and then there's this. Do you map that out on a white board and write down your numbers? Or how do you hash that out?

Because a lot of people get overwhelmed thinking about all these numbers and where's the funnel and all that kind of stuff.

Steli Efti: Yeah, I like to keep things super practical. I always give the advice that you should start with as little numbers as possible to track. Start as simple as possible. It will grow into a complex monster all on its own. It doesn't need any of your help. So you don't want to overwhelm yourself. Yes, at Step No. 1, just take a white board. Take a really big white board and write down what are the three or four numbers? Just keep it simple. And write these numbers on the white board and visualize it in front of you. Eventually maybe that doesn't work, so you convert over to a spreadsheet and you keep track of these three, four, five numbers in a spreadsheet maybe if it's multiple people on team.

And then eventually you convert into a CRM, like Close.IO or some other CRM. Don't worry about these things. Sometimes people call me and they ask me a million questions about CRM, and then I go, "Whoa, whoa, whoa. How many customers do you have?" And they're like, "None." "All right, how many prospects do you have?" "Uh, three." "Why don't we talk about CRM systems right now? Just go out and talk to them. Just sell something. Don't worry about this." So keep it simple. Decide for a few numbers. Don't go for perfection. Just try to get an overview of what's happening on a very high level.

And then based on that, make some decisions on what to optimize. And I think that when we don't do that, we tend to have certain biases that are very impulsive, that will make us think, oh, we need – our sales call sucks. We need to just improve that. And it's just based on some bias, based on some impulse, versus looking at the numbers and going, "Oh, we reached 1 out of 100 people we call." Who gives a shit about our sales pitch? We are not pitching enough people here. That's the issue. So when you have these basic numbers, it allows you to not be biased, not be as impulsive and emotional, and just sometimes see the issues much more clearly because it's right in front of you.

Jaime Tardy: I love that. So this is a question on Close.IO. It tracks all that stuff for you so you don't have to?

Steli Efti: Yes. Yes.

Jaime Tardy: It works with like solo-preneurs and stuff like that too?

Steli Efti: Yeah. I would say that the way that I would decide if it's for you or not is solely by saying if you do a lot of inside sales, which means you're making lots of sales calls, lots of sales emails, you communicate a lot, either with lots of customers or with a few, but you have to communicate a lot with them, the more you communicate, the more useful it is. It doesn't matter if it's email or phone or a combination of both. If what you do is all outside sales, field sales, like going from restaurant to restaurant or knocking on doors, we're not the right tool.

And if you are like – let's say you are a freelancer and you get a lot of word-of-mouth referrals and you try to get to 5 or 10 customers or clients a year, we're overkill. Our tool is just not the right tool for you. There's some simple solutions probably to get started, starting with a white board or spreadsheet, being good solutions when you're dealing with that low volume, like 5 to 10 clients a year. But yeah, anything that is higher volume, either in terms of clients or the amount of communication it takes to close a deal, Close.IO can work really wonders, and it doesn't matter if you're a one-man team or a 150 salespeople team.

Jaime Tardy: That's awesome. Okay, cool. I have a best friend that's a sales recruiter and she actually hires sales – so I'm going, like, oh, I should tell her about this then. Okay. So let's move into the marketing side because I know we only have so much left. And I feel like this is even a bigger beast than what you just described on the sales side. Right? Because I just feel like there's so many options that we could do. So if you could sort of take us from the beginning on how somebody – the same type of company, maybe five people, one person on their sales team, but really wants to automate their marketing better and their communication with people, what you do? Take us through the step-by step.

Steli Efti: Yeah. So I can tell you what we did. But then I'll tell you the framework that I would use. Because what we did will not translate to everybody well. Right? So I think that you need to ask yourself, in general – in life and in business, in specific, you need to ask yourself, what's a game that we can play to win? We're not just playing to play. A lot of times we'll look at our competitors and we go, "Holy shit, they're crushing it doing X, Y and Z. I guess we need to do X, Y and Z as well." Well then, hold on for a second.

