

MEDICAL DEVICES

10x Sales Strategies for Medical Device Companies

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Mike Spurduti: Welcome everybody. Good morning. Good morning.

Audience: Good morning.

Mike Spurduti: Thank you. Come on. [Laughs] Alright, so for me this is like online dating. I've been married for going on 29 years, so I don't know what online dating is like, but what I hear about online dating is you meet online and there's a profile, and you kind of like the way the profile looks so you take the next step and you go on a date. So, Joe's pretty cute. So, and he's got a nice profile, beautiful, I mean what he's been able to do with his group and with all of you is very impressive. So I like what I see so far. I don't know if you like what you see so far, but I'm here.

And what I thought I would do is just start off by just sharing with you who I am, how I got here, what we do and how we can help you, and see if we like each other after this, and I'm very hopeful that that'll happen. So I'm going to take you back, gosh, I'm 48 years old, so you do the math, I'm 12 years old. And I grew up on Long Island, my father was an electrician, my Mom was a stay-at-home mom, and I had the best parents in the whole world. Whatever I wanted, they gave me. It was like having a bank, the National Bank of Mom and Dad.

And so if I wanted to play the piano, I'd go, "Ma, I want to play the piano." So like other parents would just give you piano lessons, my parents would give us piano lessons but they bought the baby grand that Merv Griffin had. I don't know if you folks are a little older. Merv Griffin had this baby white Yamaha grand piano. That's what I played. Again, my father's an electrician. He can't afford this.

When I wanted to play hockey, ice hockey, they went out and they struggled to get me lessons from Barbara Williams. Barbara Williams was the trainer for the New York Islanders. So I was a very spoiled kid.

So one day I had this idea, I'm 12 years old, that I want to build the best softball team in the whole world, the best 12-year-old softball team. And so I handpicked my team and I got the team. And so I go to the kids, I said, "Listen, go to your parents. It's going to cost you like 15, 20 bucks apiece for us to join this league, and we'll play." Well, they went to their parents and nobody gave them money, except my parents gave me money. So I couldn't have a team because their parents wouldn't give them the money.

So I went to the Bank of Mom and Dad and I said, "Mom and Dad, I'm going to have the greatest softball team in the whole world but I need 800 dollars because [00:02:46] **I don't have** 800 dollars." They said, "What are you, nuts?" So it was the first time I heard the word "no."

And I don't know what makes me do this, I wish I could tell you that I knew, but immediately I grabbed the phonebook and I went upstairs. I thought to myself, "You know, these other big softball teams, the older folks, they have sponsors, and so I'm going to get a sponsor." So I quickly wrote down who should I get as a sponsor and I thought to myself, "Hmm, all of us by cold cuts." Delis were very popular, they are still popular in New York. And I'm like, "I wonder if I called delis if I could get a deli owner to sponsor our team, and then what I'll make all the kids do is I'll make them tell their parents to buy the cold cuts from the deli, and eventually he'll get his money back."

Okay. I write it down, I pick up the phone, I start with A, I dial the phone, and I start presenting to this guy, Al from Al's Deli, and I get into it halfway through and he hangs up the phone. I go to B, dial the phone, do my little presentation, he hangs up the phone. I don't know why, I just keep going. I get to L and Lou from Lou's Deli in Smithtown, New York, picks up the phone. And now by this time my sales presentation is pretty well-rehearsed and I'm also starting to anticipate the objections. So I talk to Lou and I end up telling him why he should sponsor our team and the fact that we'd buy the cold cuts from him and he'd sponsor the greatest 12-year-old team and make money, and he says, "Sure, kid." He's Italian. "Sure, kid. I give you the check, you come down and you pick it up."

So this is like an hour from the time I got no to Lou says yes. I come flying down the stairs, "Ma! You got to take me to Lou's Deli in Smithtown!" "Why?" "Lou's going to give me the 800 bucks." Eight hundred bucks way back then, it's a lot of money today, it was a real lot of money back then. My mother thinks I'm crazy. "Some stranger's going to

give you 800 dollars?” We drive up, Lou has the check ready for 800 dollars and he gives me the check. And I went, “Wow.” I went from concept to a check in two hours. And so that part of my life just opened up everything to me. All possibilities opened up at that point in time, and I realized that if you have something that you really want and you really believe in and it makes sense to other people, then as long as you keep going you're going to get what you want.

So let me dial it up to today. So today I'm privileged to use that same skill set. There's a lot more behind it, but a lot of the basics are still there that we help all the leading healthcare and life science manufacturers, distributors, and providers—we see healthcare in its entirety—grow their business using these skills that are necessary, especially today.

And so what I'm going to share with you is how to take your business, and I don't care what your business is, I promise you we've either touched it, we've touched your decision-maker, we've touched your market, we can help you grow, and either we can help you or we can teach you how to do it. And hopefully, today, my goal is that you're going to walk away with things that you can implement. So it's not just going to be conceptual but it'll be things that you can go back and you can implement and start making money with tomorrow. If I don't get to it for you, if it doesn't make sense to your business, pull me aside, I'm here for the whole time. We can talk about your business and talk about how it can be applicable to you, because there's lots of things we can do.

So just to give you a sense of the type of products that we work on, it really is all complex, it's all high-level, it's all to educate the decision-makers. We make calls all over the world, every country. We have folks that speak different languages that will be able to communicate the value proposition. So if you're international, all these things will apply.

So what do these companies have in common? What do these companies have in common? These companies have in common one thing: They all use what I call the SalesGen advantage. Also, I just did want to mention that a lot of times you talk to somebody like myself who basically with Emerge we are a business growth consulting firm, so the knock on consultants is, well, you tell people what we already know or you tell people what to do and we're the folks in the trenches and [00:07:57] **“why don't you work on a performance base”** and things of that nature, which by the way we do. So we're a performance-driven company. We only get paid to perform, number one.

Number two is I [00:08:08] operated 15 companies before the three that I have today, revenues ranging between 3 million and 250 million dollars in sales, [00:08:16] **what with successful exits** on behalf of my shareholders from early stage to turnaround. The last company that I sold to fund these three I took through a pre-pack Chapter 11, did a debt-for-equity swap with the bond holders, kept the shareholders whole, restructured the bank debt, and then sold the company to a publicly traded company called Invacare. So [00:08:38] CEO [00:08:39], I don't look at things as a consultant, I look at things as a business owner. We made our first acquisition in June of '13 with a device that I'd be interested to talk to you with the back pain. We have the first FDA-cleared for over-the-counter use, it's a combined laser. It's called the Laser Touch One. It combines cold laser therapy and electronic stimulation. And so we made that acquisition in 2013. So I sit in your chair, is what I'm trying to say.

Alright. So these people, by the way, every single one of them that's on that list, we used the SalesGen process to get. So it's not like they used my name or something like that. We actually called them up on the telephone, did the things that we're going to teach you how to do, and got these people as accounts. So it works on big people, it works on little people, it works to get a job. I don't care what you do, the system is going to be the same.

So when you use SalesGen properly, what you'll end up doing is really aligning resources, and the way you align resources is I believe—I love all types of marketing. I love trade shows, I love print advertisements, I love email, I love Twitter, I love it all, but what's the best source of information? What's that?

Audience: Conversation.

Mike Sperduti: Yes, and I like to say meaningful conversations, where there's two parties who are engaged in a common subject and where there's information that's exchanged. So for me, the more qualified conversations that I can have with decision-makers, that keeps them close to me. That gets me to understand what they're thinking. That gets me to understand them as a human being. That gets me to understand what their business challenges are.

So what I look to do as a business and what you look to do as a business is have more strong and meaningful conversations. That's what you need to do. And the only way that I know how to do that on a constant basis, on a

cost-effective basis, is the telephone. When you do that and you have these conversations, again, you're going to extract—

And for those of you who are new to the sales world, it's a fascinating world. It'll continue to go on. You'll never learn everything about the sales world because the sales world really is about communication. What you really are when you're a salesperson is you're a professional communicator. So when you're a professional communicator, it's not manipulation. It's not technique. What it really is is understanding human nature. It's understanding that when you talk to somebody and you communicate with somebody that they have different learning and representational styles, that some of us learn by seeing; we're visual learners. Some of us are auditory; we learn by hearing. Some of us, we learn kinesthetically. We have to sample things and touch things. We have to do things.

So part of the SalesGen advantage is understanding and qualifying who that person is and how they best like to communicate, because when you communicate in their preferred style you're able to communicate more effectively, and that communication style you can run through your emails, you can run through your telephone calls, you can run through your face-to-face presentations. And so when you do SalesGen, you're not only collecting information about who their current vendor is or what markets they're serving or how many patients require this, but you're taking notation on their preferred learning style.

When you do SalesGen right and you have these meaningful conversations, what you end up doing is you end up designing a sales process that is really designed on how they like to buy, and this is something that I think most sales training in most companies miss. They sell one way. They have one PowerPoint presentation, they have one sales presentation, they have one marketing piece of material, they have one of everything. We are not in the age of “one serves many.” We are in the age of specialization. We're in the age of “you better be speaking directly to me.” We're going to talk about noise in a second. But so we really have to design for every single customer that we're trying to serve. We really need to understand them and communicate to them that we do understand them and we have a solution to them.

