

Jaime: Welcome to Eventual Millionaire. I'm Jaime Masters and today on the show we have my friend Dan Faggella. Now he runs some awesome sites, he also sold a seven figure e-com company; one that talks about marketing automation is CLVboost.com. The other one, which all I wanna do is talk about it and he's like I don't know that your guys are gonna like this, is TechEmergence.com, all about future tech. And we talked about it for a while so we're prepped and raring and ready to go. Thanks so much for coming on the show today, Dan, I appreciate it.

Dan: Jaime, I am glad to be here. This is a blast.

Jaime: What's so hilarious to me is that the reason that you're on my show right now is because our mutual friend Rich Brooks did an intro. But I've known you and seen you role Brazilian jiu-jitsu and I just never thought to ask, even though you were on Pat Flynn's podcast. Please hit me – well, don't because I know you'll kill me, actually, in person.

Dan: Well, I think to be fair to you, there was only one comma in the bank – this is the Eventual Millionaire show so it's like I had to sell the business in order to qualify to have a second comma and have you have me on the – so I think you were right to not interview me earlier. I'll say that.

Jaime: You're so sweet. This is the best guest ever. Okay, so tell us what that company was so that way we understand where you've come from.

Dan: Yeah, totally. I'll give a little backdrop. So the business that we just sold is a business called scienceofskill.com. So I went to graduate school for cognitive science at U Penn and focused on skill acquisition, so the science of how do we get better at a skill. And for me as a jiu-jitsu guy, I was kind of focusing that on combat sports and I wanted to eventually get into AI and neuro tech and influence policy in that space. And I was like all right, well do I go raise money and give away 50 percent of an AI startup that I don't have any idea about? Or do I build an e-commerce business that will fruitfully and profitably fund a Silicon Valley venture? I decided to go with the second one.

So, okay, I gotta get out to the Valley, what am I gonna do? Sell jiu-jitsu on the internet. So we took videos, turned it into subscription programs, DVD programs, eventually broadened that out to self-defense in general. Our mutual friend Nick [inaudible]

[00:02:04] had done some jiu-jitsu for us, I had a bunch of Marine Corps guys that filmed some firearm stuff for us. We turned into a broad suite of instructors, got up to \$2 million in sales last year, and then sold it in February of this year. So that was the company.

Jaime: How long – when did you start that? What year?

Dan: We started like four years and two months before I sold it.

Jaime: Oh, wow. So that's not that old because e-com has sort of come a long way in general. So what else did you sell, though, as an e-com? Because that sounds very digital.

Dan: Yeah, yeah, mostly, most of our revenue was from digital product sales. So we had a series of different online curricula that were kind of monthly programs for self-protection broadly. So we have a guy that was more local to where I am now in San Francisco, was like a hardcore Silicon Valley bodyguard guy that filmed a bunch of our stuff and other crazy Marine folks. And so this became kind of its own online library with specific exercises and skills to learn and train on and sub-modules and things like that.

And luckily we had enough folks – we put together something valuable enough where we were able to have folks sign up monthly for this. So most of it was that, but we also did sell DVD programs which were physical, we had a warehouse that was tackling that stuff, some flashlight stuff like self-defense oriented, like Maglite kind of equivalent things, some self-defense tactical knives, and other gear and equipment to go along with that. So some of it was physical products, but the bulk of the revenue was from instruction, just teaching on the internet, yeah.

Jaime: See, this is why we're friends. You like fighting, you like AI, what the heck, right?

Dan: [Inaudible], yeah.

Jaime: And marketing, yay. Okay, so one of the things you talk about is automation in marketing in general, which I think is huge and most people aren't very good at this. So give us some rundown on a small business owner and how they can do that, especially because a lot of the guys that are listening to this show, not that it's cobbled together, but it's literally like okay, we've got this email strategy, we have this marketing strategy in general, it's working okay, but it's a pain in the butt.

Dan: Yeah, when –when we talk about automation – and we’re not being specific to an industry. So you’re talking about this could be a service business, a products business, a local business, a global business, if we’re just talking about principles that are gonna apply to any business in this space. When you think about setting up – I’ll talk about email automation specifically. This is kind of the CLVboost site you mentioned is all that basically.

So the concepts that apply universally here are that ideally – if someone entered – let’s say you’re a dentist or let’s say you pull up tree stumps or let’s say you sell some online course about Facebook marketing. Whatever one of those three things you do, or maybe you do all three, there’s an ideal – there’s likely to be an ideal flow of communication that would get someone to the first conversion step and of course the goal is to automate that, right? So the things that I would always tell people to bear in mind are to very carefully orchestrate whatever’s gonna be automated.

Oftentimes we have to be pretty quick about what we’re doing in business because you kind of gotta get it done. Well, I gotta send out my newsletter this week, like bang, bang, bang, send it. And look, I’ve done that too, that’s awesome. But if you kind of bang, bang, bang something that’s gonna sit there and be the first set of communication for every customer that ever comes through your opt-in forms for the next three years, you should do a little more than bang, bang, bang that. Because this is not just gonna go all at once, this is ironed in.

So the things I encourage people to think about as a thought exercise, No. 1 I mean, get feedback from great copywriters, look at the most successful people in your industry and what their automation looks like, those are good starting points. But really the beginning exercise is what are the top two or three, in order, reasons that someone will either call you to get sold or click the buy button, however you sell. You might sell like this, you might sell in person, you might sell with a buy button, however buying looks like.

The next step towards buying, what are the two or three top values and benefits that are going to get them to push that button? For us, for example, Science of Skill, really a sense of confidence and being able to handle yourself was kind of No. 1. And there were other things about affinity for martial arts and about exercise and activity, there were other things, but really that was the No. 1. So what’s the No. 1, 2, and 3, numbered in terms of No. 1 being the

most important, second important, third important.

And then ask yourself what are the three top objections in order? So for us, No. 1 was these guys were mostly like 50 and 60 years old and they don't buy things on the internet. So the biggest objection was like wait, but this is the web, this is only my eighth time using the web, right? And I'm not making fun of my buyers, I'm just saying they're not big internet guys, okay? They're not on their mobile phone doing the crap that millennials do. And that's like my dad, right? I got plenty of respect for my dad, he's just not internet savvy. So what are the top objections in order?