Do we know how to do this? Does anybody have any expertise in this? Are we excited about it? Is this something that is kind of a

natural strength? If no, all you're doing now is you're going to play somebody else's game, and you're probably going to play it much worse than them. So there's no need to even get started in that. So for us, when we looked at the CRM market, we asked ourself, how are we going to market this thing? And we realized we're not going to out-advertise our competitors.

Jaime Tardy: **[Inaudible] [00:30:20]**.

Steli Efti: No way we're going to spend – yeah, no way we're going to spend more marketing dollars. No way we're going to out **[inaudible]**. And we know nothing about search engine optimization. We really don't care or excited about it. And we went through the list of what are all the available channels? And eventually we landed at the content marketing side of things. And we thought, you know what? We do think we know a lot more about sales than anyone on this planet. So could we out-teach our competitors? We think we can.

So based on that hypothesis, we decided to focus all our energy on content marketing and on teaching the type of customer we want to have as a software customer, teaching them how to do sales better and how to sell more effectively. Right? So that was the beginning. The next thing, once you decide what is your authentic unfair competitive advantage – not just what's a competitive advantage that you wish you had – I mean you try to sell yourself on having it – once you think about what is something we can do better than others? Something that's authentic to our strengths, authentic to our excitement, to the things we want to do – then what you need to do and what we did, was figuring out how do we build a machine around this again? Right?

So when we started, we said, "Well, we'll start with one property, which is going to be our blog." Right? We want to start blogging, kind of teaching the tactics that we've learned about how to do sales. And at the beginning, it was a struggle. Our blogs were successful and the posts were valuable, but it took a lot of energy and effort to create them. So what I call raw material in the content world, like the post itself, took way too much effort to create. So because of that, we weren't able to create it at the frequency, the quantity levels we needed to have a real machine. Right?

So at the beginning it was a struggle, and every post, it took me multiple days and was just an emotional – to get me to the writing

stage, get into the flow and really produce something, took a lot out of me. I started working with one person that's still, to this day, our marketing team, is one full-time employee plus me 10 percent of my day.

Jaime Tardy: Really?

Steli Efti: Yes. And the way we tried to scale the marketing side of things was that we said, "You know what? We're going to start going from one blog post per week to two. Let's double it." Right? "And I'm going to write a first version that's going to be a lot more raw as a draft, send it over to him, and he's going to create a Version 2 and 3, and we go back and forth and then we publish."

And we were able to go from one post to two a week, based on that process. But it was still so painful, and we always finished the post a minute before we hit Publish, we had to hit Publish. And we could only – like our horizon was one week. We had no way to plan ahead. It was a struggle and a hustle. And eventually something happened. We fell into this thing. Today we have this whole strategy, but again, it happened more by chance than by design, which was that one week I struggled giving him the first draft. And he kept emailing me and pinging me about it. "Where is it? Where is it? I don't have anything to do. Give me that first draft. Give me that first draft."

And eventually he got so frustrated that he texted me and he said, "All right, dude, just hit record on your damn iPhone and talk me through the post and I'll create a version through the audio that you record." And I was driving, and I hit record. I talked through the post. I sent it to him. And the next day he had a Version 2 that's as good as if I'd written the first version. But it took me five minutes versus taking me four hours to do. And I was like, holy shit, that's the way we should be doing this.

We did this for another few days, and then I realized, if I stopped referring to it as the blog post when I record this, and if I would stop and talk to him as, hey, **Ramin**, the next thing in the blog post is – if I just edited that out, instead of just recording the audio, I just hit the web cam and record the video, we would have multiple versions of content. I could create a video that we could publish. We could strip out the audio and have the audio as content. And the blog post. And that was the magical formula for us in terms of raw material.

