

Asking the Dan Sullivan Question

Hey, everybody. I know that one of the big struggles that we have when it comes to marketing and sales is the actual sales presentation because we really don't have any structure. We don't have a formula to follow. That is, until now. What we're going to be discussing here today in this action plan is the consultative close or the collaborative close. Now I have to give credit where credit is due. This is from Frank Kern. I learned this from him. He's a very smart guy. You guys should follow him just for all of the wisdom that he imparts. But this comes from him and what I did is adapted it for our industry. That's what we're going to walk through today.

Now, before we actually get into this, to get into this formula that you're going to use, let's talk about some of the struggles that we have when it comes to selling our clients, when it comes to the actual meeting, where the rubber meets the road. I took a little informal survey at one of the intensives that we did, asking people what do you struggle with when it comes to the close? What do you struggle with when it comes to actually asking somebody for their business? There were a lot of things that came up, but the recurring themes that kept coming about is, number one, and these aren't in any particular order, but first and foremost, hey, I kind of pitched the price way too early in the entire process. When do we actually put the price? What do we do? How's the formula that we follow? We'll talk about it here in the consultative close.

Staying on point. Making sure that we don't wander. Making sure that we don't let our prospective clients wander. Making sure that we are following an approach. Again, just having that structure is an important thing and that's the next part.

Not having a structure. Feeling like every time you do one of these, every time that you're in front of a prospective client talking about your services, there's no formula. It's just kind of like haberdashery. We just are doing stuff for the sake of doing stuff. We don't want that. We definitely want a structure.

When to discuss price. All right? The timing of that is very important and we will talk about that in the formula. Then also, last, is how to reject a client. How to say, "You know what? It's not you. It's me." We'll talk about that very end because that's not something that we're going to do at this consultative close. Or that's something that we would do at the end of it, but it's probably become more evident.

Those are some of the struggles that we all have when it comes to the sales presentation. Now I want to tell you first and foremost as you go into this, remember we're all about delivering a value first mentality. When you learn this formula, you're going to understand that you're giving away a lot of information, you're giving away a ton of value. A lot of clients at first or some of the prospective clients, I should say, are probably not going to take you up on your service. You have to be okay with that. You have to understand that you did get a form of payment in putting value out into the world. At some point, you will be rewarded for that. But if you're doing this the right way, and if you filtered clients and gotten down to the right prospective clients, when you get to this point, your close rate should be very high. I'm talking 80% or higher.

Now remember, getting them to this close point, they already know your minimum prices. They've already come through the filters where you've told them things that could spur them. If they're thinking it's going to be 100 bucks and your minimum starts at 500 or a thousand, you don't want to spend time with this because this is going to take you time. This is going to take you research. This is going to take you doing some exploration and then having this call. It takes energy and it takes effort and it takes not any money, but there is stuff that is expended on your part. Some people will say no, and you got to be totally fine with that. But if we do a good job, and that's outside the scope of this action item, talking about the consultative close, but if you've done a good job of filtering the prospective clients, when they are here, they're highly qualified. The ones that aren't, that very last point that we talked about, how do we say no? We'll talk about right here.

Now the very first thing that we want to do, so let's just put this in perspective. A client has Or a prospective client has been made aware of us. Maybe we met them at a networking event. Maybe they downloaded a checklist that you have. Maybe they were referred to you by a referral partner. It doesn't matter how they get to this point, but they've been made aware of you, first and foremost.

Second thing is that you've had some form of communication with them. Going through your filter, this is one of the things where we're just having that five-minute conversation with them to make sure that they pass the smell test, that they're not weirdos, and that we actually want to proceed forward. This, along with the other filtering processes that we use, and all this to get down to this point where you're going to have a one-on-one call or a one-on-one face-to-face with this prospective client. The consultative close is just that. Or it could also be called the collaborative close. I believe that's what Frank Kern calls it. But this is where you're really giving away that value.

Here is the formula that you're going to follow. By the way, we'll leave this document right down below so that you can use it and you can make it your own. But the very first thing that you're going to do is you're going to start with a Dan Sullivan Question. The Dan Sullivan Question, that's a great book and you should probably go buy it on Amazon. I think it's pretty cheap, like 10 bucks. But go and buy that. It's a very simple question. I just want to make sure that I read it off because I adapted this for our industry.

But it basically it says, hey, if we were having this discussion one year forward from today and you were looking back over the previous year, what has to have happened in your business for you to feel happy with your progress? Basically, where do you want to be in a year? Let's look out a year and let's look back. What has made you happy about your business? Where have you gone? That's a very important thing to do. This is something that a business owner, number one, has ever been asked by somebody external to their business and probably have never internalized this question unless they've read Dan Sullivan's book or heard about it from some other way. But just doing this, this sets the conversation off on a positive tone and it sets you apart because what are you doing here, asking a question that's a very probing and a very good question and something that they need to think about.

What we want to do is we want to draw from them all the different things. We're not just talking about bookkeeping, we're not just talking about dollars and cents and finance, we're talking about everything. It might be, you know what? I'm working 80 hours a week and I want to reduce that to 40 hours a week. Great. We're documenting that. By the way, whether I'm in person or if I'm doing this through Zoom or some sort of ... Most of us are virtual, so we're not going to be doing this belly to belly. We're going to be doing this virtually. I'm taking copious amounts of notes and I'm telling my client, my prospective client, that I'm going to be doing that because I want to make sure that I can understand everything. By the way, we're going to be giving out the proposal, so to speak, inside of this consultative close, so you don't have to go back and create a proposal. This is so much easier. But we're starting with that Dan Sullivan very first question, where do you want to be in a year from now? What has made a success for this past year for your business? You're writing down all the different things that they're talking about and documenting it.