Ultimately, what SalesGen will do is it'll give you an overview, a macro look at what's going on in your marketplace. It will let you take a look at that macro look and then be able to like a laser focus in on the customers

that you have a high probability of doing business with. One of the biggest issues that we have in business today is wasted time and wasted resources. How many of your sales calls fall on deaf ears? How much of your marketing material is thrown away? You're sending it to people that aren't in the market. They're not interested. Even if it was written perfectly right to their preferred learning style with their needs, if they're not in the market and ready to receive that information, it falls on deaf ears.

When you look at things from a macro level, you then can start accelerating your sale cycle. What does that mean? Again, different institutions have different ways of buying. Some have centralized buying systems. Some have decentralized buying systems. Some have one person making the decision. Some have groups making the decision. All those dynamics factor into how you are going to present and be successful with your product line.

When you have knowledge, again, from a holistic point of view, of the macro market, you then line up your sales and marketing activity. Who here, if I told you right now I had a list of every single buyer that met your qualifying criteria, was the perfect customer for you and they were in the market to buy your product or in the evaluation stage, and I gave you a list that would set up your salespeople, set every one of their sales visits with absolutely the right place at the right time, who would be interested in talking to me about that list? Everybody. Okay.

What SalesGen does is it actually gives you that list. That list is not some imaginary dream that I'm selling you. That list exists. What has to happen is we have to go out and get and develop that list. Nobody's magically going to produce it for you, but we can produce it together. Whether you do it or you outsource it, it doesn't matter. The ability to do that exists and should do that.

When you have this macro look and you have this pipeline built and you have all your customers identified, who's in the market, who's entering the market, who's not in the market, all those things done, you then can decrease your selling expenses, right? Because the cost of a field visit is huge. When you win GPOs, agreements—who here has GPO agreements? Okay, good. When you were new to the business and you first got your first GPO agreement [00:16:29]

Audience:

Not everybody's from the US. Do you want to explain GPO?

Mike Sperduti:

Sure. So in the United States—thank you—in the United States you have these buying groups, so hospitals or clinics or physicians' offices will bind together and combine their purchasing power. And so they'll put out bids to, let's say, ventilator companies or patient monitoring systems, whatever it'll be, and they say, "If you bid your product, you conserve all the members in our buying group." Okay, you got it? Thank you.

So who here when they won the GPO contract was really excited and thought it was going to be a game changer to their business? Okay. And what happened?

Audience:

Nothing.

Mike Sperduti:

Zero! It was [00:17:22] I want [00:17:24] I want **Premiere**, I want all this great stuff! Awesome! Wait, well, let's wait for the [00:17:30] to come in! Alright, [00:17:32]. A month later, nothing, right? A year later, nothing. GPO agreements are a waste of time if you don't have a strategy to pull through the business.

So my first job in healthcare—nobody would hire me in healthcare—my first job, my brother-in-law had a little company called Triad Medical and they sold everything to make and administer an IV product. So he always used to comment, I was in the insurance business, and he always used to comment that he always wished that he had a sales guy like me, and I was dating his sister-in-law. So I was fed up with selling insurance. Yeah, I was good at it, but I was thinking, "There's got to be something easier. I'm out at night, I'm making my appointments during the day, I'm 25 years old, I could sell anything."

So what's the easiest thing to sell? Medical stuff. Why? Because they need it and I don't have to convince them to buy life insurance and go through that whole process. I just have to...in medical supplies, they're buying them, I just need to convince them to buy them from me. The whole sales process is shortened. So I ended up convincing him to hire me. He didn't have any money to pay me. I said, "No problem. I work on commission. I'm a life insurance agent. I'm used to it."

So long story short, I asked him what the easiest product to sell that he had in his portfolio because I knew nothing about medical, and he said, "Ziploc bags." Ziploc bags? What are they used for? "Well, they come four different kinds. There's regular Ziploc bags, there's amber that protect it against the sunlight, there's writing block where the doctor and nurse can write on it, and they have different uses and they buy tremendous amounts

of them.” Well, how much are they? “Well, they're like a penny apiece or something.” I'm like, a penny apiece, that doesn't sound like a good business.

But he said, “No, no, but we just won this GPO contract.” And I'm thinking, you got this thing on the phone that you can do, that you should get on the phone and... I said, wow, how are you selling it right now? “Face-to-face. The average order was around a thousand dollars because when they combine their sales...” So I'm like, wow, that sounds really crazy. You're going to send a guy out there to do that?

So long story short, put together a program for Ziploc bags. Within the first year our net profit on Ziploc was a million dollars a year. So GPO contracts, if you have them and they are not being pulled through, SalesGen will do that for you. It's amazing.

New product launches. Anytime you have something new that you want to talk about, what better way to spread the word? Email, LinkedIn. I just did a promotion for Mother's Day for my laser product. My brother passed away with prescription drug overdose, and I have this laser that you don't need to take pain medication anymore. So I did a massive... I created a video—if you go online you could see it—talking about my brother, talking about the addiction problem that we have today and talking about that we have a solution. My mom and I were committed to it, we made a video, and we threw it out there to the universe. We got about 25,000 Facebook views.

Dr. Jen Arnold from The Little Couple, her husband was a former partner of mine, does anybody watch The Little Couple by any chance? You do? Okay, good. She's a neonatologist from Texas Children's Hospital. He's a great businessman. They have a huge reality TV show. She's a doctor, a medical doctor. She has 186,000 followers. She retweeted my message.

We have a built-in list of 10,000 friends of ours that we sent the email to over the weekend. Guess how many video hits we got with all that activity? Take a guess.

Audience: [00:21:28] **Five hundred thousand.**

Mike Sperduti: Oh my God, I would have loved that. That would have been so...that was what I was hoping for.

Audience: [00:21:35]

Mike Sperduti: Five hundred. Like 580. I looked at it just before I went over here. All of that activity! Oh, I posted it up on LinkedIn. I even threw it to the group, I think. I don't know if you approved it or not but I put it...but I did, but I posted it to the group, I posted it to all the groups...I mean, I just went crazy. I want to spread the word about this thing, and I only got 500 people to look at my thing. And this was like a friendly audience, too.

So when you have something new or you want to get the word out, the best way to do it is this way. The second best way to do it is this way. Because when I call you and you pick up the phone, and if I'm compelling and I have something that you're interested in, I have your attention. Now, that's an art. We'll get to that.

Another thing that we see with using SalesGen is customer vulnerability. This young man here is...you're in the acquisition mode, right? Yeah, have you done it before? Okay. So have you seen acquisitions go bad?

Audience: [00:22:44]

Mike Sperduti: Lots of times, right?

Audience: [00:22:46] **Keeps us employed.**

Mike Sperduti: Right, exactly. So typically, when an acquisition happens, the acquire kills the company. They do it. They start firing all the good people. They start getting synergies. I've been bought 15 times. They killed every one of my companies. So I know it happens. So when that happens, that company that was a dominant player because they were good, that's why they got acquired, is now vulnerable. Now we have an opportunity. SalesGen, we help companies. As soon as you have that market intelligence, we can react to it and we can make it happen and start moving the ball to ourselves.

Product recalls. We just worked on a project for a Fortune 100 company. When you know that a competitor goes on recall and you have a substitute product, how are you going to get to the market to let them know about this substitute product? The project we worked on was a surgical product. They needed this product to do surgery. The company that we were representing is a major player. You all know who they are. They're one of the dominant players in surgical. They didn't have a customer list to go take advantage of the situation, so we built them one. Great for SalesGen.

What about success? Anybody here got a really good product that when you get in front of the right audience that you close a sale? Anybody? I hope you do. If you don't, we got to go on to the innovation side. But that's the biggest problem. So if you have something where you know you have good and you want to spread the word, what better way to do it?
SalesGen.

If you have something that's underperforming, you have a territory, you have a company, typically this will happen. It's the 80/20 rule, right? We have 20% of the sales organization producing 80% of the productivity. Is everybody in that boat or close to that boat?

How hard is it to find good salespeople, people that are sales machines that bring in revenue? How valuable are those people? They're everything. There are not that many. It's a lost art. Sales is the best...in my position, it's the most incredible thing to take a seven-digit phone number where you have no relationship with and turn it into a buying customer. It's magic. There's not many magicians out there.

So when you do find a magician, why don't you want to tee them up? Why have them doing it themselves? You separate your functions. This is the future. The future is you have people who are identifying and sales generating every single day. You have the closers and the presenters who do the presenting work, and then you have the farmers who go in and after all that's done they maintain the relationship.

And this is where most organizations make a fatal mistake. They have their salespeople doing all three functions. But inherently as human beings it's very rare. Do they exist? Yes, that do all three really well. Most of them are excellent at one, they're okay at two, and they suck at the third one.