Because I was able to create, you know, for the first year of doing this, four videos a day. And it would take me – like first cut, I would just have an idea or think about a tactic that I wanted to share, hit record, record it in five minutes. First take, stop, upload it, done, the next video. And so it would take me 15 to 20 minutes to do four pieces. Right? And we were able to create a backlog. We were able to create this like marketing machine that now would take the video, turn video content out of it, audio content out of it, blog posts. Because we do what you call vanilla content, because we do original content that's timeless, we were able to take a lot of blogs that were around the same topic, and turn them into email courses, turn them into books.

We published a book that's basically a collection of creational blog posts, that's done tens and tens of thousands in revenue and collects thousands and thousands of revenue every month without us doing anything. It's just a number of blog posts curated in a nice package format. Right? So we've been able to take that as our raw material video content and then we have a strong point of view, so we have a strong voice in our content marketing with very tactical, very valuable advice. And then we remixed and we repurposed the hell out of it.

So a lot of times people tell me, "You guys are everywhere. I see – everywhere I go I see your content, I see your talks, I see this and see that." It's not that we create this originally everywhere. We take that – you know, let's say that video – we do video, audio and blog post – we take the blog posts, turn them into email courses, turn them into e-books, turn them into webinars, turn them into – we go to **CORA**. In the first year, we found that CORA was a really good channel for us. Not anymore as much, but it used to be a really good channel for us. And what we used to do is we'd go to CORA, and we'd search for people that had a question that we answered with a blog post that we'd written.

And then we would edit the blog post to something that was more, kind of more fitting to an answer rather than a piece, and post it there. We'd get great traffic from it. So we went through all – we would take that little piece of content, just remix and repurpose and remix and repurpose, and leverage the hell out of it, in a very valuable way. In a way where – because nobody was consuming our content everywhere every day – people would discover different pieces of content in different places, and they all loved it because it was very kind of original, authentic content with a strong point of view. And that's how we were able to be this tiny

team and have a marketing machine that's way ahead of the size of the marketing team.

Jaime Tardy: Okay. So where are people finding you though too? So did you end up ranking **[inaudible] [00:37:08]** or is it on YouTube? Like what are some of the marketing pieces that are working really well? I know content marketing. But like –

Steli Efti: But where's the traffic coming from, right? So there's a number of things. So a big portion of our traffic, in our case, an unusual high amount of our traffic comes directly to certain pieces. This is basically word of mouth, people copying, pasting URL, sharing it with their team or sharing it with a friend. Reading something and going, "Oh shit, this solves this problem, and I know John has the same problem in his business," sending it to that person. So a lot of it is word of mouth for us. We do have a few pieces that just very organically are ranking really high on Google.

And because we get so many links, because the content is loved by an ever-growing audience, Google is ranking us very high at certain pieces. We never intended to be ranked high. It just happened. So there's a few blog posts that we have that have an insane amount of organic traffic, and just kind of happened, without us knowing –

Jaime Tardy: You have enough stuff, that eventually –

Steli Efti: Eventually it happens. And then, you know, and then everything else is very long tail. So for a while, so the word of mouth piece for us is the biggest chunk, and then after that was search traffic, and then after that was for a while, CORA was very strong. Not anymore. It's fallen off. CORA was kind of a hack for search traffic because a lot of people would search for certain things. The CORA answer would rank really high, they would click on CORA and see our answer as No. 1, and then come to us. So it was a little bit of a hack without realizing it to be honest.

And then everything is very long tail. Like, you know, YouTube, Twitter, LinkedIn, all these different mediums. The other thing for us is that, when you think about content marketing at least, it is just like subscription revenue. It compounds. It starts very small, but if you do it consistently, at a very high quality level and you keep doing it, every little piece of content that we have, still drives a little bit of traffic, and that – exactly, it builds and builds and

eventually, you have this massive amount of traffic that comes from some very big successful pieces that were like your hits.