And then if you ask yourself this, if you already have an autoresponder and you look at your eight messages and you say do these precisely reflect, appealing to, in order, these top values? And dealing with, in order, these top objections? Yes or no? The answer's generally a resounding no because you kind of wrote them hodgepodge and we all fall into that. But if you're gonna iron it in and have these first dozen emails be baked in, go through that damn exercise. And when someone else reads that they should be able to know oh, hey, reading your emails I could tell this was the most important objection you wanted to overcome. If they can't, then you're not hitting on the points that matter to your audience to get the sale.

Jaime: Okay, tell me more about that because how do we hone that in so it's not like objection, objection, objection, objection, right? It's just sort of like a boring, crappy thing, right?

Dan: Yeah, yeah, you could easily make – yeah, if you just said okay, I'm gonna handle objection No. 1 in the first email. There is a bit of a sprinkling that goes in here, there's a bit of a cooking and a baking that goes in here. There's kind of –three core ingredients that we can talk about in email. So if we wanted to get complicated and open up the big cookbook of everything you can do in email it would be like its own podcast show that would have to happen every day.

Jaime: We'll do that later, it'll be fine.

Dan: Yeah, totally, yeah. But to really just touch on the basic ingredients, like in pastry it's eggs and flour and freaking sugar, man, like whatever, we do all crazy stuff. But the eggs, flour, and sugar of email is education, so something that's valuable in and of itself to learn and enjoy. And this might be wrapped up with

entertainment depending on your space. Some people are coming – if they’re coming to you primarily – let me replace education with the satisfaction of intent. If the intent of being with you is to laugh and to have some fun, then satisfy their goddamn intent.

But for most businesses they wanna know how do I pull up a freaking tree stump? Or how do I get rid of the pain in my molars? Or how do I sell things on Facebook? Most of the time it’s a how, it’s not just a felt experience. So most of the time education is the right thing to say, but really this is the satisfaction of intent. Give them what the hell they showed up for, right? So that’s one thing, education, which we’d call the satisfaction of intent.

The second thing is the over nudge towards the sale. You can’t totally leave that out and just count on people automatically buying, right? So overt calls to action we can say. And then the third we could call direct or indirect social proof. So this is to say other people like them that have gotten results, other clear signals that you are a professional in this space that’s worthy of being paid and serving this role, especially if they don’t know you. Those three things really are gonna be integrated pretty well into an initial automation sequence.

And there’s kind of a default way that I would do this. If I didn’t know the business I would have a cadence of doing those that I would just say okay, I don’t care if you’re pulling tree stumps or selling Facebook, just do it like this and it’s a good start. And if you want I can just talk that out.

Jaime: Yes, we want that. We want the general do-it-like-this because it’ll be easy for people.

Dan: So you have a – I don’t do consulting anymore at all in the e-commerce space – or in the marketing automation space. I just write about it and have videos. But when I did it was a little bit more limited than probably – I know you can talk on many things in business. For me it was pretty much just how to nail recurring revenue and sales with this stuff. But luckily we’ve applied that to chiropractors and people selling e-commerce. So this does go much broader than things like Science of Skill. This is kind of like a tile flooring place, like had implemented this stuff when it – back when I would do that consulting stuff.

So the basic cadence is this. If I don’t know your business the basic cadence is some degree of off the bat, so the first email in an

automation sequence has to hit on like two or three things. I talked about the ingredients, it's gonna be like – your initial automation sequence should be between like eight and 12 emails generally and it's spaced out every other day or every day. Going hard in the early days, people – in my opinion you kind of have to. Someone's hot when they're hot and you gotta stay in front of them, deliver value, make your offer known or you're disappearing and you're dead. So I advocate once a day or once every other day. But the first emails is especially important. Go ahead.

Jaime: One quick think on that because a lot of people don't want to email very much and they have this resistance to it. But like you said when they're hot –

Dan: They're hot, they're hot.

Jaime: They might not even open up some of them and stuff. And so what do you say to the resistance on sending that many?

Dan: Well, yes, I mean I used to run a martial arts gym, that's how I paid for grad school because my friends were making pizzas and delivering them and I was like oh my god, I'd rather kill myself. And so instead of killing myself I almost killed myself by working too much to run a martial arts gym in a town of 4,000 people. So it's like, yeah, how are you gonna – but I actually did sell that business, grew that thing to pretty decent size.

But the most – you know, big, critical stuff there is like someone at some point – and every product is like this in more or less of a degree. They wake up with an intent on that day that may not be there a week from now, whether somebody else satisfied it or whether they're just not feeling it anymore. Somebody might have called in and left a voicemail at 10:00 at night when we didn't have anybody around the phones at the gym, at the martial arts academy, because whether they wanna say it or not something happened at work where they felt like less of a man than somebody else. I'm just being real with you.

And that's how they felt then and they wanted to just – they wanted to see if they could do something about that and they felt like maybe training would be the case. You know what? Maybe when they try it the first time they won't like it and that's okay, you can't force them to buy. But if the fellow had an interest, like if you call him two weeks later he might have had a good presentation or something in sales and feel like you know what?

My masculinity's back, I no longer require martial arts. Or he might have signed up at a different gym or satisfied it in a different way. And you didn't even give him the shot to try you as a viable option.

So you can't force anybody to buy and you shouldn't, but look, you have the opportunity to potentially see if it's a fit and if you bail on all of those, maybe you're not doing yourself or them that much of a service. So when are you gonna call that guy? You're gonna call that guy the next morning, you know? And it's important that he learns a whole bunch of cool different self-defense things in his email inbox in that first week because if you send – if you put him on the well, we send a monthly newsletter and you send him something 29 days later, he legit doesn't even remember that you were the business he entered his email on and he's gonna call you spam.

So being heavy early on in terms of volume and – relatively heavy, right? One every day or every other day for the first week, week and a half, is not the same as being pushy, sales-y, obnoxious, and annoying. You are basically saying hey, you made an indicating step, here is value, here's the satisfaction of your intent, here's what we darn well offer and here's what you can do to see if this is a fit, let's get in touch. Or give this a try or try this first product or whatever. And it doesn't have to be anything more than friendly.