Myself, I'm a really good prospector, I'm a good closer, and I'm a terrible maintainer. It's just my style. I like the chase, and so then what do I do? As a business, I have to back up with people that can do those functions, because you got to keep a customer, you got to love that customer. I want my customers to be loved, so I'm going to give them [00:26:30] **a lover**. If I'm going to prospect, I want somebody who loves prospecting, and those three functions require three different energies, three different passions, three different skill sets, and so we need to divide and make sure that we conquer that business.

Huh. Alright. So what is SalesGen? We've been talking about this. What is it? So I believe fundamentally that the genesis of new business and revenue creation begins with a qualified appointment. If you can't get a qualified appointment, you are never going to get a customer.

I also believe that the more qualified appointments that you have preset for your salespeople, the more sales you're going to make and the faster you're going to sell. The number one problem facing every CEO, every company, in organic growth is pipeline. They'll tell you. I got CEOs in the room. [00:27:41], how's your pipeline?

Audience: Well, it's good [00:27:44]

Mike Spurduti: Always, right? And obviously, I mean you're here and...but mine too, by the way. I'm never going to be...there's always more that we could be doing. So if we can get a SalesGen program, it's the fastest way to sell, the fastest way to increase profits, lower expenses, and gain share. So that's where our heads, as business owners, executives, every single day my first question to Mike Strange is, "What's new today?" You know why? Because the old stuff, I got an operating team that'll knock your socks off. When we get a customer, we don't lose them. So I know when I bring it in this door, that door's...I got a customer. The hardest thing is getting that new customer. So that's my focus. If you got a good company, your focus has to be every day looking at your pipeline.

So when you look at a SalesGen program, what are we trying to accomplish? We're trying to accomplish building a predictable and repeatable sales program. Anybody publicly traded here? Okay. So do you report your earnings?

Audience: [00:29:01]

Mike Spurduti: Okay. So when you miss your numbers, what happens, when you're publicly traded?

Audience: [00:29:08]

Mike Spurduti: Your stock gets slammed, right? When you overachieve your numbers by a significant amount, what can happen to the stock?

Audience: [00:29:16] gets slammed too.

Mike Spurduti: Exactly.

Audience: Exactly, because now you can't do it again.

Mike Sperduti: Exactly. But also it shows management does not understand their business.

Audience: [00:29:24]

Mike Sperduti: Okay. Yeah. See, everybody is great at looking at results and saying, “Good month, bad month.” I had a lot of sales managers. I mean, they were really wonderful people. Whenever I had a good month, they'd say, “Great job, Mike!” On a bad month, they're like, “You suck. Go out there and do something.” They never taught me how, they never gave me ideas, they just said, “Good month, bad month.”

Well, in this world, a great salesperson or a great sales leader or a great leader is also a fortuneteller. You have to be. Wall Street rewards CEOs that can peg their revenue targets or their profit targets because they have a handle on their business because they have a predictable and repeatable model. They're not guessing whether they're going to sell or how much they're going to sell.

So what we build with these models, and I'm going to share with you what they look like, is we can guess to a 5 to 10% certainty where we're going to be with the exception of a nuclear event, a nuclear event being, no, in our business, like you lose your biggest customer. Something comes in and there's something that is an unforeseen act of uncontrolled...that my business didn't do. Assuming that that unforeseen act doesn't happen, I can peg my revenue because it's predictable and repeatable.

We also with this program are going to assess, where is our product and service in relation to the marketplace? Did it meet expectations? Now, we do business with all the people—you know all the buzzwords that you get in business? Six Sigma and Lean, and you just start hearing these words, right? They're really cool. They're great marketing terms. So you go meet these people that invented these great words and they're the example of Six Sigma or they're the example of whatever it is that they are, and you go there and you realize, “Oh my God, they are so screwed up.” They're telling the world that they have these processes in place and they don't, at least on the sales side, on the growth side, they don't.

So what happens is you get this new product and somebody made expectations about what they're going to sell that year. So this is like the forecast. So we're developing this product in the first year, it's going to do X, second year it's going to do Y and Z, and look at that great curve and how great this is going to be. And then you start asking, “How'd you come up with that number? How do you know that the market's going to...how

do you know your competition is there? How do you know that the receptivity of this particular technology is going to be that percentage?”

And what you realize is, more times than not, it's people throwing darts at numbers, which is really scary. And so now you may be one of the people that's reporting to a board of directors or that's reporting to the CEO, and they've given you their “this is what's going to happen” plan. Has that ever happened to anybody? Yeah, me too.

And so they come up with these assumptions and then you fail to meet those assumptions, or those assumptions are failed in your own mind. You laid them out and your team failed. That ever happen to anybody where you missed your plan? Happens all the time, because you don't know.

What I love about what we do with the SalesGen is that we can tell you your projections are on target and actually they're a little low, we need to accelerate performance or you're going to fail miserably. Who put up those numbers? And oh, by the way, this isn't Mike talking. Here's the market. This is what the market is saying. We make decisions from an individual level and roll it up to the macro level as opposed to, “To go from here to here, you have to go from here to here.”

Our job when you're in a SalesGen mode is to provide the growth, to provide the sales-ready leads, the qualified opportunities. So let's define what that is. So when you go to your reps and you say, “How many sales-ready appointments do you have today? How many sales-ready appointments do you have this month?” what would they say to you? So if we said, what is a sales-ready opportunity? What would that mean? How are we going to define that?

Audience: [00:34:05] telephone [00:34:08] prior to the sales appointment.

Mike Spurduti: Okay, but what criteria would make it qualify? Forget about the mechanism. What is the criteria?

Audience: Hey, if I'm going to buy something that's similar to your product...

Mike Spurduti: Okay, so I'm going to buy something that's similar to your product, so that I have a need for what it is that you sell. What else would I want?

Audience: Budget.

Mike Spurduti: A budget, right. That's going to be a sales-ready opportunity or I'm establishing a budget because I have a budgetary process that I have to put

in the system to get it out at some point. So I'm either budgeted or I'm in the evaluation stage to put in the budget.

Audience: [00:34:46] timeframe.

Mike Spurduti: A timeframe. What else? Beautiful. We're on it. What else do I want to demand from my sales-ready opportunities to deploy a salesperson?

Audience: Ability to make a decision.

Mike Spurduti: Yes, right? Either you're the decision-maker or you're the key influencer or you're the influencer to come in. There's different ways to do it in business [00:35:11], but you have to be the entry point to the decision.

Audience: [00:35:16]

Mike Spurduti: Yes. Yes. So you know the process. How are they going to make their decision? Ultimately, who's going to cut the check? How does that process work?

So think about it. If we knew that we were going on an appointment, that it was with either the decision-maker or the key influencer or the way that we have to get into the account with the right person. We were at the right time. They were in the evaluation stage. They were either budgeted or they were preparing their budget and they were willing to meet with me and knew why I was there. Would that be exciting as a salesperson? Hell yeah. How many of those do you want every day?

So what SalesGen will do is it'll provide those opportunities to them, but then how many, just statistically, how many, regardless of the products that you sell, how many people are actively in the market looking for your solutions right now? What percentage of your market? Anybody know? Well, you should know. You have to know.

But let's take a guess. Overall, not even your business, let's talk about all of healthcare and all of life sciences, which is a real big leap, because we represent things that are like Ziploc bags all the way up to things that are millions of dollars. But there is a commonality. What percent do you think are in the market at any given point in time?

Audience: [00:37:03]

Mike Spurduti: A customer who's in the market to buy a new piece of equipment, a new service, get a new disposable contract, whatever it is that you sell.

Audience: [00:37:15]

Mike Sperduti: What?

Audience: [00:37:16]

Mike Sperduti: Well, okay, 100% would be too...it can't be because, I mean, I might have just bought a new patient monitoring system for the whole hospital a year ago, I'm not going to be in the market.

Audience: [00:37:29]

Mike Sperduti: Right. No, but for your service. Right, for our service in healthcare, but for a particular company in a space.

Audience: Ten percent.

Mike Sperduti: Ten percent's a great answer. On average, it's between 10 and 20%. Sometimes it is 5%. If it's a big piece of capital equipment or a very specialized piece of capital equipment, like we represented the only breast MRI at the time in the US, that's a very highly specialized piece of equipment. It was 5%. So it all depends.

But so now, let's go best-case scenario. It's between, let's say, 20%. That means you're going to fail at developing a sales-ready opportunity 80% of the time. What do you do?

Audience: [00:38:21]

Mike Sperduti: You do, but what do you do with that phone call, do you just...? And that's what most companies do. What they'll do is they'll call and say, "Are you in the market?" "No." Click. Yeah, Joe.

Joe Hage: [00:38:35]

Mike Sperduti: There you go.

Joe Hage: [00:38:37]

Mike Sperduti: Yeah. What else might you ask them?

Audience?: [00:38:42]

Mike Sperduti: Excellent. What else might you ask them? What do you have now? How old is it?

Audience?: [00:38:50]

Mike Sperduti:

Yes. I can drain that phone call, because guess what? If they're on a five-year itch cycle or replacement cycle and they just bought a piece of equipment, when are they going to be a prospect for me? Roughly three years from now because we're going to be a year into the cycle, right? So if I store all that data, I put it in my CRM, I flag it three years later and say, "They use this patient monitoring system, here's why they bought it, here's how they make their decisions, and here is when they're going to be up for renewal," is that valuable?

