

# Path to \$10 Million



How do you get from \$500,000 to \$1 million in sales?

How do you grow from \$1 million to \$3 million?

What does it take to get to \$10 million?

Welcome to our series entitled “The Path to \$10 Million.” Our purpose is to provide insights for your entrepreneurial journey by sharing articles, tips, interviews, and a plan on how you can get to your first \$10 million in sales.

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# **7 Questions That Help You Focus and Find Your Personal Path to Success.**



“Feels good. I’ve hit a level of sales that I’m proud of, I’ve worked hard, but ... I now realize ... future growth is all up to me: my sales, my prospecting, my relationships. Hiring one admin person helped, then another, but it’s not enough. I need to grow bigger, faster, yet I’m at capacity. If I had another person just like me, we could double our energies and really grow.”

Sound familiar?

The thought crosses every entrepreneur’s mind at some point in their journey: *If I had another person just like me.*

This next step in the evolution of the entrepreneurial journey is a tricky one: How do you hire so that you proliferate sales growth. Hiring someone just like you could be a big mistake; you need to hire for the role that the business needs for its next season of growth.

For example, do you hire an outside sales rep to focus on business development? Do you hire an inside sales



rep to work with existing accounts while you focus on business development?

To answer these questions, you need to know your place in the journey, next. Here are seven questions that can help focus and clarify your next step toward success:

1. If you could remove all the busy work and focus on only one thing for your business, what would it be?
2. What part of the client relationship do you enjoy the most? Working on merchandising projects for the customer? Resolving problems for the customer? Seeking and landing new clients?
3. What work do you enjoy the most? Not position, or title, or status, but the work itself, the tasks; work that, when you are doing it, it is exhilarating, enjoyable, and time flies. Do you prefer working with people? Things? Numbers?



4. Another way of discovering this is to go over the past quarter's success: What projects are you most proud of and why? What role did you play in their success?
5. What could you accomplish for your business if you were operating solely within your strengths or doing only the type of work you enjoy?
6. What do you see yourself doing five years from now in your organization?
7. Or, think of this scenario: It's ten years down the road, you have all the help you need, and you can choose which job you will do, what will you focus on? Will you concentrate on managing the business? Selling?

You might enjoy multiple aspects of your work, in fact, the industry's infinite variety usually appeals to the entrepreneur. But to maximize your efforts, you need to narrow your focus and specialize. It's imperative that you discover your unique value to your business.





It's tempting to step in and fulfill whatever role is required, but this comes at a high cost: by focusing on need rather than strengths, you could spend a lot of negative energy in a role that you despise, which could lead to burnout and outrageous opportunity costs.

“Strengths are not activities you're good at; they're activities that strengthen you. A strength is an activity that before you're doing it, you look forward to doing it; while you're doing it, time goes by quickly and you can concentrate; after you've done it, it seems to fulfill a need of yours.” – Marcus Buckingham

If you are still struggling with which role is right for you, consider taking a reputable personality test (like the [Myers-Briggs personality test](#) – our Vice President of Sales swears that this test is the best way to discover your strengths!)

Or, ask a few trusted customers their advice. You can sometimes transform customers into advocates by



involving them in the next phase of your entrepreneurial journey.

Finally, if you still can't determine your strengths or your preferences, pay close attention to your non-work life: What hobbies do you enjoy? Why do you enjoy them? What you do with your discretionary time is sometimes key insight into who you are and where you can best serve your company.

I once interviewed a quiet, demure woman who hardly said a word from the time I shook her hand. She was interviewing for a business development role and had experience in sales but, after some quiet and tense moments, I could not see this passive person as a successful sales driver. Out of exasperation, I finally said, "You don't have to answer this but, are there any hobbies you enjoy outside of work? The reason I ask: there might be indicators in your hobbies that would help me understand you better and determine if this role is the right fit for you."



“I’m a kickboxer,” she replied.

I laughed. In one statement, she told me she was driven, goal-oriented, and loved to win, an ideal sales candidate.