So you're right, people have resistance to this, but that's my take on it. I think you probably agree with me on that. And I wouldn't make you, but I think you do. And so, okay, you've heard it here folks –

Jaime: My brain is always like I agree, 100 percent, Dan is so right. Use it as a testimonial. At least test it, people. At least test it.

Dan: Yes, okay, there you go. At least test it. And if you do in an adamant and legitimate sense, services or e-commerce, legitimate value-providing but still with a strong call to action, succinct and persistence [inaudible] [00:14:49] up front, it's just gonna get better results pretty much across the board. But I wanna go into the if I don't know your – blindfolded, build your autoresponder mode.

I'm gonna do that, but before I do, I wanna touch on what's in your first email. I actually think this is somewhat profound. I'm calling my own stuff profound, that's way too self-aggrandizing. Let's tone that down. Let's say I've learned a lot of hard lessons with

dozens of other people's businesses and with growing and selling two of my own, one was a six figure company, one was a seven figure company, to learn like oh my god, I should have been doing this all along because this generates much better results. And here's the lesson from being email obsessed for the last seven years.

First email, my opinion, the subject line of the first email must be not necessarily boring, but it has to be vanilla enough to clearly identify with your website. In other words, let's say that I teach Facebook advertising, but my website is like digitalreach.com or something, whatever it is. If your first email is like make way more money with Facebook ads, then there's two things that I think occur often. No. 1, which is very important, they don't even really yet remember the exact brand of the Facebook company that they signed up for to learn about this email thing or sign up or whatever. They're not even sure if you're legit spam or not. And that's No. 1.

No. 2, you're already coming across as whiz-bang. There's a branch of marketing called whiz-bang marketing and you're coming across already as whiz-bang. And that will dampen your trust and that will potentially harm your ability to get people to open future emails. My goal with an autoresponder sequence for all the people that are tuned in, Jaime, is that if they read your first email, you want the highest likelihood that a month from now they will still be regularly reading your emails. So the first email has to sink the teeth in and so a relatively vanilla subject line that identifies the brand that they came in from and maybe a pinch, if you can fit it, of your value prop in kind of a welcoming way, is professional.

It's never gonna get marked as spam because it's so professional and because they identify you and it's gonna get opened – it's quite likely to be opened because you don't need to go whiz-bang, they just signed up. Just put it in their inbox, you don't have to surprise them. It's like they just signed up, okay, I just signed up at digital reach, yeah, here it is, boom. You know, you don't need to impress them right now. The intent is hot. So anyway, sorry to belabor that, but it's very **important**.

Jaime: No, I love it. Thank you.

Dan: So very, very important for first emails. And again –

Jaime: That was profound.

Dan: Yep, we have a whole – I have a post on this on CLVboost.com called ingredients of first email. But that’s very important. I went over the top on the subject line, but that’s big. Other two things that I really wanna drive home, three things that’ll have to be in this first email. No. 1, unique value prop in a really succinct and compelling way. I will do all of this or some of this through the lens of Science of Skill as an example.

I talked about the top benefit and the top objection for Science of Skill, those were legit then, so if you read our emails you would know okay, a felt sense of confidence in handling themselves is clearly the value they’re appealing to and I know this is the internet but you can still buy, you should trust us, is clearly the objection. You can see that in our marketing. Now in the first email, when we were selling to the jiu-jitsu audience it was more complicated in self-defense. I’m gonna try to come up with a simple example. The jiu-jitsu audience was I’m like 120-something pound guy; I’m like a miniature human, so –

Jaime: A miniature human, so mean. But how tall are you though, how tall are you? Because you are –

Dan: I’m like 5’5 3/4”.

Jaime: And 3/4. Okay, keep going.

Dan: Yeah, I’m almost 5’6” but I don’t wanna say 5’6” because it’s a lie. It is. I know it’s a lie if I say it so I’m not gonna say it.

Jaime: Integrity here on this show.

Dan: So, you know, I’m like 124 pound man. So the value prop of Science of Skill was look, if you can’t win jiu-jitsu matches by strength then it would make sense for you to stay tuned in here because yada, yada, national championships as a small guy. Also, I have YouTube videos of beating UFC fighters who are like 200 pounds or whatever. And I’ve had losses too, but luckily in open weight divisions I have had either a combination of luck or skill where a lot of my big guy fights are wins. And so the videos of beating 200-something pound UFC fighters have a ton of views and instantly that compels as a value prop of there is a way to beat people who are stronger, right?

So the value prop was I’m a little guy who does very well against big guys because I’ve studied it, I’ve taken private lessons with

half a dozen one-time or multi-time black belt world champions under 140 pounds, the smallest but best jiu-jitsu guys in the world and studied them. And this is an entire site and suite of the ways to win without strength from that perspective. And of course it was worded in a much more succinct way. But look, you read the first two paragraphs and you knew here's why I'm here. It's not just new jiu-jitsu moves, right? It's like okay, this is why I'm actually gonna read this email.

A succinct and legitimate differentiator. You know, a dentist is like any other dentist, an online jiu-jitsu guy's like any other jiu-jitsu guy. If you do have something different, go for it. If you don't have a differentiator, A.) That's not ideal, but the good news is you don't necessarily need one to stay in business but it makes life easier, makes conversion rates higher, makes everything better, right? Jaime's differentiator is she's so funny and awesome and her hair is just astounding that you can't not watch all the shows, right? So she has a very clear differentiator there.

No, but in all seriousness, your show itself has its own flavor and gist and you're speaking to people who have gotten to a certain level and everybody knows that – what the mix is and why they would wanna hang with you.

Jaime: Though I still wish I had a more succinct, smaller key differentiator just so you know, so everybody's clear.

Dan: I wasn't gonna knock you.

Jaime: But it's true. It would have been way easier. I almost sold to tech companies first because I had businesslevelup.com, I still own it, and it was gonna be all video game and – I think it really would have been a lot easier when I started to just sell that stuff instead of going down this path.

Dan: You are broad here, but you've built a bit of a brand, it's working. But you do at least have – you are not nothing. There are podcasts like –

Jaime: Thanks, Dan.