So now I don't send my rep in there at a thousand bucks a pop beating on the door. Why is he calling on that account? We've eliminated him, we move on to the next one, and now we're building that data-rich pipeline because now I'm stacking up. That's an appointment for May of 2017, and technology today will facilitate that for us. So when you do it this way, you now are maximizing your sales resources, also marketing resources. You're spending all this money just massively pushing out stuff to people. Paper, right? Different things, videos, everything that you do, it's all at a mass level.

Imagine if you called your entire market. Let's say there's 2500 prime prospects in your target and you now know the 250 that are going to be in the buy mode and when they are going to be entering the market, so 10 this month, 15 next month. You can then take all that same marketing spend and really give them great marketing and resources on the people that matter and start discriminating those dollars into profitable dollars, not just wasting money and time.

So Joe, this'll tell you what kind of master communicator I am. [Laughs] Joe comes up to me, he goes, "You've been talking about SalesGen and I don't even know what it is. Is it a piece of software? What is it?"

Audience:

[00:41:06]

Mike Sperduti:

Yeah. So that's...I guess, thank you, Joe. I'm not as effective as I like to be. So SalesGen is a term that we coin. It's a branded philosophy. You can do it yourself. It's something that we have a recipe of success that we can teach to you or we can do it for you. So you can either come to my restaurant or you could make it at home, either way it tastes really good. Or you can just experiment yourself, I'm going to give you some of the recipes, and you can play around and do it yourself. But, fundamentally, what it is is it's combining the telephone and technology and putting those two things together, and I'm going to show you what that looks like. It'll

become clearer and clearer and make more sense as we go through with it and as you see it.

So basically what SalesGen is is having meaningful conversations with decision-makers and utilizing every bit of that conversation for success. So we talked about it. What percent realistically are going to be in the market for your products and services when you call them? What percent?

Audience: Ten to 20.

Mike Spurduti: Ten to 20%, which means that we have an opportunity 80 to 90% of the time to record the data. That's going to be the technology component. And then we're going to need the technology to remind us when and how to market to these people.

So here's what a SalesGen project looks like. And again, I really don't care what your product is. If it's a piece of equipment, if it's a service, if you're trying to find a job, well, it could be folded into this. What I love about this particular project and why I like projects like this is it's a combo pack. What's beautiful about when you do it right is if you have multiple products that kind of go together that are to the same decision-maker, we now have three chances to win. I can present three opportunities in one marketing message.

Here's an example of that. So this is a publicly traded company that you all know. They make radiation oncology equipment.

Audience: [00:43:38]

Mike Spurduti: What's that?

Audience: [00:43:39]

Mike Spurduti: Possibly. I wouldn't say who it was.

Audience: [00:43:43]

Mike Spurduti: Okay, possibly. And they make a piece of software called stereotactic brachy radiation therapy. They also sell couch tops for a linear accelerator, which for those of you who don't know what a linear accelerator is, it's the thing when you're getting radiation treatment for cancer that you lay down on and it's the thing that kind of keeps you immobilized so you don't move, because when they're putting radiation into your body they don't want to point the radiation at a good cell, they just want to attack cancer

cells. And then, lastly, our fiducial markers. They make the markers that go into the tumor that line up the laser beam to the tumor.

So you're talking about a pretty complex phone call, right? You have a piece of high-level software, you have the couch top that you have to lay on, and then you have the fiducial marker. We can do all this in one phone call, and I'm going to teach you the recipe on how to do the phone call in a sec.

So our goal, just like what you need to, is call everyone in your market. So for this particular project, we want to call every cancer treatment center in America to start lining up and building our pipeline. We are going to develop a solid pipeline for predictable and repeatable sales growth. We're going to identify people who have a need and a budget, who are the decision-makers for those products, and ultimately we're going to build that database that we talked about. So all the things that we talked about theoretically, here's what it looks like practically.

So what we'll do is we'll lay out, these are the influencers that they said were the right influencers for us for these particular products. So these are the percentages in which we talk to those people. These were the [00:45:35] **performance to date**. They had a 29% conversion rate. Why do you think it was so high?

Joe Hage: [00:45:43] conversion rate?

Mike Spurduti: Meaning when we called it meant a qualified opportunity, that somebody had an [00:45:50] **interest, need and** budget within that cancer treatment facility. Why do you think that number was so high? There's actually two. One of them you probably can know, the other one you probably wouldn't.

Audience: [00:46:00]

Mike Spurduti: But that wouldn't have anything to do with percentage. That would be just the ease of getting to the market.

Audience: They targeted the groups that had the highest propensity [00:46:10]

Mike Spurduti: Yes, but again, that would be the same thing for a hospital [00:46:15] **or a lab** or something like that, so not necessarily why the conversion rate was there. But that was a good guess.

Joe Hage: [00:46:24] **You understood the needs they knew were fair.**

Mike Spurduti: Nope.

Audience: You knew when they would buy.

Mike Spurduti: [Laughs] I wish it was because I was really good. No. No. The reason why, remember I told you, why do I love this project?

Audience: Because you have three different chances...

Mike Spurduti: Three different chances to win, right? So that's why. If you look at it, it's like 10% x 3, almost gets you there. That's number one. Number two is the software component, stereotactical brachy radiation therapy, what we found through our research, was that that market was hot, that people were looking at that particular product. So those are the two reasons. So that's why it was unusually high.

Joe Hage: And Mike, when you said no opportunity, you meant no opportunity right now?

Mike Spurduti: Right now, correct. Future opportunity would be a better way of categorizing that. So then these were the breakdowns in the different types of opportunities that you would do. These are the facilities at a macro level who is performing that type of therapy or not. These all had brands, I just wiped them out just to keep proprietary with the client, right? So these were the brands that everybody used in terms of the couch top. Now, again, you could go in with the technology and drill into this and find everybody that's using this brand at a micro level.

And the other cool thing is, let's say these guys have a recall, you think you'd want to get that list up and running and rock and roll? Yeah. That's happened. Exactly right. We do it all the time. What happens if they have an acquisition pickup? So all this data that's rolled up macro, you can click here, the list that we talked about is there. Who's planning to get into stereotactic brachy radiation therapy? What couch top are they using? What brand? Are they having any issues with their couch top? This is for that future pipeline development. What are the issues? Attenuation, couch sag, surface dose. What kind of linear accelerator do they use?

Now, this was really interesting. So I was talking to [00:48:35] **Hugh**, who has a preferred and great relationship with 3M. So we could figure out a project to do with [00:48:45] **Hugh** that would benefit 3M that we could get 3M to contribute to the project and offset even your whole cost. That's what we did with this information. My client didn't do anything with linear accelerators but they had relationships with linear accelerators, so they sold the data that we collected to the people who were the linear

accelerator companies because this is valuable. And we also captured the [00:49:08] **age** and things of that nature – [00:49:10] **the age**, when are they going to buy a linear accelerator?

So now this became valuable data, the same way everybody raised their hands. If I had a list for [00:49:18] **Hugh**, we start creating lists for everybody. The fiducials, who's doing it? Are they having migration issues, meaning are they moving around? How many do they use per month? And then you get down to quantifiable. Remember I said predictable and repeatable? You start getting into what did this cost, what did they make, those [00:49:42] **well-made-up** numbers.

This is another thing that most people don't know: How many people are in your market and who are the decision-makers? They go, “I don't know.” That's the first thing we need to do in order to do a project. We have to assess what is the potential of the market. Now, some of the markets are easier than others, like we know how many hospitals...pretty much it's easier to know how many hospitals there are if you're hospital-focused, right? But who are the lab managers, if you're selling chemistry analyzers? Who are the lab managers? Who are the lab directors? What are their names?

So what we ended up having to do—and this is again after being in business so long, we thought people were going to know their market. We thought that was a natural thing. But most people don't. So we have access to all the databases in healthcare and life science that peg...as much information that we can buy, we want to buy it because it's a lot more cost-effective to buy data than it is to produce data. So we'll buy the market, we'll buy the manager's name, and the data's really good. It's typically telephone-verified, so the decision-makers are there, which is a big part of the speed of success, is having that targeted list. So if you don't have a list, which most of you don't, we can get one for you. So even if you do it internally, if you need help with a list, we can help you identify what that market looks like. So that's a good question.

Audience: [00:51:12]

Mike Spurduti: Correct. The issue is going to be that when you get that stuff, I can tell you again, maintaining people's databases...look at your own databases.

Audience: [00:51:24] **Society does that for you.**

Mike Sperduti: They say they do it for you. Because we call on a lot of this stuff, because it'll be a good place to start.

Audience: [00:51:31]

Mike Sperduti: Yeah. But, you know, we do a lot of work for medical trade shows, and they have these databases that we call on that people attended that session 10 years ago that are still on that list, and you're paying money with me to make that phone call – not so good. So again, you got to be care...everything's good, but you got to make sure the quality of everything is...so when you buy a list from them, you ask them the questions. How often is it updated? How is it updated? Is it telephone-verified? All those things. If you get a call that sounds like a telemarketing call, that's not what we do. We don't use the T word, and I'm going to explain what...