But then there's a huge long tail of things that every month generate traffic, every month generate revenue and conversions for you. Things that you've done three years ago and still, every day, they produce results. So it's also a very long-term game when you do content marketing. And this is definitely true for us as well.

Jaime Tardy: Well, and that's what's so hard for people that are sort of just getting into the game or only a year in. Because they're like, "Oh my gosh, I'm not seeing the results that I really want to see." And because it compounds, you don't really see it until you keep going and keep going and keep going, but people give up too early.

Steli Efti: Yeah, I think that what you need to do is you either give up too early or too late. So how do you know? I think the way that I would approach this – and the way we approached this when we started – was that we would write things, and then the idea was not does this drive an insane amount of traffic immediately, but the benchmark was, do we hear feedback that people truly care about this content, that it was really outstanding and that it would make a real difference? Do we get even one person to send us an email or tweet to us and go, "Holy shit, this was an incredible piece."

And if you continue, like we got that feedback from Day 1. So that feedback encouraged us to keep going. If nobody ever cares about what you write when you share your stuff within your friends and nobody reads the stuff, that's a bad sign. And maybe your content is not as great. Maybe you either need to improve it or stop doing that and start doing something else. But as long as you get a lot of – as long as you get feedback, even just from one or two people that say, "This thing helped me. Reading this post helped me in very concrete terms," to me, that's enough of a signal to keep going.

And then, you know, yes, content marketing is slightly frustrating in the sense that you can't just say, "I want to double my – content marketing is working for us. Let's double the traffic in the content marketing next week." It doesn't work like that. It's much more like a long-term game. But I love it a lot more than I love any other art of marketing because I think that it's the closest to building product. It's the closest version, in my mind, of marketing to building product because you're creating something that will live on forever.

You're creating something that's substantially – it's not just an advertising game where, if the algorithm changes or if Google changes their mind or if a competitor changes what they do – you're constantly racing, but kind of it's out of your control. It doesn't matter if you've been spending millions of dollars in ad spend this year, next year maybe you get zero traffic from that same stuff. That is just not the thing I'm most excited about. I love content marketing for kind of, for its longevity if you do it right.

Jaime Tardy: And they're helping people, which is ridiculous –

Steli Efti: Yes.

Jaime Tardy: Yeah, **[inaudible] [00:41:46]**, you're like, "And I actually get to help people that don't even have to pay me anything." How amazing is that?

Steli Efti: You know, that's a really important point. So today, I almost get more emails from people thanking me for the content that we do than for the software. We'd make obviously a lot more money with the software than with the content, but people write very intense stories of how they turned around their business, how they struggled so many years, and now they're making this amount of revenue, and they attribute it to things that we taught through our content marketing. It's very fulfilling to be able to do that. So yes, that's an awesome part of it as well. Nobody's going to ever send you a ten-page long email how your advertising –

Jaime Tardy: No, right.

Steli Efti: – your ad campaign changed their life. It's simply not what happens.

Jaime Tardy: So tell me a little bit about once you get them on the – well, tell me about your opt-ins. Because I mean it worked on me. So how do you – I'm – yeah, I **[inaudible]**.

Steli Efti: It worked on opted in, but it didn't work on you consuming the content, right? So –

Jaime Tardy: Oh, good point. **[Inaudible]** just crazy, so yeah.

Steli Efti: We did obviously a poor job there. But –

Jaime Tardy: Maybe you went into my Google other promotions folder that I don't actually look at. So I'll give you that one. But how do you get that compelling offer to have somebody like me, who has heard a lot about sales, that was still wanting to opt in? And I know an email, and I'm going to get more emails, and I don't want more emails, and you still got me.

Steli Efti: Yeah. I don't know. I mean I think that what we do – like if you look at our landing page for the **[inaudible] [00:43:21]** for instance, it's horrible. It's not a great landing page. I don't think that that's the standard that people should go after. Even our website, if you go to Close.IO, I'll throw a little bit of kind of behind-the-scenes knowledge. If you go to Close.IO right now, the thing you're looking at, that website, is the very website we launched with in January 2013. Yes.