Dan: –that have – Jesus. I didn't mean it like that. But there are podcasts that have legit no core differentiator at all. So what is that? And make sure it's actually appealing because you know what? There were some things that I did in jiu-jitsu, like I really

like leg locks and I like really acrobatic, inverted guard stuff, but my buyers, they're all 40 years old because anybody who buys things on the internet is not 20. So when I was doing all this stuff when I was 24 and I was doing all those hyper-athletic, weird jiu-jitsu moves, that's not gonna sell. I have to say beating bigger, stronger, that sold. So make sure –

Jaime: Wait, was your – was your actual buyers people that were smaller? Or no, they just wanted to be better?

Dan: No.

Jaime: Okay.

Dan: Not even close. It had nothing to do with size, it was people who knew they couldn't win by being strong. That was the only thing. But I came in letting them know about my size, but they took that as okay, I don't have a physical advantage, but I still wanna win. That's how –

Jaime: Well, as a female I'm like well I wanna listen to you because I don't have that as an advantage.

Dan: Oh, my god, I have so much to say about how about how women can defeat men in Brazilian jiu-jitsu and [inaudible] [00:22:20] but that's again, [inaudible].

Jaime: When you come to Austin we'll talk about that later.

Dan: Yeah, yeah, I'll show you some leg locks. But that was kind of a core differentiator. You wanna make sure, I'm gonna warn your audience, Jaime, you don't wanna come up with a value prop in isolation and bake it into your emails that are gonna sit there for three years. You wanna sit down, if you're a dentist talk to your darn customers and say what makes this place different, why did you even pick us in the beginning. Find a resonate pattern that clearly matters to them because screw what you think makes you special, what matters to them? Do not come up with it in isolation.

When I said come up with those three top benefits and top objections, don't come up with that in isolation either. Talk to your people, write it down, and then bake in what is. Bake reality in, don't bake assumptions in. So this is really – because again, an autoresponder, which is my whole ball game, is not something that you can flim-flam once and then forget about. It's like no, no, no,

if you wanna forget about it, it has to be good because everybody's gonna see it anyway. So your unique differentiator has to be strong and it has to be real, it has to tie to reality. Talk to your damn buyers, that's the first thing. You don't have buyers yet? Don't get too married to your autoresponder because it's gonna change fast.

The next two things that follow that and then I'll be wrapped up, I'm sorry, I feel like I'm belaboring this but it's so important, is two points. You hit them with the value prop, you welcome them, you hit them with the value prop, you have a somewhat vanilla subject line, it's damn well professional but still conveys your brand and whatever.

The two other things that need to be included in this email are, what is a short-term reason to continue to open your goddamn emails and what is a long-term reason to continue to open your goddamn emails? Let me translate this into how we did it for Science of Skill. So in the jiu-jitsu sense – because it's a very succinct example. So in jiu-jitsu after the value prop it was – we went into how in this – I don't know if we called it a newsletter or whatever, here at Science of Skill every week we send out new techniques and match breakdowns that showcase exactly how a smaller or weaker grappler can defeat someone larger.

We'll be sharing breakdown videos of such-and-such, interviews with lightweight world champions who share their best techniques for beating big guys, and such-and-such and we're glad to have you with us on the ride. And in the short – no, and in the coming week, the first thing that we wanted to share is –the top three choke techniques that are statistically the best for beating bigger opponents. So for tomorrow's message we'll be breaking down such-and-such, right?

And there's more gimmicky than less gimmicky ways to say that, but basically here's – so here's our value prop, here's how we share, basically here's how we translate that value prop into useful awesomeness in your life long-term. So in other words, what I'm whispering there is keep opening these emails [inaudible] [00:25:19], right? That's what I'm whispering by saying that, the long-term thing. And then the short-term is open this tomorrow too because if you read my first three emails, we're good, you're gonna be hanging with me. But if you don't open that second and third you won't A.) Know that our stuff is good and B.) You won't be in a habit of reading anything I send you.

Jaime: Yeah, and then you're gonna forget.

Dan: So vanilla subject line, hardcore validated value prop, long-term reason to stick with you, and short-term open my next message, and this week's message is reason. Anyway, sorry, that's the end of it.

Jaime: No, now people can go write, actually, write one. Because the thing is, no offense, but in some interviews we get little pieces and then we get the piece and we're like okay, that's great, but I can't do anything with it because I only got a piece of the pie when I need the sugar and the flour and the butter. Okay, so – because I know we only have so much time too. So they get that first email and then clarify a couple of the rest of it so that way they can do the rest.

Dan: Sure, very quickly, if I don't know your business blindfolded I'm gonna write it.

Jaime: And you can send me links so that way we can also put more in those so that way they can go back and actually do this.

Dan: Yeah, I was gonna say I've done like 30 minute videos on building out sample ones of these that are very robust examples, okay? So, yeah, I'll get into that. But the baseline is this, and again I'll make sure that there's links to CLV for this, but if I don't know your business the first email is like I articulated it. It promises value, the satisfaction of intent, which generally is education, can be entertainment, generally is education.

And I like two to three crescendos in an auto – initial autoresponder sequence. If the height of this line that I'm drawing, I'm so sorry, I'm being so weird with you right now. But the height of this line I'm drawing is the intensity of the call to action and it's preeminence in the email, then this spike is like when you're sending an email that's almost entirely like look, here is what we're offering, here's what we think it has for value, here's a reason to click and check it out now. So this is reasonably strong and intense, okay? Down here we're almost entirely content.

So content to call to action has this. And social proof is sprinkled through all of it. You wanna have some customer testimonials in there. But I like the first three emails to almost be entirely content. Here's a sidebar though, Jaime. When they click on that content and go back to your site, there better be on the right hand sidebar

or the bottom of that post or on the next to that video, some way to buy because that might be the only email they read. They may never get to your crescendo email so make sure your content, not abrasively, but contextually, allows them to buy.

So when I say down here I don't mean there's no chance of sale, I mean they have to see your content then they have the opportunity to buy. But I like rich content that builds into rich content that builds into content that clearly mentions your value prop or your offering that builds into an email that is a really good reason to just click and buy. So by the fifth email, fourth or fifth email, we finally are sort of like you're gonna see some good stuff, like time to hit it – and you don't have to be **[inaudible] [00:28:20]**, you can say this is what we offer, it's why we think it's damn well great and why you should check it out today and why we believe it's worth doing so. So that's the crescendo.