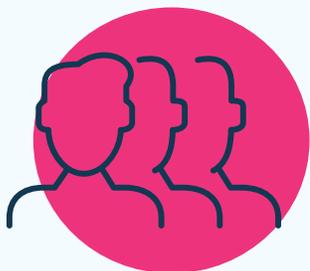
Thriving within your strengths and doing work you enjoy is a far more pleasurable and productive journey to success. It means that you won’t waste a lot of energy (and time!) pursuing the wrong path.

It dramatically reduces your opportunity costs, and it’s the primary starting point to building a capable team around you that can handle every aspect of running a successful business.



A large, stylized number '2' is rendered in a dark pink color, positioned in the upper half of the page. It is composed of several overlapping, semi-transparent layers, giving it a sense of depth and movement. The background is a solid, vibrant pink color.

**3 Critical Roles  
in a Promotional  
Products  
Distributorship.**



There's a false notion in our industry that the role of a salesperson is more critical than that of a production person or an inside sales rep: nothing could be further from the truth. The industry is too intricate and complex to consider any one role indispensable. Lose a critical support person, and you'll quickly get a crash course in teamwork!

Moreover, in any business, there are internal leaders and external leaders. External leaders lead by title, they lead the organization because that's their job (CEO, Director, Manager). But there are internal leaders as well, people who lead from within. The leadership they provide might not be specified on their business card, but they are influencers, change agents, and positive forces for the future of the business.

This section helps define a few of the critical roles in virtually every promotional company regardless of their stage of growth. These roles can lead to your own personal fulfillment (discovering which role you prefer)



as well as provide a guide for ensuring that you have key team members in these positions as you grow.

There are three critical roles in the promotional products industry:

## The Architect, the Driver, and the Nurturer: Which role are you?

Type	Personality Traits	Passions (What they love)	Work Values
<b>Architect</b>	compassionate, methodical, conscientious	teamwork, symmetry, business process, helping others thrive	efficiency, exactitude, optimum workflow
<b>Sales Driver</b>	driven, ambitious, zealous	selling, prospecting, closing, new opportunities	winning, exceeding expectations, growth
<b>Nurturer</b>	positive, responsive, thorough, detail-oriented	growing sales through relationship, being the hero, making people happy	positive feedback, consistency, happy customers

- 1. The architect loves business-design.** Loves putting together a team to make one successful entity. The architect thrives on symmetry, on business process, on placing people in fulfilling roles, and on the unity of success. The architect is compassionate, methodical, and conscientious and values efficiency, exactitude, and optimum workflow.
- 2. The sales driver loves winning.** Loves the art of the deal and all aspects of selling: prospecting, closing, and creating successful client relationships. The sales driver is the hunter. They are obsessed with success and exceeding goals and are ambitious, zealous, and passionate about unlocking the next level. They thrive on growth, goals, and getting it done.
- 3. The nurturer loves to please:** To nurture means to “help develop, help grow.” The nurturer is the farmer. Someone who loves the client relationship. They love being the hero to their customer and making their customers happy. They enjoy growing sales through happy customers. They are positive, responsive,





thorough, and excellent at details. They thrive on positive customer feedback and excel at turn-around opportunities. The nurturers are the backbone of this industry.

### **Knowing your role can help you build a team that is well balanced and complementary, for example:**

- If you are a **sales driver** and you excel at business development, you should build an inside team that can focus on client nurturing while you focus on sales and prospecting (ensuring you don't lose valuable clients while you turn your attention toward new opportunities).
- If you are a **nurturer**, you should recruit business development reps who focus on prospecting and bringing in new business. This is one of the most critical aspects of your business: ensuring you have enough new business coming in (as the business will always cycle).



- If you are an **architect** you might need both nurturers and a sales drivers on your team, however, depending on your size, you might not yet have the sales volume to affordably hire both. In this case, typically, most architects would serve well in a nurturing role until the business grows to support all three roles.

Coach Phil Jackson, winner of eleven NBA titles, knows the power that each unique role plays on a team, he once said that “The strength of the team is each individual member. The strength of each member is the team.” The sales driver, the nurturer, and the architect are critical and interdependent roles that provide a foundation for a strong distributorship. Understanding the three critical roles not only helps you recruit and train the right people for the right position but can provide clarity around which role you choose as a leader.



# The 5 Stages of Business Growth.





Though most days might feel like a sprint, entrepreneurship in a promotional products distributorship is more like a marathon.