Jaime Tardy: Wow.

Steli Efti: Yes. And it's almost irresponsible at this point that we're still there. We're launching a new website fairly soon, but it's mind-blowing how big of a business we run with not having optimized that part. Now we got away with it because we're successful enough. Out conversion rates were good enough. Our business has been growing enough that when we were picking and choosing what to do, we didn't do that. So I think a lot of it has to do with the brand that we've created, which is that at any and every opportunity, we give, give, give. We try to be very authentic in the way we teach things.

                 And it resonates with people, so I think that people give us a lot of credit, even before they come to our sites a lot of times people – if I run an advertising campaign pushing people to the landing page, I don't think it would be that amazingly successful. But a lot of people come to our stuff through word of mouth. They see our stuff everywhere, and they come in and they've bought in already before they sign up. So I don't think I'm an expert in kind of like how to design the perfect landing page or any of that, but I can tell you that our average sign-up, when somebody signs up for the product, they have consumed our content for three to six months before signing up for the product.

Jaime Tardy: Wow.

Steli Efti: And a lot of times, people have sort of decided that if they ever buy software in the sales space, they want to buy it from us.

Jaime Tardy: Yeah. So you still might have me. It's only been like three months. So I think –

Steli Efti: Yeah, yeah. So our philosophy is very simple. We give, give, give – with our content, we teach as much as we can. We don't worry about the conversion as much up front because we believe we have a powerful product, and then we say if we build a strong relationship with you, and if we make a difference in how you run your business, we're going to get you on the sales side. Once you've made that determination on the inbound funnel and you sign up for something, then we're very practical. You're going to get a ton of emails. You're going to get calls from us.

We're going to be on your case. We're going to make sure that it doesn't fall through the cracks. We find out together is this the right fit or not? And if it is, you're buying. It's not even a discussion. But up until that point, we're very – we're jabbing, jabbing, jabbing, the **[inaudible] [00:45:48]** approach. We're jabbing forever, but the moment you sign up, boom, we're hitting the right hook. We're going for it. So that's been kind of our approach. We've started to be slightly more aggressive, in the sense of pitching the product once in a while.

So the email, of course, is an interesting example where, I think, we send five emails that are super tactical. And then the sixth email is actually a pretty long pitch. It's a very long-form sales content, and it's the –

Jaime Tardy: **[Inaudible]** really well?

Steli Efti: – and it converts crazily well. It's the history of the company, like how we got started, why we're doing what we're doing, who we're doing it for. And then it ends with here's who this is for. If you're one of these types of companies, you need to buy. And then it ends – the very last thing is if you're one of these types of companies, don't buy it. It's not for you. And I get an insane amount of replies that go, "I am one of these companies that you say shouldn't buy it, but I think I should buy it. I think you're wrong." People – like we're taking it away and people are arguing with us.

That email converts insanely well. But again, we give, give, give. The first five emails are all about teaching you something valuable, nothing about our product, nothing about advertising – maybe you want to sign up for a trial – none of that. But then the fifth email is

like a full-on assault in making you a convert and passionate about our business, the product, and getting you to sign up, if you are the right type of business and right type of person. There's nothing there that we're teaching, other than the email is very – written in a very entertaining way, and once you start reading, it's kind of easy to keep reading.

The longer you read, the harder it is to stop reading. So once you've read the whole damn thing, it's like ten minutes into your life, and now it's very likely that you're going to –

Jaime Tardy: Make a decision.

Steli Efti: – that you're going to make a decision at that point.

Jaime Tardy: I love it.

Steli Efti: Yeah, but that's going to be – that has been our philosophy in terms of once you come into our funnel, how do we think about you, and how – what's the typical journey that somebody takes once they start interacting with our brand and our content?