Then you'll go back into education again and kind of hit at least one other crescendo if you're doing like eight or ten emails in initial autoresponder. So I like two crests of give, give, give and hey, by golly, this is a good reason to get in, and then give, give, give, hey, by golly, it's a good reason to get in. Sprinkled throughout there, you've gotta have at least three testimonials or some big, cool thing that you've done in your industry that builds trust. But crescendo wise I like to see at least two humps. And if I don't know your business that's how I would build out your autoresponder.

Jaime: Okay, so couple clarification questions on that before we switch to other things. But, the crescendo, the call to action, are we giving that – are we using a lot the psychology of now we need urgency, this is gonna go away? Are there other pieces that we need to weave in? Or is it just like here's the offer, ta-da, here's the offer?

Dan: Okay, great question. This is very applicable to your internet marketing readers and less probably well known by your non-internet marketing readers. In the internet marketing world the urgency thing is a really big deal or is often seen as one. Because it's an autoresponder, I never had the gall to bake in like this is going tomorrow into an email that will get sent out to the same guy the next day and the next day and the next day.

So what I have been able to say is, you know, this – or if it's the end of the autoresponder, for example, and it's a very particular offer and maybe a cool bundle or a cool first free appointment or

whatever, that maybe you do make specific to that autoresponder. It's legitimately like it's something that's unique to that, then I will say hey, this'll be the last time I'll be letting you know about this, or at least for quite some time, and it might make sense as such-and-such.

I've never had the gall to bake in urgency where it didn't exist, but I have been able to say, which isn't hard urgency, but it's frankness, hey, you're just not gonna hear about this after this most likely. I wanna let you know now, it's not gonna pop in your inbox after, but you might as well check it out once, you know? I mean, this is the last note about it. So it's a little bit more in that voice than it is like going soon, timer 30 minutes, right?

Jaime: Deadline funnel. I know, I'm always like if it's fake then I don't like it. I know. But that's – but I get a lot of questions on that because it's like well they could have just called me or they could go on the website at any point and go see it. And yes they can and that's awesome and they need to know about it first before they ever go find it later too. But still, is there anything that sort of gives a little punch? Because if they – I know in digital marketer, digitalmarketer.com they talk about the indoctrination sequence and then they talk about the tripwire. And I'm not a huge fan of that word because I feel like we're trying to kill people, which is interesting. Kill them.

Dan: Yeah, yeah, well you talked to Ryan **[inaudible]** **[00:31:17]** who has the direct – he directly has a beef with that term.

Jaime: Oh, yeah. We all do. But there's sequences and stuff and I actually really like that it's not necessarily about the kill them at the up front. It's like okay, let's build trust and that sort of thing.

Dan: Yep.

Jaime: Okay. I love it. Okay, so please make sure we get all the links because that way everybody is gonna go **[inaudible]**.

Dan: I will, I will. The entire – so Science of Skill again was the \$2 million e-commerce business. The white paper on CLVboost is basically like here's the four things with email. There were other things that didn't matter to me, here's the four core things with email that got us to a couple million top line. So the big ideas are there, the particular articles I will ensure go to you, so no worries.

Jaime: My assistant will make sure she follows up because I will not but she will.

Dan: Awesome. She can pound the crap out of me.

Jaime: You've already talked to her on the phone. She's one of those people. I love it. Because this is what we started talking about at the beginning and I know I'm gonna talk about this way too long so we gotta make – I –

Dan: Okay.

Jaime: Okay, so – I know. So I was like what's the thing – because we had a little debate earlier on what was cool versus what was not. So hopefully my audience will now school me. So because you're so obsessed in the AI and the future of tech and blah, blah, blah, I love that. And at the beginning we were talking about how – okay, so a lot of this stuff isn't coming for five, ten, 15-ish years, that's the super, super cool sexy stuff on that side of the fence. So we're gonna not talk about AI autoresponder, all –what'd you say? Whiz-bang, whatever that thing was?

Dan: Yeah, whiz-bang, whiz-bang.

Jaime: Whiz-bang, okay. So we're not gonna talk about that, but I said what is the cool thing that people need to know? And I want you to talk about what we were just talking about before because I feel like people have no freaking clue about how this stuff is coming and could disrupt many, many markets.

Dan: Yeah, yeah, the winner take all dynamics, you're talking about? You want me to dive into that?

Jaime: Yes, say the premise of that first too.

Dan: The other thing that appeals to a broad audience is like the – what full blown jobs or roles would be automated, which is talkable about too. I'm not a doomsday guy about that, but there are real things to be thought about, so we can talk about that. But I'll –

Jaime: See, but business owners – so just as a side note, business owners might like that because now we can automate our employees and then that makes everything happier for us.

Dan: Or grow without having to hire staff, right? I think that's a big

game. And that's a common theme in your show often, right, is you're constantly mentioning why do you want 150 employees again just for the sake of doing it? Like what are you – yeah, so I think there's a lot of value in having an understanding of what types of human expertise are likely to remain robustly necessary and what types of human expertise are not for entrepreneurs. But we can talk first about the winner take all dynamic in AI.

Jaime: Yes, and then we can move onto that because I wanna hear that piece too.

Dan: Nice, awesome, great. So I'm gonna try to move fast and speed me up if you have to. I might have to talk fast too, which I'm –

Jaime: The people listening will be like oh, I can't listen to this on 2X speed like I always do because he's going too fast.

Dan: Yeah, I'm gonna try to go to 2X speed for you guys out there already. So I was talking to Jaime about – she was like what's the bigger picture dynamics in business with AI that maybe more people should know about? And so I had mentioned that with machine learning specifically, which you can google and get a basic understanding of what machine learning is, kind of the more modern, neurologically inspired approach to artificial intelligence, we'll just put it that way.

That capacity for machines to learn and to iterate and to pick up on individual experiences and data points and be able to extrapolate that to future results in a robust way, that this leads to a bit of a winner take all market in different industries. Not necessarily for what one AI company will rule them all, though I'm not totally saying that won't happen, there's a couple people poised to be those companies, and they're in this area. But I'm saying in individual markets there's a strong appeal to winner take all dynamic in AI and this makes investors very excited to think that their company could kind of monopolize.