Audience: Robocalls?

Mike Sperduti: No. I mean, would you relate to a robocall? Would you relate to me calling you up and going, "Hi, my name's Mike. I'm with a company trying to sell you something. Do you have time to talk to me right now?" Are you going to respond to that? No.

So that's why, you know, the whole idea of when you talk about this subject matter, the number one thing that I used to face, I don't face it anymore because of two reasons. Number one, people do their background check on me. Number two, we do a performance guarantee. So there's a lot less skepticism because I can reference my experience and also I take the risk away from you. But the biggest thing when I got into, just like when I... "That ain't going to work in my business." "Oh, we're too complex. Our decision-makers are too smart," whatever it is. No, if you do it the way you're thinking about doing it, it's not going to work. If you do it the way we do it, it's going to work every time.

This is real information. This is what we really get, and the fundamental premise is this and this is a wonderful thing: Number one, very few companies are doing it right now. This is open terrain for people that act now. Will it get saturated? Yes. I'm not going to sit back and tell you that five years from now I'm not going to come to you with a different strategy. But right this second...this is where email marketing was, I don't know, 10 years ago, before, now everybody's calling, so you have an opportunity to act now and get in before everybody starts flooding these people with phone calls, because fundamentally they don't believe that this works. It's

too complex. They think it's beneath them. They think it's telemarketing. So right now is a hot opportunity.

Number two, if you think about it, if somebody's engaging you with something that is relative to your job, and a lot of people in healthcare and a lot of people in research are very passionate about what they do. They want to have meaningful conversations, and as long as you're respectful and you call them at a time that they're more receptive to taking the phone call, or if it's not a good time, you exit the phone call and set up a good time to talk with them, they'll play as long as you're respectful.

And what I love about what we do is that the risk of failure is zero. So if it fails, you have nothing to worry about. The only way it can fail is if you fail, and that's your issue.

And then we can learn from that too. That's actually why we got into this. So I explained the laser business that we're in and I explained the SalesGen business that we're in – so we also do a lot of training, and the reason why we got into training was early on we were setting up our clients with unbelievable qualified opportunities and we'd run the pilot program and they wouldn't see return on investment. You know why? They couldn't call us. So I sat back and I was like, “In the early years we were churning customers.” By the way, they all came back, but we would lose them because they wouldn't see return on investment because they wouldn't call us.

And then I started asking...see, the one thing, again, we guarantee everything we do. We also record every one of our phone calls. So when I tell you that all the data that I'm accumulating here is accurately, you don't have to believe me. We'll tie it to the account. You can listen at a micro level to the account. So there's never any doubt on whether what I'm telling you is true or not, because I provide the actual work.

So when I went to my client, I said, “Let me go out and let me observe what they're doing.” I came back to the owner, I'm like, “I know why you're not selling.” And now I have to develop...so I've been a student of sales my whole life, I've attended all the training, so I put together for healthcare what I believe is the best healthcare training. So what we do is now we have the SalesGen product. So that, if we start seeing problems with the client there, we get into training. And so we have a training business as well, because a lot of the people that you think are good salespeople, when you actually go out into the field with them, they don't

sell and they're ineffective. So you need to be care... So that potentially is a problem.

The other thing on why—and we failed on other stuff, too. I can tell you [00:56:30] **about other failures a bit** where assumptions were wrong. We represented a company out of Germany that made a customized nasal CPAP unit that was very successful in Europe, and they brought it to us to help launch. We got a referral, and we rolled up out of SalesGen project and my recommendation to the CEO after 30 days of work was, “This is not going to fly. And oh, by the way, this isn't my fault, so my fee I'm going to keep because I didn't do anything wrong. You got your marketing information. Here's why it's not going to work, because in the US the market's telling us that they will not pay the premium that you're asking for this wonderful customized mask, that because most of the business is Medicare- and Medicaid-reimbursed they're not going to pay the difference.” So the CEO looked at the data, listened to the phone calls, they evaluated it, they packed up, and they exited the US market because it wasn't for them. He also paid for me to go to [00:57:29] **Medico**, which I didn't even know about at the time, because he was so grateful that we saved them all the money that he was ready to launch in the US.

So what I love about what we do is if it fails you're going to learn, if it's your issue. You're going to learn what they're saying about your competitor. You're going to learn what they say about you. We've had customers that think, “Oh, we have the greatest reputation in the whole world.” Well, here's the reason why they're not entertaining sales calls. Eighty percent say that these are problems within your organization. And oh, by the way, don't blame me. Here's the recordings.

So the truth, what I love about what we do is it's all based on honesty, it's based on transparency, it's based on hard work, logic, and just real. It's real people having real conversations. There's no magic. So you're not going to get information from everybody. On that one particular attempt, number one, you will get information from a significant majority if it's a good time for them to talk and if it's meaningful to them even if they're not in the market, because there'll be a way that we can write the call guide that we can kind of engage them into a conversation. And if they say, “Well, I don't really have the time right now,” “Would you be receptive if I gave you a call next week at 2 o'clock, or 3 o'clock would be better?” And if they say no that's fine, then you polite...but if you're polite and you're respectful and you don't try to ram the call down their throat and you say, “Listen, I'd really love to just talk to you so at the appropriate time we

could reengage you. Would it be okay if I just took two minutes of your time?”

The other thing that’s important to recognize is this. We do a project that I’m going to show you right now. This one’s in the US lab market. The amount of questions that we ask these people, I wouldn’t...

Audience: [00:59:20]

Mike Sperduti: No, on behalf of our client. So we’re calling on behalf of our client in the lab market. They want to know the most...and they’re the market leader, so they want to make sure that they understand any vulnerability to their particular accounts, and they want to understand so much minutiae data that when they gave us the job my original pushback to them was, “You’re asking for too much. This call is going to be way too long,” and long story short is we got it and that surprised me. And I don’t think that has anything...it had something to do with us because we do have the right callers and they’re already trained the right way, but this market for whatever reason, unlike any other market that I’ve seen, likes to talk. And they do, and I’m going to show you some of this stuff, and like I said when you hear the calls you can’t believe what...sometimes you’ll ask them, “What device do you have?” and they’ll go, “I don’t know. Hold on a second,” and they put the phone down and they disappear for 20 minutes. And you think, “Ah, they’re playing around.” They come back and they give the information. So when I told you that this is a window until they get...they’re not jaded yet. They’re jaded from bad phone calls. They’re not jaded from engaging phone calls yet.

The next thing I have to say is, if you really want great data, ask three to five questions. Don’t overwhelm them with this. Find out the top three things. Find out what they have, because that’s an easy recall for them. Find out how old it is, and at that point you’re pretty good. If it’s a disposable, find out what they have, what their consumption is, and when their contract comes due. That’s a fast phone call.

Audience: [01:01:06]

Mike Sperduti: Yes, exactly, and that’s why [01:01:08] **they can't** get out of that call. That’s like throwing marbles in the ocean. That’s easy. [01:01:14] **You get them.**

Okay, so this is the one that’s crazy, right? So these people, by the way, they don’t let us call. This is another one that’s crazy. We’re not allowed to

call. They want a blind study. So this customer has huge name recognition. We go in as Emerge. By the way, anybody ever hear of my company before this meeting? Nobody does. We're the guy behind the curtain. We're the Wizard of Oz making all these phone calls. They don't know who we are. So when we call, we call as Emerge asking them these questions. Look at what they're telling us.

And we're not selling anything, by the way. This is a profiling project. We're just saying, "Hey, listen," and these are the questions that we walk them through and these are the decision-makers that we're calling.

How many total samples do you do, for both chemistry and immunoassay? How long have you had your current analyzer platform? What's your current vendor satisfaction? What's the reasons why you feel the way you do? Are you considering switching? We don't incent them with any iPad. There's nothing. It's just we call. What are the reasons that you would switch? How many samples do you process per day by piece of equipment?

Joe Hage:

At this point I'd be like, how many more questions [01:02:46]

Mike Spurduti:

Exactly. This is what I was saying. When they gave me the project, I'm going, "I don't want to do it." And they're like, "We're paying you. We don't care." Okay, I'm going to do my best.

Current vendor satisfaction. How many do they process? Other instrumentation? What we do is we build models. I'm a modeler. Whatever I want to do, I find a model that works and I replicate that model. So I have a model. I'm not saying it's the only model. I'm not even saying it's the best model. I'm just saying that this is the model that works for me, my businesses, and my clients. And so what a model is is you identify the characteristics of somebody who's accomplishing the result that you want to accomplish, and you figure out exactly what they do and then you do it and you'll get the same results. So as a modeler, I never have to recreate the wheel. I have to find a model that works and then replicate the model.

I'll give you a simple example. Who here has ever been on Weight Watchers? Okay, you have. Okay, so have I, go figure. Okay. So when you go to Weight Watchers, that's a model. They say if you are 48 years old, you're 40 pounds overweight, if you eat this many points you are going to lose weight and you are going to hit this goal weight. So they give you a model. You don't have to guess. As long as you account, you

can eat whatever you want, and as long as you stay within their point model—did you lose weight when you went on the system?