The journey requires endurance, as there are multiple transitions, including ecstatic wins, harrowing losses, months of chaotic increases, sluggish seasons of stagnation ... in short, all of the variables one can experience between the start line and the finish.

And just like a distance runner who paces their run to win, entrepreneurs must also carefully plot their decisions for long-term success and approach their run with a similar outlook.

“Concentrate on small segments of your race at a time,” wrote Jerry Lynch. “For example, rather than obsessing about the distance that remains, simply complete the next mile in good form...try another, then another, until the race is done.”



We have analyzed the growth patterns of a typical distributor's entrepreneurial journey and have identified five distinct stages. Each stage has unique challenges and opportunities; being aware of these before you cross each stage will help ensure you pass successfully through. We've described each stage below and included tips, suggestions, and resources to help you cross the finish line:

## **Stage 1: Market Validation**

**Market Validation** – you make your first sale! Market validation is exhilarating. It is when your crazy idea, or your bold new risk is merited by someone's belief in what you are selling. It's proof that you have found a market.

- **The challenges:** One common challenge at this stage is your network. Typically, most entrepreneurs will leverage their existing network to sell to; the challenge is, this network is soon exhausted.



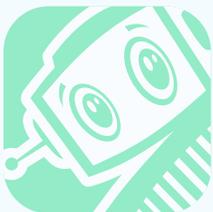
Know that you have a limited audience at this stage and that you should be looking ahead at the next stage in your journey.



- **The opportunities:** Advocacy. This is the time to develop your fanatical fans. Ensure that every customer has a positive experience. And, share your journey with your customers, involve them in your story. Word of mouth is gold at this stage. Most people want you to win, and if they have a positive experience they will tell everyone they know, but **be sure and remind them to refer a friend**, as referrals are the lifeblood of a business.

## Stage 2: Repetitive Proof

**Repetitive Proof** – Customers are coming back to buy again and repeat business is beginning to provide a steady source of revenue.



- **The challenges:** This is the season when you begin to build your internal team. You want to replicate the

same TLC that you provided (consistency is key!), and you can't be too careful at this stage to get the right people on your team. In fact, Jim Collins, author of *Good to Great* wrote that, "A company should limit its growth based on its ability to attract enough of the right people." For help with this, check out our [Guide to Growing Your Team](#). Also, refer to the next chapter where we will talk about infrastructure options for your distributorship.

- **The opportunities:** Square power. Yes, the principle of math is handy here. Apprenticeship is an outdated word, but in reality, it's still the method employed by most people who train employees. In an apprenticeship, someone works closely with you to learn the business and adopt your ways of providing the same service (with the same skill and passion that you do). The opportunity here is to make sure you hire right and invest conscientiously in your team. If you concentrate on proper training, each new hire can help train additional people who come aboard and, in this sense, you are able to multiply your efforts





through the simple act of apprenticeship. Another opportunity at this stage is to begin rewarding word of mouth referrals. Never forget those early clients who believed in you, they are still your biggest brand champions!

### Stage 3: Investment

**Investment** – The anvil (this season is sometimes called the “trough of sorrow”). An anvil is a block of steel that you use to shape metals. The anvil is the basis for building the tools that you will need to achieve larger success. In this season, you have enough volume to start to invest in systems and processes that will provide a strong foundation to duplicate success and scale your business.

- **The challenges:** It is called the “trough of sorrow” because of the tension due to imbalance, you often invest in people and support infrastructure at this stage before you have the profit to cover it. It’s a delicate balance, one that requires a keen eye on the



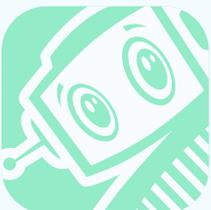
financials and a close watch over proper team development.

- **The opportunity:** This is one of the most critical stages for future sustainability. Systems and procedures are your core assets, so your opportunity here is to invest wisely. Michael Gerber in *The E-Myth Revisited*, wrote that “the Entrepreneurial Model has less to do with what’s done in a business and more to do with how it’s done. The commodity isn’t what’s important – the way it’s delivered is.”

## Stage 4: Scaling

**Scaling** – Making money again! Payoff time: the blood, sweat, and tears are worth it. Investments begin to pay off as you watch the hard work of team building, infrastructure creation, and customer satisfaction grow.