And nobody's gonna say that because you know that's illegal, but you want it, right? Like Google does own search, but somehow they haven't been broken up. And I'm not saying they should, I'm just saying somehow they haven't been broken up. Anybody who's ever invested in Google is really happy about that. So investors like monopolies.

The reason that this is the case, the reason that there's a winner

take all dynamic in many different markets with machine learning applied is that once a certain machine learning product can positively nail a business case or problem at a robustly high level, it is likely that it will be performing a better job on that role than any other company who came up in the game could ever even try to achieve. And if you want, Jaime, I can use the Inside Sales example again.

Jaime: Yes, yes.

Dan: Just as one, okay. So there's a thousand potential places, I'm picking a company out of a hat, guys, I could do a dozen of these. But in the sales enablement, salesperson helping kind of software game, the CRM sales enablement world, there's a company called Inside Sales. Inside Sales, to the best of my knowledge, I've never used it, but creates dashboards to prompt salespersons on what to do, kind of a CRM to manage contacts and to kind of display results, but also to prompt action. What's the score of this lead? How hot are they? When do I email this person and what message do I email them? When do I call this person and what do I say on that call?

Basically salespeople sitting down at a desk and having a queue of what to do based on what's most likely to be successful. Now what happens with a business like this? We'll just talk about a specific vertical. Inside Sales, to the best of my knowledge works anywhere where sales get made like this. But let's just use people who sell software as a service to enterprises. So you sell – whether it's security software, or e-commerce software, or point of sales software, whatever you sell, service into the – SaaS products into the enterprise.

If they have a dozen SaaS companies selling into the enterprise, they each have 200 or more salespeople, big companies, or reasonably big companies, maybe thousands of salespeople. And they are able to drink in what have been the patterns of success for what kinds of email templates to what kinds of roles that the other company – during what days, during what seasonality factors, with what kinds of subject lines, and what sorts of sales scripts for what sorts of leads. If they can sort of drink that in and consistently better their queue of activities to reflect these ongoing learnings, then what happens is these become transferable from the other businesses.

Okay, a lot of these SaaS folks, we can apply these learnings into

this other SaaS company. You're the 13th SaaS company in our platform. Well, without even reading your data, without even drinking in your salespeople's experience, we can have baked into our product the learnings from the absolute best way to do lead scoring for your kind of sales. And if you sign up for any other software you won't get that because we have more data than them and we have faster learning than them. And in terms of how the subject line should change if you're sending an email on a Saturday, we can nail that for your industry and there's nobody else to buy from, goddammit. Without even having data you can be a small business.

So the way this technology comes down to small businesses is domain expertise gets so baked in through machine learning with the big boys that they can say dude, for you, a car dealership, fuck it, we don't even need your data bucko, use this and shut up. You're too small for us to use your data, but we're already good enough, this is gonna nail it for you.

Jaime: But that negates everything that we just talked – not negates, but will. So we don't have to talk to our customers about what they really care about the most because the machine learning already told us what they actually resonate with at specific times of day, blah, blah, blah.

Dan: Yeah, are you saying it's a potential downside?

Jaime: Upside and downside. If we can pay for it then it's an upside, if we can't then it's a downside.

Dan: Yes, yes, yes, there is that. And of course the goal for these systems would be to – I exaggerate a little bit by saying hey, we don't even need your data. There probably are cases where you're so small you're a single car dealership, like dude, your volume's not there, we're not gonna learn anything meaningful from you. But even these little car dealership in Michigan that has like three locations or something, they may have particular patterns of certain kinds of buyers there that the system can pick up as nuances and apply to that particular business.

But a lot of the big game of lead scoring and follow-up would already be nailed for that use case, but learning won't stop. I don't wanna make it sound that way. If anything, learning mega intensifies and becomes specified. But the goal is that when domain expertise is baked in into a space, there becomes the point

where there's no reason to go elsewhere and we see that critical mass with Google as a search engine and Amazon as an e-commerce platform and Facebook as a place to do social media. You can do it wherever, but it's kind of like the place to do it.

And so that's the potential winner take all that applies to almost every market where machine learning is being applied in a robust way. At some point someone owns so much data and has nailed the problem so much better – and in the old days, Jaime, someone nailed the problem to a certain level and it was baked in and it was finished, right? And so a startup could come along and make a better one. But if you're better because you have access to all the data to improve faster and better and you're doing that in real-time with your software, then there isn't like a, hey, we can hop in. There's still ways to upset the apple cart, but it makes us a more staunch moat for the big boys who get there first with the data.

And so this is kind of the business dynamic that I think will be opened up in machine learning and I think we'll see in a lot of industries in the next five years.

Jaime: Well, and that's the thing that I think as an upside for small business owners. Now we're not doing our own gosh darn split tests on every little teeny thing that we don't actually care about or having to hire an employee to do this stuff. Like just tell me what's working for most people and everyone and let's just use that. Even just gosh darn subject lines, right? Like for this type of avatar or this who, they like this. That's so hard to find.

Dan: It is, it is. And it's not really there for small businesses today. At some point, let me tell you – and at some point for some of your people listening. And so like e-commerce. Let's say you sell baby supplies, you sell strollers and whatever else people buy for babies, I don't know. I've never had one.

Jaime: You've had no children, okay.

Dan: Yeah, Jaime would know. So, like, bottles and diapers and whatever you purchase for babies, little babies, in that age range. At some point – like Amazon could do this already, but they're gonna be the last ones to do this because they're not in the business of democratizing the technology, they're in the business of collecting every transaction that's ever happened on the internet and will ever happen into the future, that's the business they're in. But someone will come around and will be a recommendation

service provider for e-commerce companies, okay?

And when they work with 50 different big box retailers, and a lot of them have sub-departments in the baby supply domain, they're gonna be able to suck up a lot of that stuff and say hey, company that does \$500,000.00 with baby supplies, do you wanna add 30 percent to your cart value? Because we've been able to do that with other businesses like yours without even looking at your data because we know how it works at Walmart and at Target, so just plug this in and this'll kind of cut the mustard for you.