We're writing down, it could be, hey, I want to stop working 80 hours a week and 40 hours a week. I want to double my revenue. That's something that you could possibly help with. There're things that you can help with, there's things that you can't help with, and there's things that indirectly you can, and we'll talk about those here in just a second. But I want to list out every single thing that they want. What I want to do is really kind of get the ones, I want to be thinking, what are the ones that I can truly help this business owner with? Truly help them means that you have experience, you know how to deliver the value, et cetera, and all of that.

Now, once we've listed, let's say that we've listed five different things, now I want to say, hey, which one of these is most important to you? Which is most important? Giving that example before, it might be reducing my hours to 40 hours a week. Then beyond that, what's number two? Doubling my income. Okay, great. Now there's a lot of components to doubling your income and we'll get back to that here in just a second. But I understand what is most important to this prospective client. Again, asking them questions that they never asked themselves or anybody else's ever asked them.

Now, it's not just enough to identify what's most important. Now you're going to ask them, why is that the most important thing? We're going into the five levels of why. We're getting them to articulate why it is that they want that. 80 hours to 40 hours a week because my family doesn't know who I am. I'm always at work. I'm exhausted. I want to be able to pick up my hobby of bowling, whatever the case may be. We want to dive in and one level of why is typically not enough. I keep asking, I want to get to that underlying reason. It might get to the point where, you know what? My wife is going to divorce me if I don't stop working this much because I'm never at home. That's a very emotional, visceral level. Obviously, we want to get there. We don't want to keep pouring salt in the wound or anything like that, but I want to understand truly what it is that they want and why they want it.

Now, you're doing, again, something that nobody else has ever done with them. Getting to the brass tacks here, understanding what it is and what they want. Now, let's say that they've

identified five things and we've said, "Hey, these are the three most important," and let's say that one of those is doubling their revenue. This is something that we can indirectly help with.

Now there's a lot of components of doubling their revenue that we need to break down and give to them. But what we're going to do is we're going to do something called going from point A to point B. All right? Or this is a where are they now, point A, and where do they want to go? We've asked them where they want to go as it relates to this. What do they want to do? They want to 2X, their revenue. Right now they have X. They start at X and then they go to 2X. That's what they want to do. All right. Great. You can certainly help with this, but getting from point A to point B, that's what we want to do. I want to put this down and if I'm able to, if I'm able to write this in front of them if we're belly to belly, or if I have a screen-share, I want to have some slides in which I could do this, or just walked them through it at first. Start with a very basic approach. Don't worry about the technology and all the stuff that you need to do later on down the road. We can ninja this up. But right now, let's just get this basic and let's get this going.

"You've told me that you're at \$500,000 in revenue now and you want to get to \$1 million in revenue within the next year. Is that correct?" "Yes, that's correct." "Okay. Now I want to ask you something because," and this is me playing character, "I want to ask you something because doubling your revenue, that's a good thing, but let's talk about your, net income. Let's talk about your bottom line. What do you want that to do?" Because this business owner might just be focused on top line revenue and this is one of their struggles. What you're doing here is already delivering value, already helping them to see what they truly want. truly what they want, they don't want the top line revenue, they want the bottom-line revenue. "All right, well I want that to double as well." Then at that point is where I'd say, "You know what? What I found in most businesses when they're doubling revenue like this, they're doing more than just doubling profitability. I won't go into all the components of that, but I think that we should be a little bit more aggressive. Let's say that we two and a half times your net income. I'm not saying we can get there, but I'm just saying that's something that we should look at."

Okay, great. What have I done right here? I've let them in on a little bit of secret that when you are increasing your top line, your bottom line should be increasing at a faster clip, at least when you're this size of business. I know this because of working into my niche and all the other things that we talk about here in lab, making sure that I understand them, understanding what it is that they want. This right here is revenue. This is what they want in terms of revenue. Then up here would be profit. I know this is kind of backwards, but bear with me here. Profit is here. 2.5X here. Let's say that this year, over the past 12 months, they earned \$100,000 on \$500,000 in revenue, top line revenue. Now they want to go to \$1 million. What would that mean? 2.5 times \$100,000 in profit would be \$250,000. They're increasing their profitability as a percentage and, of course, they're increasing it as a number.

This is one of the things that they articulated that they want. We're saying, and we're scoping it out, and we're continuing to reaffirm, "This is what you want, right?" "Right. That is exactly what I want." "Okay. Great."

Then we may have a couple of things that relate to us. One of the things that they may say is that, "You know what? I'm tired of not understanding my financial statements." That's a very important thing. As it relates to this, it's very important that they understand their financial statements because that's the engine of their business. The money that comes in, the money that goes out, the balance sheet, the statement of cash flows, all of these are integral parts of doubling your revenue and two and a half times-ing your profitability. I want to get down to the levels. I want to understand where they are struggling.

This is something that I would bring up overtly to my potential client. "Do you truly understand your financial statements? I've found that most of my clients, they don't. I'll tell you, you're not alone. Most people struggle with this because they've never been taught. Heck, if I didn't go to school, if I didn't get training on this, I wouldn't understand them either. It's okay to not understand your financial statements." A lot of people don't want to admit that. A lot of people just assume, hey, I'm a business owner. That means I'm supposed to know everything. all is fair and I understand it. That's not the case. Let's say that one of the other things, in addition to the revenue, in addition to the profitability, is they truly want to understand their financial statements and they want that because it's going to help them right here.

That's the first section I want to talk about here with the consultative close. Now we're going to go, in the next video, into the deeper layers of it and we'll end up with the actual giving of the proposal, as well as some other ninja tactics that you can use down the road with the consultative close. I'll see you in the next lesson.