Jaime Tardy: And do you go through that and figure out the numbers on that too? Like what are my open rates on the first email, the second, third? You know what I mean? And then try – because usually what happens is the open rates start dropping off the more emails you send. But of course, it's the fifth one that you really want to do. So why not move it up and do it the fourth one **[inaudible] [00:48:02]** and your open rates are better? You know what I mean? Have you done a lot of crazy testing?

Steli Efti: Yeah.

Jaime Tardy: What have you found?

Steli Efti: Yeah, so we found out that when it comes to our – it depends – we have different properties, different things. So when it comes to email, of course we've tested a lot there and we've optimized it. It's surprising – the open rate stays surprisingly constant throughout the entire 60 days that we're sending that to you.

Jaime Tardy: Oh, 60 days for five emails?

Steli Efti: No, no, no, no. It's much more than five emails. The five –

Jaime Tardy: **[Inaudible] [00:48:33]** the pitch, okay.

Steli Efti: Yes, yes. The fifth is the pitch, but it's not like it's all we do. It's not the last email.

Jaime Tardy: How many are there? Yeah.

Steli Efti: I don't even know anymore. We started with nine. It's probably by now 15 emails on the email –

Jaime Tardy: **[Inaudible]** 60 days, that makes sense.

Steli Efti: So the email, of course, is very successful for us, in terms of converting to customers and in terms of the amount of engagement we get in there. But then there's other areas. We just recently started making changes for our blog subscribers, for instance. So we used to do this where, if you went to blog.close.io and you subscribed to kind of get updates around the blog posts that we publish, it used to be that we just did the most lazy thing possible, which is once a week, we'd send you an automated email that said, "These are the last three blog posts that we published."

                 And then I talked about this with my friend **Heaton**, Heaton Shaw, founder of **[inaudible]**.

Jaime Tardy: **[Inaudible]** I haven't interviewed him yet.

Steli Efti: You should.

Jaime Tardy: I know. I have friends of friends of his. It's crazy. I've interviewed Neil **Patel**, but I haven't interviewed him.

Steli Efti: Oh yeah. You should interview Heaton. Heaton and I do a podcast twice a week.

Jaime Tardy: Really?

Steli Efti: Yeah. If you go to thestartupchat.com – we're not interviewing anybody – it's just him and myself, and we're just riffing and raffing. He comes at it from a marketing perspective, I come at things from a sales perspective. Anyways, Heaton is awesome, and he was basically pushing us to be a lot smarter about the way we do email marketing on the blog side of things. So what we do now is we'll look at the people that opened the blog updates that we sent them, and we start sending them a lot more updates. And

we send them an update for every single blog post we do, and not a summary.

And the more – because every time they open an email for a blog post, if they keep opening them, it tells us – it gives us a good signal that they're interested and they're receiving value through that content. So as long as they open your emails, you want to keep sending them those emails and even ask yourself if you could send them more emails. Right? Because they receive value. And then the people that don't, the people that sign up for and are getting blog updates, but they really don't ever look at them, those we want to segment out of our email list.

So those, what we're starting to do now is if we notice that, we'll send you an email and say, "Hey, we've noticed the last X updates you never looked at. Is this still something that's valuable? Are you still interested?" If we don't hear back from you, just in respect of your inbox, we'll just stop sending you emails. So that –

Jaime Tardy: **[Inaudible] [00:50:54]** implemented that too. It just helps everybody in the world. Like it cleans up your list so you know people are actually engaged. And you're not emailing people that probably are going like, "Oh, I forgot to unsubscribe again." You know what I mean?

Steli Efti: Yeah. And I think it's a good shakeup because out of the group that's not opening your emails, it's going to be a small part that truly wants to, but always didn't have the time. Those people, if you take it away from them, they will snap into action and go, "No, no, no. Keep me on the email and I will start reading them." And then the others, we are wasting just energy and time sending emails to people that don't want to receive them anymore. It doesn't matter if they don't unsubscribe or not. And we all have to get over the vanity metrics of like, yeah, but that means that my email list goes from 100,000 people down –

Jaime Tardy: Exactly.