- **The challenges:** Typically, this is where you begin to increase management oversight. The challenge is structuring the right balance of key personnel to

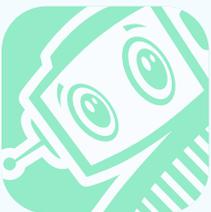


help provide more leadership to your team. Keep an eye on your gross profit per employee at this stage to ensure that you don't strip the business of operating profit.

- **The opportunity:** Now that your infrastructure can be amortized and leveraged across a bigger team and more sales, you want to make sure your compensation plans are built to inspire growth. It's OK to make tweaks to your compensation structure as your business changes, just be sure to clearly communicate the reasons and the benefits to each person involved.

## **Stage 5: Organizational Specialization**

**Organizational Specialization** – Now that you have a team producing more and more work, you will begin to develop an expertise in special niches. Salespeople will develop confidence in certain segments of the business (this can be product categories like awards programs, specialties like incentives or company stores, expertise



in industry verticals, or creative specialties like custom products and fashion-forward merchandising).

Roles within your organization become more specialized as your team grows and your salespeople start developing niches.

- **The challenges:** Spreading yourself too thin.

One of the most dangerous areas for a distributor at this phase is to become all things to all people.

The opportunities in the promotional products industry are immense and, though it's tempting to say 'yes' to everything, it would be unwise. Instead of catalyzing your team around a market niche, you could water down your effectiveness. Instead of a team and unity of one, you would create small "mini-businesses" within your company, diluting your profit, reducing your effectiveness, and increasing your overhead, leading to a strain on your entire infrastructure. Instead of being efficient, streamlined, and focused; your operation could become bloated, sluggish, and complex.



- **The opportunities:** Clients will generally lead you toward your unique value proposition. Pay close attention to these niches. With an eye on the market and your margin, notice how much competition you have in these categories. Refine by testing and proving your concept over and over. Your largest market advantage can take place in this season. Once you determine what those niches are for your unique value proposition: double-down and focus.

Entrepreneurship has its own rewards. Though we have been speaking in terms of winning a marathon, much of the joy you will derive from your journey is the run itself, not the finish line.

These five business stages not only represent watermarks for your business but also defining moments for your life. It's where you test your mettle, push your limits, and realize the joy of building something that you are proud to be a part of.



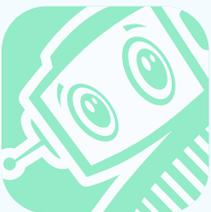
It's a good reminder that we are not merely aiming at some pinnacle of success, we are achieving success at every successive stage. As one commentator put it,

“

***“Everyone wants to live on top of the mountain, but all the happiness and growth occurs while you’re climbing it.”***

***- Andy Rooney***

”





**4 Mistakes to Avoid  
When Hiring  
Promotional  
Products  
Salespeople.**



Exponential sales growth requires recruiting, getting the right people “on the bus.”

The phrase “on the bus” comes from *Good to Great* by Jim Collins, a book that Forbes magazine ranked as one of the most influential business books of the past 20 years.

Jim’s team interviewed 1,435 good companies, examined their performance over 40 years, and featured shared principles from 11 companies that grew from good to great. “Getting the right people on the bus” was a principle of recruiting success woven through each of the great companies studied. Collins stresses that the “who” precedes all other business decisions, “before tactics, before technology, before business ideas, *before everything.*”

Since the promotional products profession is a sales driven business, how do promotional products distributorships recruit the right *salespeople*?

To answer this, we first must abolish a few prevailing



myths that prevent success; we'll call them "the four e-myths":

## **E-Myth #1: The Experience Myth**

If you speak to successful promotional products distributors about hiring salespeople, you'll discover that many prefer candidates *without* experience in this business. Why? Experience is rarely a direct route to success.

When distributors hire a salesperson from another distributor company, what they are typically hiring is both the person and the network. They erroneously believe they are *buying a book of business* which is only sometimes successful because promotional products customers are more like annuals than perennials.

"Annuals" are plants that bloom and die in one growing season, they then need to be replanted each year; "perennials" are plants that have only been planted once and come back every year.