Audience: Yes.

Mike Spurduti: Every single time? Me too. Okay. So it takes all the guesswork. I know I'm going to get a result because the model works. The problem is sometimes you don't follow the model, right?

Okay, so I'm just going to push back there. So let's just talk about the model that we're going to create together, and again I think what we're going to do is we're going to create a model in the last hour for somebody, okay? So how do you make a sale? Ultimately, you make a sale by being at the right place at the right time with the right person with a solution that makes sense. We now know we've gone over that old school is [01:05:12] **out of** business.

So the model that you're using, like [01:05:15] **Hugh** was talking about, he's recognizing, "My model doesn't fit this model. This is 2014. The game has changed. My model needs to change. What's driving the change of my model? Well, number one, my model has to take in consideration time." Do your decision-makers have more time or less time to meet with you? Significantly less, because in healthcare today everybody's getting hammered. And let's just face it, and I just gave this speech, I was just lobbying on behalf of the homecare industry last week in front of Washington, and the thing that I'll tell everybody is this: The healthcare system was out of control. The margins that we were making as a business were unsustainable. So we have to bring cost down. So now they're going to the hospitals, they're going to doctors, they're going to providers, and they're slamming the margins. They're slamming your margins, they're slamming mine. They should. So we have to be conscious of our time and we have to be conscious of the margin decline and our model needs to change. If that's happening and we're still selling, sending those guys out at a thousand bucks a pop, our model needs to change. Field visits are going up every single day, insurance goes up every day, gas goes up, all that stuff.

Also, changing communication preferences. This is the other really interesting thing. There's a lot of products that you guys probably have that can be sold over the phone or sold over WebEx or what I call upcare or upsold over the phone, because people don't want to see you anymore. They don't. The girl that cuts my hair, she's a young girl, she broke up

with her boyfriend via text while she was cutting my hair. I said, “What are you doing?” She goes, “I’m breaking up with my boyfriend. Could you excuse me one second?” “Sure. What are you doing?” “Breaking up with my boyfriend.” “What? How long you been going out?” “Three years.” “What? Don’t you have a relationship with this guy?”

So how you communicate with your decision-makers need to change. Some people really like texting, some people like email, some people like phone calls, old-timers like face-to-face. So we have to customize our process to accommodate those things.

Increased customize demand for responsiveness. What does that mean? “I want to buy a book and I want it.” [01:07:50] “I got it.” What does it take, a minute now to download off iTunes? “I want an album. I want information. All of human knowledge is in the palm of my hands at any given point in time,” and you need to respond to that. So if you’re my rep and I call you, I want an answer and I want it now. I don’t want to wait for you to end with your other clients. I don’t care about your other clients. I’m busy. I have patients to serve.

Next thing, what I call MADD, marketing attention deficit disorder. How much marketing are we getting? Between email...how many emails? Did you check your email when you left? Of course you did, you’re addicted. What’s going on? What’s going on? Did I miss anything? How many emails did you get? How many commercials did you see? Radio commercials? Television commercials? Billboards? Now you look up and you could Google it right now. They’re saying it’s anywhere between...the human brain is handling between 2500 and 5000 advertisements per day. So what happens? We as human beings, neurolinguistically we’re filtering it out. We’re just saying [01:09:03] advertisement. You’re shutting it off. You’re just shutting off. We’re putting barriers up where marketing is becoming ineffective.

How do you capture the audience? Well, our marketing needs to take that into consideration. Now, what some people are doing because of this marketing ineffectiveness is they’re shutting down marketing. They’re closing their minds to marketing, and because they’re saying, “Well everybody’s doing email,” or “everybody’s doing sales,” and nothing’s working, so what do they do? They stop sales and marketing, which is the oxygen for your business. If things are harder, you need to be putting more dollars in, not less. They’d have to be smart dollars, measured dollars, return on investment. But if you’re working with a marketing firm or

you're working with a consultant or SalesGen company or you're doing anything and you're not getting results, should you stop doing it or fire the person?

Audience: Fire the person.

Mike Spurduti: Fire them! Get rid of them. If a salesperson's not producing, should you just fire the person and not replace the person? How are you going to grow? So sales is the oxygen. Marketing is the oxygen. So we're like this guy. No matter what we do they won't listen to us, and that's the biggest problem.

So what we have to work on as a company is the power of frequency and synchronicity. So this goes, Joe, to you. Frequency – you can't give up after three attempts. You have to know your ratios in order to...how many dials does it take to get somebody on the telephone? How many times do you get them on the phone where they engage in a meaningful conversation? How many meaningful conversations does it take to get a qualified opportunity? And then, how many qualified opportunities does it take to generate a sale? Are those things that everybody can measure? You probably know this already, but you're not doing it, right? Because if you did it, then you would have a predictable and repeatable way of growing your business.

So the other thing that we need to do, again, is our model needs to take in consideration that all I really care about is who? In a business context? My business! Me. What are you doing to get to me? I get so many of these, and I've been guilty, Michael and I have had this conversation, we kept up until recently, kept sending generic, for lack of a better word, bullshit, to people, where it was like we were just saying, "This is what we could do," and we would blast it out through LinkedIn and we paid for the upgraded package where you can contact people in mail. And you know, how offensive is that? When I get them, I'm offended.

So all we did, we still use the same tactics, we just customize the material to the person that we're talking to. "So Mike, I know you own three companies and blah, blah, blah," and just now all of a sudden you're writing something that's customized to me. Now I'm interested. You're not just wasting my time but you have me and mine, and that's what all of us, what the model needs to do.

So anybody know who that is?

Audience: [01:12:36]

Mike Spurduti: Oh! Good answer. Alexander Graham Bell, of course it is. We have to go back to the future. We have to go back and remember this thing that is the best tool in your box right now in order to create your future. This is where we're headed. So in business, Drucker said we only have two functions, marketing and innovation. So you I'm guessing have the products and services, now we're going to focus in on marketing. So this is going to be that predictable and repeatable model that we talked about.

When we go into our Weight-Watchers-type model, what's beautiful about Weight Watchers is the goal is to lose weight, but I don't focus on the weight. What do I focus in on?

Audience: [01:13:33]

Mike Spurduti: The points. I focus in on the activity. So the thing in business is we know we want to make a sale but we don't know the point system. We don't know the leverage to push. So these little levers that we want to push—and this is somebody who's just tracking simple numbers. It's in a different business because, again, I'm trying to keep everything at a level that you'll understand but not talk about client confidentiality. So this is a person who's in the home medical equipment business but it's the same thing. They have a hundred meaningful conversations per week. Out of those hundred meaningful conversations, they generate 20 qualified appointments. That gives them four new referrals per week. Now, this is like an oxygen company, [01:14:19] medical equipment at home. They generate 7200 new dollars per week.

Now, this is what's fun about the model. When you have your model in place, this is what's really fun. In sales we know we're going to fail a large majority of the time, so you can go the whole day and get nothing but no. "No, I'm not interested." "I'm sorry, the committee decided to postpone the decision." The appointment doesn't show up. If you talk to your salespeople, this happens a lot of times, and you think to yourself, "God, that was a really bad day." But it wasn't. It's like getting on the scale on Weight Watchers and knowing that day you didn't lose weight. Does that not mean you're going to meet your goal? No. It's a part of the process.

So what we do is when you change the way that you look at things, the things that you look at begin to change. So now instead of measuring the sales results, we convert the numbers into activity-based numbers. So this, what we did is we monetized the activity. So this person, every time they

have a conversation with a decision-maker, they make 72 bucks. Every time they set an appointment, doesn't matter whether they create a sale or not, they make 360 dollars. Every time they hear the word no, they make 75 dollars.

So in my organizations, I demand to know, how many nos did you take today? Because we celebrate the no. It's a lot more fun. It's a lot more positive reinforcement. If I know that I took 10 nos today, which ultimately will get to my sale and I made 750 bucks, today felt good. It means tomorrow, when I take the nos, I'm incented. Now, again, this is assuming that my messaging is right. It's not just I'm going in there going, "Say no to me," and then I leave. There's got to be some common sense here.

But at the same time, this is rocket fuel. When you get people, because rejection, especially in a clinical-based sales environment, the reason why people don't like to prospect no matter what they say is they don't like the rejection. They don't like... "Here I am, I'm an MBA from Harvard, I work for this big fancy company selling this really big piece of equipment, I got my real nice suit on, and I walk up to you and you go, 'Get away from me, you're a salesperson.'" That's why they don't want to do it. It's because their ego can't handle it. But once you bring it up into this level and you say, "Listen, for your thoroughbreds that aren't prospecting, what about if we show them, 'Look, guys, I understand how you feel, but this is what it's going to take for us to meet our numbers. You're going to have to hear the word no at least five more times a day. And if we do that, you're going to be able to get that car that you want or you're going to be able to put your kids through school, whatever it is,'" because ultimately as simple as this is, it's profound. There is no other way.

So when you cold call somebody, what are they thinking? What are they thinking?