Steli Efti: Who cares?

Jaime Tardy: Well I was just scared to do it at first because I was going like, oh I know. But what if they really do want – and when we did it, it was funny because the people that – the team that went through it, they were like, we've never had a higher percentage of people say they wanted to opt back in, like still stay on, than not ever, that they've

ever done it. I was like, my people really do love me. They just weren't checking the email. But it was hard at first because I was like, oh, but these are people – you know what I mean? It's so funny how I want them to still like me, even though they don't ever open emails or whatever.

Steli Efti: Yeah. I think we're all getting attached to the size of our email list versus being attached to the value we create and the people that really care.

Jaime Tardy: Exactly.

Steli Efti: So I think that with certain things, we've instrumented a lot, like the email course, for instance. The blog, we worked for the past year and a half, super lazy. We never even looked at the numbers. We never did anything. And then Heaton really inspired us to really look at that and start implementing improvements. It's still early, but we do see some interesting trends there.

Jaime Tardy: But I appreciate that because of everything that you said so far, it makes you guys sound so genius in terms of the – like making this machine. And I was like, you make it sound way too easy. And then you're like, oh, we were lazy on this and we don't even update our website. I'm like, good, thank you. You're real and you don't just create this amazing machine where you like walk away.

Steli Efti: And honestly, when you were like, "It sounds like you're great in putting system in place." Internally I was like, how the hell did she get that impression? I don't – that's not something that I'll **[inaudible] [00:53:01]** like I don't know. We're not great at this. We're kind of like stumbling doing this. You know, nobody's perfect, right? And once you look behind the scenes, you see everything that's wrong with everybody's business. And it's not about perfection. It's about improvement.

It's about every day trying to figure out one more thing, improving one little more thing, and just being heads down and not worrying about things that – not trying to get too many things right all at once, but taking it one step at a time. Yeah, I mean there's a million things that are wrong about our business and the way we look at marketing and our sales, I'm sure. So yeah, I hate to be represented overly like perfect and successful because it's intimidating to people. Right? They listen to it and they go, all right, that's not us.

Jaime Tardy: Yeah. No, sorry. All right, that was cool. Yup.

Steli Efti: No, no, no, no.

Jaime Tardy: Thanks for telling us that you suck sometimes. I appreciate that.

Steli Efti: Yeah, any time.

Jaime Tardy: You're awesome. I know we have to start finishing up. Good, I'm done – no.

Steli Efti: I'm done. Now we're done, now that we agreed that you suck, let's say goodbye. On that note.

Jaime Tardy: Drop the mic. Leave now on that low note.

Steli Efti: No, you're amazing. You know this. So what's one action listeners can take this week to help move them forward towards their goal of a million?

Jaime Tardy: Here's my No. 1 piece of advice measured by **[inaudible] [00:54:21]**, based on the amount of stories I hear every day on how it made a different in people's lives. And that's a simple philosophy I have that I wanted the listeners to take, and if you take it, it's going to get you closer to being a millionaire. Which is you have to get to your next level and your follow-up game. Showing up is nice, like sending that email, making that call, going to events, shaking a hand. Doing that first step is important. But where fortunes are being made and where all the difference in the world is being made, is in the follow-up and the follow-through.

And I have a very simple philosophy I want every listener to adopt, which is when you have a positive interaction with somebody – it doesn't matter if it's a call, a conversation, an email thread, it seems like both parties are somewhat interested in working together, and they fall off the map. They stop responding to your calls, emails or whatever it is. You follow up with them indefinitely, which means forever, until you get a response. Yes is good, no is good. Maybe or nothing is unacceptable. That's where companies, careers and people's lives go to die.