The industry-experienced salesperson they are recruiting is demonstrating their ability based on history. The rep might have the same clients as last year, but those clients might not have the same budget and the same projects, so the rep must “replant.”

Distributors who recruit heavily within the industry think (or hope) that they are buying perennials: customer relationships that were planted once and come back every year. Every promotional products professional knows that January 1st is a new growing season.

Some distributors believe that the more industry experience a distributor has, the faster that salesperson will succeed, not so. One crucial aspect missing from an experienced salesperson’s resume is the support they had which helped them succeed. There are no independent success stories in this business (see myth #4, the lone wolf), and, if there are solo success stories, they are almost always sub \$250,000 in sales.





It will save you a lot of time and misery if you understand that, when you are hiring a salesperson, you are not hiring for experience or their network, you are first and foremost, hiring for their ambition, their eagerness, their talent, drive, determination, and grit.

## **E-Myth #2: The Extrovert Myth**

In Dan Pink's book *To Sell is Human, The Surprising Truth About Moving Others*, he wrote: "The conventional view that extroverts make the finest salespeople is so accepted that we've overlooked one teensy flaw: There's almost no evidence it's actually true ... one of the most comprehensive investigations, a meta-analysis of 35 studies of nearly 4,000 salespeople, found that the correlation between extroversion and sales performance was essentially zero (0.07, to be exact)."

But neither are introverts the answer. Instead, what Dan Pink suggests (and what studies have proven) is that successful salespeople are ambiverts, ambidextrous



people who are both, “a little bit extroverted and a little but introverted.” These folks are more effective because ambiverts can adjust to any situation. If they need to listen more, they return to their introverted nature. Likewise, if they need to buckle down and get through a major research project for a customer, they can, or if they need to be outspoken, ambiverts know “when to speak up and when to shut up.”

The promotional products business, at its core, is a consultative business that is *transaction based but purpose driven*. Every transaction is the result of some purpose the client is trying to achieve, so skills like listening and problem solving become more important than convincing and converting.

### **E-Myth #3: The Everything Myth**

The third hiring mistake is hiring salespeople because they can sell *anything*. Successful salespeople are rarely good at selling “everything.” In the promotional products industry, what this translates into



is a rep who actually tries to sell everything. When you examine the most successful promotional distributors, you'll discover that they eventually focus on market niches. This means they develop teams to focus on these specialties and then recruit for talent, initiative, and drive. Sales specialties are a learned skill, so when you hire salespeople, you seek intangible traits like curiosity, self-learning, adaptability, and focus.

### **Hiring E-Myth #4: The Ego Myth**



Another hiring myth is that people hire for the wrong type of ego. We are all familiar with the bad ego, an “inflated feeling of pride in one’s superiority to others.” It goes without saying, this type of ego is disastrous. But sometimes we’re enamored by that ego we’re interviewing, we’re impressed by the accomplishments and the confidence. But this type of personality is rarely successful in the promotional products business. As mentioned in myth #1, there are no lone wolf hunters. A successful promo professional is someone who is independent *but who values interdependence*.



They work well within a team. Team players help grow a more valuable, long-term business and help build a better culture of collaboration and growth; a lone wolf only looks out for themselves and can destroy a distributor's culture.

But there is a good type of ego. A very successful entrepreneur once told me, "I don't hire people who want to make more money, I hire people who have an ego." He went on to explain that people with the right kind of ego are less motivated by money than they are by winning: they have something to prove, they want to succeed. This drive and determination usually *leads* to money. If salespeople are attracted solely on the basis of money, they will leave solely on the basis of money.

Those who are driven by good ego will suffer the lean years to get to the more fruitful years. In the promo business, this adaptability to seasons of success and failure is a *crucial* trait, as lean years can hit even the most successful sales reps, even after years of tremendous growth. But they survive because their



motivation is intrinsic and internal. You can't replace drive and determination with dollars.

All the traits we've been discussing -talent, initiative, drive, curiosity, self-learning, collaboration, eagerness, determination, and grit- blends into the type of salesperson who is not pushy, demanding, and outspoken egomaniac but rather, someone who is simply responsive, helpful, and humble.