Audience: How quickly [01:17:46]

Mike Spurduti: Right? How quickly...leave me alone. What else? If I cold call you and say, "Hi, my name is Mike from Emerge. I want to sell you my services," what are you going to say?

Audience: I don't have time.

Mike Spurduti: I don't have time. No. Right? So I don't think people really, when they put a program together or when you start thinking about this thing and it's nice

to have you all just take a little time to think about this, when they say cold calling is ineffective, it's because they're ineffective, because this is hard.

So I'm going to describe this scenario to you. I want you to understand that it gets easier like anything else. So it's your customer, they're a lab manager or whatever they are, and they're talking about something whether it's a personal issue or a business issue or a patient issue, and they're into that conversation and brring! The phone rings and it's you. So they pick up the phone, what's still on their mind?

Audience: [01:18:48]

Mike Spurduti: Right? And so they, “Hi, [01:18:50] **can I** help you?” And now you're giving that, “Hi, this is Michael. I'm trying to sell you [speech],” and where is their mind right now? Is it in the conversation?

Audience: [01:19:02]

Mike Spurduti: Exactly. They're still here or they're still fighting with their husband at home or they're whatever it is that's going on up here, that record has not stopped. It doesn't instantly stop and they engage. For some people it does, for most it doesn't.

So the first thing we need to do is we have to get their attention. How do you do that? How are you assured that you have somebody's attention? How am I assured that I have your attention right now?

Audience: [01:19:30]

Mike Spurduti: Exactly. I ask you a question, because when you're talking you're interested. You're always interested in what you have to say. So that's when I know you're engaged in my conversation. You could be, right now in this presentation, you could be nodding off, texting somebody, thinking about lunch. That's all that's happened so far. But the time that I know that you're engaged is when you respond back to me, because you have to. So what you do is you open up and you let them talk right away, and whatever they say you are flexible in your communication to respond to.

Audience: [01:20:07]

Mike Spurduti: Which one?

Audience: [01:20:09]

Mike Spurduti: Excellent book. Still works, by the way. Okay, so if I hear this, “Uh-huh, uh-huh, uh-huh,” what is that telling you?

Audience: [01:20:22]

Mike Spurduti: Right? It's an auditory signal that I can use. “Uh-huh, uh-huh,” what does it also tell me? For me, it sounds to me like something else.

Audience: [01:20:33]

Mike Spurduti: Right? They're not interested, certainly. It also sounds to me like they're rushing me, right? “Uh-huh, uh-huh,” like get to the point? So what do you think most people do? They start talking fast. “Well, the reason that I'm calling, John, is because...” and they just start vomiting all over the call. So what should you do? You just say, “Listen, John, it sounds to me,” because it does, “that you're busy right now. Would it be better if I called you at a different time?” Now, I can't measure this, but what percent do you think drops whatever [01:21:17] **their thought was** and takes your call? Somebody said 50%? It's a large majority. Because you appreciated them. As simple as this stuff is...it's simple things, it's like they felt the fact that you had enough in you to care about them that you acknowledged how they were feeling, and so as a human being, because they could drop the call, they did. So 50% or greater of the time it actually works. Measure it. It's unbelievable.

But now if it doesn't work because they are busy, they're going to really appreciate the fact that you let them off the hook and you set up another phone call that makes sense. But either way, you're not going to engage in that conversation until that barrier of listening and that meaningful conversation exists. That's the first thing.

So they're going to go through all these issues that you are, but how you handle getting them to talk first is unbelievable. What I like to do when somebody's on the phone, you could teach your people this, is if I hear somebody pick up the phone and they're laughing...most salespeople would be like, “Hi John, it's Mike, I'm trying to sell you something,” again, right? A simple way to build instant rapport is just go...I don't even introduce myself, I'll just go, “It sounds to me like you're having a lot of fun. What's going on over there?” “Oh, you're not going to believe it, Margie just had a baby and she brought the baby in and she's so cute.” “Really? Do you have kids?” I'm just going to start talking to them, and the next thing you know 15 minutes has gone by and I haven't even told them who I am yet.

And now all of a sudden, once rapport...so you have to break down...the whole idea of what you're trying to do on the front end of a phone call is break down the resistance that you're like everyone else. So you need to do that. So breaking down that skepticism and resistance and getting them to talk to you to give them this rich information is huge.

So here is the model and this is the model that we're going to build. I'm going to walk you through a couple of other things and we'll take a little break, and then we come back, we're going to build this model for somebody. Here is the key to getting the appointment or getting the data.

The first thing is you need to be brief and brilliant. It has to be fast. You have to get to the point fast. You have to build that rapport and there's some technique that we're going to use.

You have to bring in, if you have them, signature accounts. Basically, the concept is—my grandmother taught me this—show me your friends, I'll show you who you are. So what you're saying to them is, “Hey, we have something in common.” Now, LinkedIn, by the way, how we do use LinkedIn, is if you have a common person to bring in, well, that's huge. So we can go on LinkedIn and see who you're connected with, go to our connection and ask them for permission to use that relationship to open up the phone call – that's rocket fuel. Because if I call and I say, “You and I both know Joe and we do business with Joe and he thought that this might be a conversation just for us to learn about each other, would you have five minutes for me?” that's probably going to get a much higher reception than, “Hi, this is Mike, I want to sell you something.”

The key differentiators. So you bring in your signature accounts, key differentiators. When I say key, I mean key, and with the CEOs and executives that I work with, you have to really focus in on what you do well. You're not great at everything. You're not great to everyone. We're certainly not. You really have to know where your fit is, where your perfect match is, where you're going to sell, and have that criteria nailed down. So we buy the right list and we approach the [01:25:19] **process** with something that truly shows value. You see, everything that we're talking about is all about you having a value and a story to tell. If you have value, I can teach you how to do that. If you don't have value, I can't help you. If you're selling a typewriter today I can't help you, but if you're selling something that gets better patient outcomes, I can help you.

So what we're going to do is leverage the truth in our conversation, and so we're going to bring that out. And it can be one thing. Some of the slides that I bypassed was JetBlue, really simple example that everybody knows. You know what their first big competitive differentiator was? It was only one.

Audience: Television screen.

Mike Spurduti: Yes, it was a television screen on the back of the seat. So they were like, “You know why? You have to fly, you're bored, you need something to do, so we're going to charge you as much as Southwest is going to charge you and we're going to discount it versus the other guys and we're going to give you TV.” Do you know what their next big value prop is, by the way?

Audience: [01:26:26]

Mike Spurduti: No, they copy. That's not a...now, a true differentiator is something that nobody does or [01:26:34] you and somebody else. This one's really funny: Unlimited free chips! You want to eat chips? Gourd yourself. Come on board. And soda, right? You know what I mean? So they just keep on. You want another bag of...? I mean, how much could chips cost, especially that they're getting them as promotions anyway from the companies that are sponsoring it? So they figured out, you know, how many jokes have been told about these little bags of peanuts and pretzels? They just went, “It's so obvious. Let's just give them bags and bags of chips. That's what they want.”

So a competitive differentiator doesn't have to be this profound idea sometimes, like for us. For us, a huge differentiator is we record every single phone call whether it's good, getting an immediate opportunity or not. We can't find another competitor that does it. You know why? Because they probably can't...feel uncomfortable pulling down what they do every single day. But to me, I would never outsource to somebody that wouldn't do that. So you have to find that thing that clicks with the market, that makes sense to everybody. So what's that thing for you? And we have to bring that in. Immediately. Because if it's really a key differentiator, people are going to pop up with it.

And then, once you do that, you need to understand—and this is very important—the goal of the communication is one of two things. Is it to sell something? No. What is it?

Audience: Make appointment.

Mike Sperduti: Get an appointment or?

Audience: Qualified?

Mike Sperduti: A qualified appointment or?

Audience: Research.

Mike Sperduti: Research, get the information. Either way, I win. All I want is to get the appointment or get the information. That is the goal of the call. If I start selling right away, that's going to be like everybody else. That'd be like a doctor saying, "I'm calling you because I know you have high blood pressure." "Really? You didn't take any of my vitals, you don't know anything about me, but you're prescribing this medication for me? I don't think so." So that is our formula.

Well, profile, we already know what we're going to do there.

And we're going to ask them whatever the questions are that are going to be relative to their particular situation to get them to talk. So you want to structure questions that are going to be meaningful that they want to talk about. So start off with what's important to them and build around them. So what are your main goals you're trying to accomplish this year? How are you maintaining a competitive edge? What are you doing to control costs? I don't know what the question is. For you, it's going to be different. There's no "one size fits all." We will customize it.

And the best part about it is, this is what we do: We will write and we'll do this together, the formula. We'll test it. What happens if we don't get the response that we're looking for? What should we do? What should we do? Change the question, change the approach, so we can listen. And that's the beauty of recording the phone calls, is the beauty is if you're not getting the result, if you feel like you're not engaging the person, you can modify the sales call. So now you're tweaking those things.

And so typically you have a thought about how the flow's going to design. The first thing [01:30:15] **you're** going to say, is the model firing off the financial model that we projected? If it's firing off the financial model, then we have reason to believe we're on the right track. We still can optimize the call. Yeah.