That's where nothing is being accomplished. Follow up indefinitely. I'll tell you one story. I had a billionaire investor that got introduced to us from another friend, and that was willing to meet up. He replied to that initial email saying, "Yes, Steli, I want

to meet with you guys." That was very early on in our company history. And I got excited, high fived everybody in the office, sent an email, "All right, I can meet this day or that day, but it actually doesn't matter. Whenever you want to meet I'll meet with you. Let's do this." Don't hear back. Send another email, don't hear back. Send another email, don't hear back. Forty-eight emails later, 48, you know what the reply was?

"Steli, thank you so much for the follow-up and follow-through. We had a big crisis overseas. I had a lot of things that changed **[inaudible] [00:56:05]**. I am just back in the Bay Area. Can you meet tomorrow at 1:00 p.m. at my office in San Francisco?" And he invested.

Jaime Tardy: Forty-eight emails? Oh my God.

Steli Efti: Forty-eight emails. And if you wonder, what were the contents of – the magical content strategy of those emails, nothing. All of them sounded something like this. Hey, another beautiful day in paradise. What would be a good day this week? Tuesday or Thursday, this or that time to meet? My next email would be, hey, another great day. Here's a bit of news. We just got written up by this and this publication. Can you meet this Friday? The next email was like, hey, we just hired a new person and we just accomplished this and this other thing. When can we meet this week?

All the emails were like that. Just one sentence. Cut and dry. Never referring back to the older emails. Not being needy. Hey, I've already sent you 30 emails. It's really unpleasant and not nice of you to not – don't make people feel guilty. Don't make yourself feel need. Cut and dry, super clean, super professional. Let's talk. Until I hear from you that I have to F off, you'll hear from me. You tell me what to do. But I own the relationship, and I'm not going to let off until something happens.

And I know that people think this is too aggressive and it's not for everybody. Granted, if you're one of the people that go, "I want to follow up more, I kind of get it. But I'm never going to follow up 48 times." Cool. Just take the average amount of follow-ups that you would do, one or two emails, double it from now on, and we've made the world a better place through this podcast. The value is being created by making things happen. And the hypothesis that people have when they don't hear back from other

people is that they are not interested in you. They don't care about you.

The hypothesis I have is they have lives. I'm just not a priority right now. It's not that they don't like me. It's not that they think I'm ugly or stupid or my company sucks. It's just that something else has come up, maybe in their personal life, maybe in the business. Something has come up. It's my responsibility to keep the relationship going and give them an opportunity to respond to things. It's not their responsibility to make me always the center of their universe. If you do that, if you keep following up more and be more persistent on the follow-up, magical things will happen.

We're writing a book right now which is going to be full of case studies of people who told us they closed multi-million dollar deals, they raised money, they got press, they got all these things accomplished just by following up a lot more. So that's the best piece of advice I give, and I wanted to share it with the audience here.

Jaime Tardy: Killer. And if you would have stopped at 47 – you know what I mean? It's so insane how that works out. Thank you so much. Can you tell us where we can find out more about Close.IO? And you guys can get all that information that you said, the education that you give out.

Steli Efti: Yes. So you can always get in touch directly with me, Steli, S-T-E-L-I @close.io. If you have questions, feedback, advice, shoot me an email, and if I can't help, I know somebody who can, so I'll point you in the right direction. You should check out our blog. Just go to blog.close.io and subscribe to it. We publish two, three posts every week that are pretty valuable. And then I've written a book about how to do startup sales. If you want that book free of charge just for this audience, shoot me an email and let me know that you heard me on this podcast, and I'll send you a copy, a personal copy for free.

Jaime Tardy: Okay, everybody go do that. Tell him how much we loved it. Okay, thank you so much for coming on this show today, Steli. I really appreciate it.

Steli Efti: It was a ton of fun. Thank you for having me.

Duration: 56 minutes