Jeffrey Gitomer, who trained thousands of salespeople, summed it up best:

“

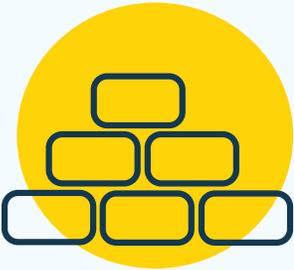
***“Great salespeople are relationship builders who provide value and help their customers win.”***

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**Bold Ideas on  
How to Build a Better  
Promotional Products  
Support Team.**



“Strategic investment in infrastructure produces a foundation for long-term growth,” wrote businessman and troubadour Roger McNamee.

No truer words have been spoken when it comes to building the infrastructure of your distributorship. Only with a strong foundation are you able to support a business that can reach ever-increasing growth and new levels of success.

Following are six bold ideas on how to build a successful production team. (For those that might be new to the business, a production team consists of the non-sales roles in your distributorship. Each distributor has their own nomenclature for these positions, but they are often called traffic coordinators, sales coordinators, account coordinators, order processing employees, and more).

These tips are unvarnished and somewhat unconventional, the kind of tips I would share with someone over coffee, I hope they provoke your thinking



and help you focus on long-term success.

## **Hire for attitude.**

There are a million products available in this business, how are you going to master them? You won't.

And neither will they. So, when you hire for these roles, what you are seeking are non-tangible qualities. Here's a short list:

1. **Curiosity:** They will need to learn about a thousand different decoration methods. A hundred different shirt options. A thousand cup styles. A curious mind will guide them and keep them engaged.
2. **Flexibility:** Pivot power. Your team will need to be able to pivot quickly. Supplier out of stock? Pivot. Missed ship date? Pivot. "Flexibility is a mental process which results in an action that tests a possible solution"\* Pivoting away from problems towards solutions is a special kind of mastery the pros know.





3. **Respectful Tenacity:** Sometimes, these folks will have to get very direct with manufacturers and clients, and they need to be able to do so tactfully and respectfully. They need to be able to affect change with the convincing force of a hurricane but through the sweet disposition of a gentle rain. Sounds strange, but, the best of them convince kindly, but with authority.

4. **Exactitude and Thoroughness:** A detail-oriented mindset tempered by deadlines. Obsessiveness about getting it right.

5. **Patience.** Grace under pressure. There will be high pressure in these roles from time to time, make sure they can handle it.

6. **Conscientiousness:** Give-a-shitted-ness. They need to care, strongly, about the outcome of each transaction.



7. **Interdependence:** Working on a team, sometimes with headstrong salespeople, requires an interdependent attitude: all parties must possess a confident humility and deference toward one another. “There’s not one specific thing or skill people have to have to work for us. But I can tell you why we fire people: soft skills. We hire for hard skills. We fire for soft skills. The ability to interact and communicate with others or behave ethically and take responsibility for things tends to be where people tend to break down.”\*

8. **Initiative:** Enough said.

### **Don't underpay these people.**

If you treat them as expendable, they will return the favor and treat your business as a pass-through.

The whole time that you think you are getting maximum output for minimal investment, they are submitting resumes to better companies.





These folks are as important as your sales team. Don't believe me? Wait until your first six-figure order goes through their hands to completion. Don't misunderstand, you must compensate reasonably, within the confines of your profits, but just remember that, without these folks, the smiles and handshakes of your salespeople are worthless.

For starters: build a compensation plan that rewards growth. If you do this, you'll avoid sandbagging. What's sandbagging? That's where your support team builds excuses (like sandbags) against the flood of new business you bring in (because you are under compensating them). What you want is exuberant responses about growth. Create an environment where everybody wins (not just salespeople) and they will welcome growth, not hate it. Also, by adding either a growth bonus or incentive plan to your support team, you'll encourage longevity and loyalty. Get creative: Anniversary bonuses, peer-to-peer reward systems, special days-off for particularly busy seasons ...



there are tons of unique ways you can show your respect for their hard work.

## **Education or abdication?**

Don't ignore their education. It's not just salespeople who need to be treated like career-minded professionals, be sure your production team has every education benefit as well. The more they understand the business, the better your business will be. If you do not purposefully educate your support team, you are abdicating your role as a leader. It's crucial you give them every benefit of learning possible. Your best talent will emerge from these groups. Often, your leaders of tomorrow are in support and production roles today.