And then someone will own these different e-commerce domains with recommendation because they got to the data first, they were able to extract and share those learnings to other smaller players in that market. And there's the potential for that dynamic to be really pervasive.

Jaime: I love this stuff. Okay, so I – we should go down that path way too long, but I know that we hinted on the employee [inaudible] [00:43:15].

Dan: Yeah, yeah.

Jaime: So tell me a little more of that, especially the first few ones, especially – tell us how this is gonna help us because we want robots doing all of our admin stuff and getting it like checklist done.

Dan: I'm really with you on that. The e-commerce business that I've built, we're the only people in the top, I don't know, 700 companies in the Inc. 500 that were like two employees. It was two employees. It was like Inc. 500 is all multimillion dollar businesses, it's like wait how do you – why would you – but I'm with you. I'm 100 percent with you. And I think we're not really there yet, but we should continue to drive in that direction.

I think the people tuned in like – I'm not saying hiring people or firing people is what you should do or it should be fun, but man, if you can make the dollars and have it be streamlined and not hire, then by all means. The human expertise that's most likely to be robust in the future, in other words stay needed to pay a man or woman to do a job, generally is work that is in some way cross functional and implies aspects of expertise in multiple domains.

For example, if you have a person whose full-time job, full-time, is

managing and organizing the spreadsheets for your marketing dashboards, there will be a machine that does that. If you have a person whose full-time job is –handling massively repetitive customer service inquiries, you might not be able to get rid of that entire team, but you might in the future be able to keep a team of only those four people you have doing that and scale up a ton of the repetitive stuff to a system that can kind of nail and handle those in a much more swift fashion.

So any work that is heads down in terms of just – kind of like pumping out and delivering, even if it's doing that in the white collar intellectual worker, what do they call it? Like a knowledge worker domain. People think about heads down, punching out as a manufacturing job. I'm talking about people who kind of put their head down and pump a result out, whether it's a spreadsheet or a document.

If it's just a heads down, pump a single result, the narrower a domain are, the more likely – the narrower a domain area, the more important and pervasive it is in business, the more likely that some AI company's gonna try to scoop that out and just handle that little narrow area with one technology solution. Your person who takes your search analytics results, brainstorms how that should tie to future content planning and helps with the mapping out of the graphics and the design and brand flavor that needs to be imbued into that and kind of puts that together, not gonna be a replaced person tomorrow, you know?

Jaime: But eventually. Because I mean, that's the thing, even if we had templates for some of that stuff and – I just feel like eventually that will happen too. I mean, not five years down the road for sure, but eventually, right? Or no?

Dan: Well, I think we go far enough eventually and our species is almost certainly extinct, eventual extinction –

Jaime: Eventualextinction.com, great.

Dan: The species dominance question comes up and eventually there's something a little bit higher than us, and hopefully it's not a violent ending, but far enough out where we are all the way gone. So yes, you're correct. I mean, far enough out even that guy gets replaced. But what I'm saying is the person who just puts together your articles, writes your articles on topics, ah, he'll go before that planner guy. The person who just reads and interprets patterns in

your analytics data to make business decisions, also kind of likely to go.

The guy who takes these contextual insights, has in his mind the flavor and future of the brand and the design of that and assigns that to the content creators, orchestrates it, and then ensures that that loop is being continued in this data, that is tougher. It may be eventual, it may be eventual. But it is multi-contextual, you can't scoop that guy out by nailing one narrow AI area.

Jaime: I see what you're saying.

Dan: So even with knowledge work, narrow stuff has a high likelihood of being scooped.

Jaime: Okay, but that makes a lot of sense. So one thing of going – having a widget that you put in a – some form of information that this guy who is more creative in and it automatically does all of the templates and the blah, blah, and makes it look beautiful. That's easier, but having the creativity or the, whatever, forethought behind it, that's the planning side, that's way harder.

Dan: Yep.

Jaime: Okay, well and that's the thing. People come to me over and over and over again because they have employees and man, they're not as detail-oriented or they're not blah, blah, blah, right? And I'm going but that's the thing that tech can solve so much easier to make sure that everything is checked off of, whatever that list is, and they will do it ten times a day, it will do it ten times better than a human because it's data, right? It's easy. Well, for that.

Dan: We're gonna learn in the next five years and ten years where human expertise is needed more than we know now, but you will be right in many sub-domains. I mean, what you just said will ring true in a great many of areas, particularly narrow spaces where it's about the damn output and we can get a machine to do it.

Jaime: Well, and even – I'm a business coach, right? I have tons of knowledge and in my head I'm like if I just made a decision tree that was robust enough for every potential, we could have a little widget that knows most of what I know, right? I interviewed **John Jance** earlier and he was saying the same thing. I had to figure out all the 720 nuances of what you would do in this and of course you can't do that right now, it's an evolutionary process of getting that

out. But still, it can be done in so many ways, which is **[inaudible]** **[00:49:11]**.

Dan: At some point there probably will be the deity level, chat bot thing where all of your questions, whether it's how do I grow my online business or what should I eat to – this evening based on my longevity goals, right? Like where you just talk and the answers are there. We will eventually get there. Interestingly enough, when we look at the big studies on what's most and least likely to be automated, currently things where a human connection's really important and part of the trust and the experience in a really strong way.

Like nursing for example, even though there could be machines that could bring your goddamn medicine, it's like you're sitting there dying, you're gonna want someone to dab your head and have real expressions and care, right? So there's some roles like teachers, school teachers, elementary, maybe, and middle and whatever, and nurses where there's some real important human connection. I would suspect that your business coaching people like you for more than just your insights. And maybe that's even irrational, but that part of it is like the human bonding. And so it's tough to say when you will be able to automate you even if the technology's there, but at some point it will. And then at some later point we'll be extinct.

Jaime: See? Okay, the darn feelings that they can't understand. So I can empathize and robot can't, okay people? So that's something. At least now it can't. I've watched too many movies. But, so this is why I wanted to talk about this side of the fence because as business owners right now our forethought tends to be one year out, three year out, five year out, maybe ten years out, right? And when we're doing that and we're looking at this small slice, we're like this is my slice, as if nothing changes. Oh, crap, the world is still evolving around me and I want them to start flushing in these pieces and going hey, 3D printing is gonna be a thing, such a thing, right? It already is but it's not – I mean, I don't have one right now, but –

Dan: It's not ubiquitous, yeah, yeah.