Audience: [01:30:28]

Mike Sperduti: We would [01:30:40] **call as you.**

Audience: [01:30:41]

Mike Spurduti: We would [01:30:42] **call as you**, we would be on...

Audience: [01:30:43]

Mike Spurduti: Oh, we don't even announce the title. "Hi, this is Mike, I'm with..."

Audience: [01:30:49]

Mike Spurduti: Yeah. Yeah. "And that's the reason I'm calling." So, again, we're talking to lab managers, lab directors, research scientists, chief nursing officers, head of HR. I mean, we touch everybody. Physicians, physicians' offices, doctors. So they understand, by the way, that our job...they get it right away. And so when you're dealing with things like...we just this year did a new Parkinson's brain surgical software. Now, what do I know about that? I know enough to get the appointment. I'll know the questions that I'm going to walk you through.

But if they ask me a question like, "Well, what's this software's ratio compared to this software's ratio?" standard response, "Is that something that's important to you?" What do you think they're going to say? Yes, because they asked the question. They would never ask a question that's not important to them. Then you say, "What I'm going to do is I'm going to notate that. So when you talk to John, our representative, he'll address that peer level to peer level. And with that in mind, what works better for you, the mornings or the afternoons?"

Just remember that telemarketing will always fail. It will never work. Stay away from the word telemarketer. Stay away from the word telemarketing company. They don't get this marketplace. They don't get how to do this typically. What I would look for is I would look for somebody that has direct experience in your space, somebody that has experience that they can validate, that they have a track record that they can prove who they are and they can do what they say they're going to do.

Stay away from, if you do it in-house, scripting to a point that it sounds scripted. If it sounds scripted, it's no good. So when you're role-playing, what you should do if you're going to do it on your own, it should sound very conversational. In the beginning, like anything else, you'll get better at it as time goes on. And there should be a guide. There should be a flow. It should sound natural though. It should be in your vernacular.

So if you're in New York and you refer to Brooklyn, Queens, Nassau, Suffolk, and Manhattan, you want to call it The Boroughs. You want to localize the call. If you're calling Chicago, you want to talk about...we refer to the outlining areas in Chicago not The Boroughs but Chicagoland. So you want to tailor the messaging to make people feel like you understand, again, them, their culture, their language.

So Michael, how I met Michael was we turned around a business down in Virginia. They were flat. I plugged him. I was there to reorg the company. I reorged the company, plugged him in. They were flat for five years. They were at 20 million. With our systems like what we're doing today, we got them up 40%. So what Michael would do is he'd have somebody in an urban area, well, he would hire somebody that understood that environment, understood that culture, understood how it worked, and you matched people to be comfortable with people. And then, if you get into an environment where I'm talking to your point, if I'm talking to a lab manager, my message is going to be a lot different when I get up to the CEO because the CEO... [01:34:06] selling the same product and a lot of times we do. Well, we have to talk to the lab manager to sell the lab piece of equipment and we have to justify it to the financial people. Well, then we work together and we help our customer make the presentation to the financial people. That's what a chameleon does. So that's a good point.

Stay away from nonexperienced people and nonexperienced companies calling at unproductive and disruptive times. So another way that you could be burning money with the company you're using is you ask them, "What hours are you calling?" If they're calling all hours of the day, which means that they're just burning the budget during lunchtime, during times when they're seeing patients, you're just burning money. You want to make sure that you're calling at a time when you have a more likely chance of getting somebody on the phone that they're going to take the call.

They don't have call recordings or quality management. That's huge. And they don't have experience in your market. So that's what you don't want to deal with.

So this is how you be successful. You customize everything. So you're going to pick the market you're going to go after and you buy a highly targeted list, the best list you can get. You're going to buy information first because—and quality information because it's going to be cheaper to do it that way and make the call campaign really productive. Ultimately, you

want people who have a high probability of needing your product or service and you want the decision-maker or key influencers' names as part of the targeted list. They sell that information.

You want to maximize every bit of your company. So whatever it is, your reputation, what other marketing things are you doing? Are you attending trade shows? You want to then incorporate that into your messaging. If you're in magazines or if you're on LinkedIn, "What can I bring in so that synchronized messaging, we're all speaking the same language?" We want to make sure that we're bringing value, that the conversation is about bringing true value to the market. We want to have well-defined but yet flexible process like we talked about before. The key is being a chameleon. If they say this, we need to anticipate that and have a response that's very logical but customized to their needs.

We want to constantly improve the program. So as you're listening to the calls, making sure...what we do is we listen to 10% of all the "not interested" calls. Why? Because, am I losing opportunity because I didn't execute the call properly? That's not acceptable. But if I lose opportunity and collect the data because that's the real situation, that's what I want. So how do you make sure you do that? You got to listen to as many nos as you do the leads.

Pre-campaign due diligence. This is very important. There are some of you that we would want to work with you and you would want to work with us but financially it's not going to work, because my infrastructure will be too great to produce an acceptable ROI for you. That happens. But that's okay. We can either talk about you doing it or teach your salespeople to do it. There's a way to do that. But the key is anything that you do as a businessperson, you want to make sure that it's going to produce an ROI, and we'll walk through it with you. We have a true person who's going to help you, that's going to be interested in your success because it ultimately will be their success.

You want to make sure you have an underperformance auto-stop. What does that mean? When all of a sudden now you have assumptions that you've either built or you have this predictable, repeatable model and all of a sudden the numbers start going sideways, you're not converting at the projected rate of 15%, you were at 15% for three weeks and now all of a sudden it tanked to 10% with the same number of calls, what do you do? What do you do?

Stop and find out why. So have automatic shutdown. It's like a stop-loss for trading, right? And if you see this thing going down, you shut it down, and that's what I love. You shut it down. If you outsource it, by the way, and you have a good outsource partner, they won't charge you during the shutdown. So you're always maximizing your return on investment.

Make sure that you're meeting weekly, that somebody in your company's meeting weekly with your SalesGen team or your SalesGen outsource team. Why? Because a week you can start [01:38:41] **burying**...you know, every customer contact is precious. Everything is our reputation. If something goes sideways, you need to address it now. Make sure they have highly educated and skilled businesspeople on the team, constant and never-ending performance coaching. That's like [01:38:59] that Michael [01:39:00]. And he was talking about that, "I have good people but I want them to be better." I do too. You do too. That's why we're all here. That's why you're sitting there. It's not that you're not good at what you do. You are good at what you do. The greats want to be better, and they want to be coached so we coach them.

What makes it different and where we see a huge amount of success is when you can emotionally connect with the decision-maker. So a lot of times it has nothing to do with the product, it has everything to do about just a connection, and rapport wins more sales and loses more sales than any other thing, and that goes all across the chain. So what I teach in our sales training class is if your product is equal to a competitor's product, who's the competitive differentiator? It's the sales rep. It's their ability to truly build rapport, a deep understanding, to be able to communicate benefits and express them differently. That's what representation is.

So that's number one, is whatever you do, the more you can emotionally engage...and I get downright personal because people respond to that. They're willing to say, "You're not like everybody else." I want to make...I really do...my clients are my best friends. I'm going shoulder to shoulder with them and they understand that I'm really there for them, and that's the way I want you to communicate to your clients because that's how you're going to break through that MADD. Marketing people [01:40:44] they're going to feel that difference. So emotionally connecting to them, number one.

Number two is be an educator. People like education. That's why you're here. So you talked about going to trade shows, which I think is [01:41:01] **brilliant...oh, back there, with your product, get in front of the room.**

When I talked to Joe, I said, “The only way that I'm coming here is if I stand in front of the room, because I want to educate.” I'm not here... I'm here to learn because as a manufacturer with my laser device, [01:41:19] things on your side of the table. But I have something to teach, I have something to share, and I have something to educate people with that whether you use my services or not, that hopefully you're inspired to do whatever it is that you do a little bit different and a little bit better. And so if I educate you first, that's key. So we do studies and we do the white papers and all this, but get in front of the room at your trade shows, teach your audience something. That's a clear differentiator.

Be a thought leader in your space. That's what I love what Joe brings to the table with this 245,000 members. You can stand up and just say, “Listen...” And you have to know more, knowing something you can't fake. People will smell it right away. If you're full of baloney, they're going to find out. But if you really know what you're talking about, get in front of the room.

Another great thing – magazine articles. Write articles in the periodicals in which your market reads. I author all over. Homecare is a huge market for us. You cannot turn around without seeing my face in homecare. That's where we're positioning because, to your point, 10,000 boomers are retiring every single day. So we want to be the face in that place for all the manufacturing that's going on in there, because if you're in the US and you want to sell product, I want you to think of one name. So we started that campaign five years ago. If you can't get in front of the room, write something first and send it to them, and if it's good they'll print it. They're craving for good content. Every magazine, every blog, they are looking...they get so much crap, that if you have something that shines above everybody else, that really educates in a different manner, you'll get there. So I would call the editor, back to the phone, and say, “Listen, I have this article that I want to write about why drugs are not the answer for back pain and why you should look at this lumbar orthotic product. Can you just read this? If you do want to reach out to...”

[01:43:25]