## **Determine and monitor metrics for success.**

Just as with your sales team, find unemotional gauges for success. Metrics are different for every distributorship but there are ways you can measure support success. Maybe you evaluate by order count?



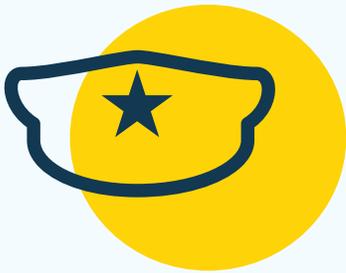
Error rate? Gross sales growth per team? Gross profit per team? If you measure by the numbers, you'll discover that some teams are more efficient than others (some might produce 20% more orders). Metrics will help everyone understand context, learn where there is room for improvement, and gauge performance.

### **Structure for maximum company profit.**

As you grow, it's common to divide support teams by rep, but one challenge with that model is that your most experienced team might remain isolated to one or two reps. Mix it up. Try structuring your team so that they are working with verticals (industry niches) or with specific disciplines. Structuring by rep or structuring by vertical both have their advantages. If you structure by client, you ensure that your best customers are working with the most experienced teams. If you structure by vertical or discipline, you allow your team members to develop expertise. However, every business is different, you will need to determine your structure based on your unique value proposition. The key point: Think through



the architecture of your support structure *as much as you do about sales*; without proper support, you will build a weak foundation.



### **The last piece of advice has to do with you.**

You are the lightning rod; you are the one they will come to when they are overwhelmed or upset or stressed. It is critical that you understand the cycles of your business, as well as a captain knows the response of his vessel to the volatile sea.

Times of placidity will drift by, seasons of epic storms will toss the ship about, but you, the captain, need to guide everyone to the destination: Happy customers.

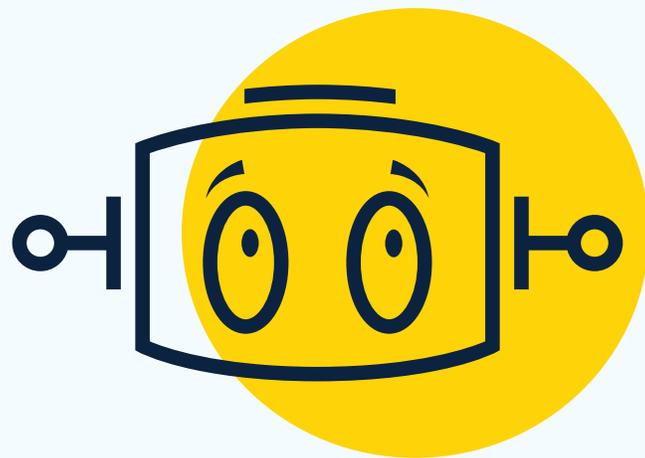
By focusing on the customer, the customer's objectives, and the customer's experience, you'll align every activity toward the right outcome, diffuse every disagreement toward a solution that matters most,



and develop an attitude of responsiveness toward the people who ultimately pay all of our salaries: the customer.

\*Pearl Zhu

\*\*Rick Stephens, Senior Vice President of HR,  
The Boeing Corporation



**The #1 Training  
Method for the  
Promotional  
Products  
Industry.**





Da Vinci apprenticed under Verrocchio from the age of 14 to 20, doing menial work in leather, carpentry, drawing, painting, and sculpting.

Proof that even geniuses need training.

Apprenticeship is an old word, but an apprentice is someone who simply works for an expert to learn a trade.

That's essentially what our employees do when they join our promotional products business; they informally enter an apprenticeship.

Apprenticeship has proven to be the most successful method of training in our industry.

Why?

I asked Catherine Graham.



We were both thinking through our experiences (and frustrations) of training employees through the years. She immediately replied, “It’s very hard to learn sales and product at the same time.”

Truth.

There is a supply side and a demand side to our profession, both of which are crucial to master.

Supply: Thousands (upon thousands) of product. Hundreds of imprint methods. Myriad complexity in manufacturing and distribution.

Demand: The multitudinous purposes our clients put to our product. Learning the nuances of managing customer expectations. Delivering a simplified experience to the buyer. Creating campaigns that generate results. The demand side of the business is as delicate, fragile, and complex as the supply side.