Jaime: Yeah, and to think that an iPhone came out ten years ago. Like a freaking iPhone came out ten years ago, right? And so that's where – and that's why we're talking about this. Not because I think they're gonna take whatever it is and run with it, they're gonna do

that with the email sequence at the beginning, but I want them to be like huh, wow, mind open a little bit more than it was before. So web personalization, this data and all this information is gonna be so prevalent and used, and no offense, but the small business owners are gonna get squished to all heck by all of the other bigger companies that have the data.

Dan: Yep, that have the data and the volume of data and they also have the budget to hire the people that can handle these skills. Without legit academic experience, you can go on Udemy all you want, there's a very low percentage of people who's gonna get to hardcore machine learning application level knowledge. This is not infusion soft. You don't drag and drop and make it work, right? We're just not there. So you're right, there's pressures upcoming and hopefully some of this is insightful for contemplation and planning for business owners.

Jaime: Yeah. It's gonna cost a lot of money. We'll all pool – all the small business owners will pool all their money and then make a consortium of that.

Dan: We'll be a big business together, yeah.

Jaime: I know. Monopolize, winner take all, let's go. Come on, guys, we can do this. This is awesome, Dan. I know we went long and I so appreciate it, especially with the tactical beginning part and the eye-opening end part. But what's – last question as always. What's one action listeners can take this week to help move them forward towards their goal of a million?

Dan: Man –discern the way that you segment your email or automated messaging. That is to say, how do you wanna slice – so if you're gonna send a broadcast out, what is the fewest number of ways you can segment that list to get, instead of 100 clicks as a result, to get 200 clicks as a result. And if that can be baked in early in the way that we talked about with autoresponders and the way that you run email in general, that could be like a, you know, 100 percent more sales like in 12 months stretched out. This was sort of like the 14 month in realization of Science of Skill and of CLVboost that was probably most pivotal for me that I could say as in the shower, aha that did it for us, you know? So I would say serious thought on that with respect to automation and email in general.

Jaime: Okay, I have a follow-up question. I know, I shouldn't –

Dan: Yeah, please go ahead, go ahead.

Jaime: It is the last question. But how do they figure that piece out? Because a lot of people, especially that are okay with email marketing and it is working, it's hard to make a decision on how to slice that and how deep to go with this. Does that make sense?

Dan: Okay, I'm gonna do this. Remember I did the blindfold thing? I don't know your business, I'm gonna give you an answer anyway thing? I'll do this with segmentation. In general – and there's probably an article about this too I'll have to include. In general, the easiest way to slice people for the highest pop in response is based on their goals or their end game. So for CLVboost back in the old days – actually, I think on the site it's still like this – we found that most people are looking for more leads, more sales, or more appointments, booked appointments on the phone or in person.

One of those three things is they're hungry for that number to go up. So you wanna communicate slightly differently to appeal to how tactics apply there. If you're a dentist, what do people come in to you for? What are the primary goals? Tooth pain is gonna be one of them, aesthetics is gonna be the – like what are the core intents? Because it's not all the same. You can generalize, but what are the core set of three to four intents that almost everybody fits into that accounts for 90 percent or more of your money? And boil it down to intents, if I don't know your business.

Now if I know your business we can have a hardcore, philosophical conversation. If I don't know your business we're gonna go with what are the core intents and splice by that. You can't not get better response by just doing that. That's a no loser if you apply it. You have to know your audience.

Jaime: So but then it could be like three separate autoresponders depending on tagging when they come in.

Dan: Slight variations of the content, doesn't have to be big, doesn't have to be big.

Jaime: Okay, that's really good to know, though, it's very niched. Okay, because the other people – people listening are like now how many do I have to do? And oh, my gosh, this – you just gave me so much more work.

Dan: Yeah, it could be the same autoresponder sequence with tweaks to the subject lines and the content that you include to make it applicable to that [inaudible] [00:55:34].

Jaime: I love it. Okay, so where can they follow you? Because what's crazy is you're ridiculously a philosophical – I know we've had crazy discussions. So where can I find out more about how your brain works? It is fascinating, so – you have a bazillion websites.

Dan: Oh, come on, don't do that.

Jaime: It is. I know you said I had no value – no, I'm kidding. I called you profound, but that's fine.

Dan: So if people are interested, I'll go with the low-hanging fruit first and then I'll talk about – if people wanna see the crazy stuff, if people wanna riff on, like, the Jaime and Dan going off the rocker level. So CLVboost.com is the site where I talk about marketing automation. I still do continuously write there. We recently got into the Inc. 500 since I sold the e-commerce business we got the award for the years when I was running it. And I did a big post about what are the core things in that last 12 month sprint that got us past multimillions that was kind of automation dashboard-oriented.

And so I do a lot of writing on CLV, we have a white paper there that's free about the kind of email tactics we use. That's one thing if you want use and value and just grab something and go. If you wanna go wacky and wild into the world of what's the future implications of artificial intelligence and your business and life, TechEmergence.com would be the place to go. There's a tab for research, we have some cool stuff about AI and healthcare and marketing, artificial intelligence and risk in terms of risks for the economy, risks for – and this is all polls from six dozen, three dozen, depending on the study, hardcore Ph.D. researchers and executives that are working in this domain.

So if you wanna get into the crazy stuff there, you can go there, but if you wanna just do email, CLVboost.com. Make sure you – if you do get on the list there send me an email, tell me you came from Jaime, I'll give you a big shout out. Always cool to meet folks through people I know.

Jaime: Heck, yeah. So okay, make a lot of money up front first, go there, and then second we need to buy a ticket to space with the money that we have so that way we will exist as a – okay, good to know.

Dan: **[Inaudible]** [00:57:30] into Mars. Yeah, that's what we're doing.

Jaime: Thank you so much for coming on the show today, Dan. I really appreciate it.

Dan: Glad to be here, Jaime.

[End of Audio]

Duration: 58 minutes