In addition to learning supply and demand, there are specialty niches to learn, like importing, e-commerce, incentives, company stores.

When you add to this, the challenge of adopting the crucial but intangible DNA of your unique value proposition and the importance of your culture, you realize that successful training is impossible without deep immersion. Gone are the days when a box of business cards and a catalog were sufficient for training a salesperson; “sink or swim” is no longer an option, they will sink. If Da Vinci needed training...

## **An Apprenticeship Success Story**

In a skucast episode with Ted Church of Anthem Branding, I asked Ted, “You are transferring Anthem’s unique DNA to your team, how do you ensure you replicate success?”



Ted shared a story:

“Back when we started Anthem, my business partner and I were wearing all the hats, we were managing all the client relationships and getting repeat and referral business, plus working to figure out the solutions. We had a designer and a production person, but we realized we needed help. So we brought in our first account coordinators to help us, and they were involved in every communication as we talked through client solutions. There’s a pretty steep learning curve in this industry. You can learn the mechanics of sourcing products and finding solutions, but to go through every type of experience -from the acts of God to the crazy sort of Murphy’s Law that happens, to being able to see 3-4 steps ahead and anticipate things- that’s a pretty long learning curve.

What we realized was that nobody could sell this business and sell the solution that Anthem provides better than my business partner and I .... what we needed was the execution of all those solutions that we’re providing for clients. So, we started slowly building these account teams out to manage those



client relationships .. and went to a team approach. Building these teams out, building a really great customer centric culture, and working on the values of what we bring to the table every day, -the purpose of our agency and what we're trying to achieve for our clients- that doesn't happen overnight, that happens every day and at every level and every interaction. That's how we put our DNA on this and how we started to lead the agency.”

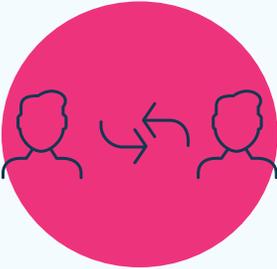
Like masters of old, we recognize that it takes time. Some estimate that an average apprenticeship can last anywhere from 3 to 7 years.

What does a full-immersion apprenticeship plan look like? Here are four models:

1. **The assistant model:** Your apprentice works under you in some capacity (sales support role, admin role) and they learn the business from the ground up.

2. **Side by side:** Your apprentice shadows you as you





work through solutions for clients. This requires patience and openness, as Ted mentioned, every interaction is important.

**3. Peer-to-Peer training:** Your apprentice works with you and your key team members through a rotation of training, resulting in a broad experience.

**4. Industry events/resources:** Industry shows, podcasts, articles. An abundance of training is available, be sure you make full use of it for your colleagues. Training without investment is wishful thinking.

The best training methodologies involve all four: working for, working with, and working alongside, you, your colleagues, and other industry professionals.

Many think that if they hire a dynamic salesperson, that dynamo will succeed due to their tenacity, but without successful onboarding, your odds of success are nil.

The industry overwhelms even pros who have practiced



for years; for new people, the complexity can quickly consume determination.

Since apprenticeships take time, how do you know the person you are training will work out? Two key factors:

**1. Do they remain curious?** Curiosity is a key trait.

Probably one of the most repeated phrases in this profession is: “OK, I think I’ve got this business down now,” until a curveball comes from a client, and you learn again. Curiosity is the trait that helps every pro in this business thrive. Are they picking up on imprint process, order processes, nomenclature, attitude/passion, and the soft skills of working with colleagues and the industry? If they are bored, they should move on. Curiosity is a strong indicator, it sustains interest and drives hunger for more.

**2. Are they challenged or overwhelmed?**

Being overwhelmed is normal, but when enthusiasm gets suffocated by impossibility, the industry might be too much for them. It’s normal



to be overwhelmed, but it should not cripple optimism. If they meet the complexity of this business with optimism, it's a good indicator they will succeed. As our friend Danny Rosin states frequently, "The best salespeople love complexity."

This industry is complex, but many seemingly simple things we admire are profoundly complex. Think of the incredible advancement of Elon Musk's Tesla or Apple's iPhone: Complex ideas made simple.

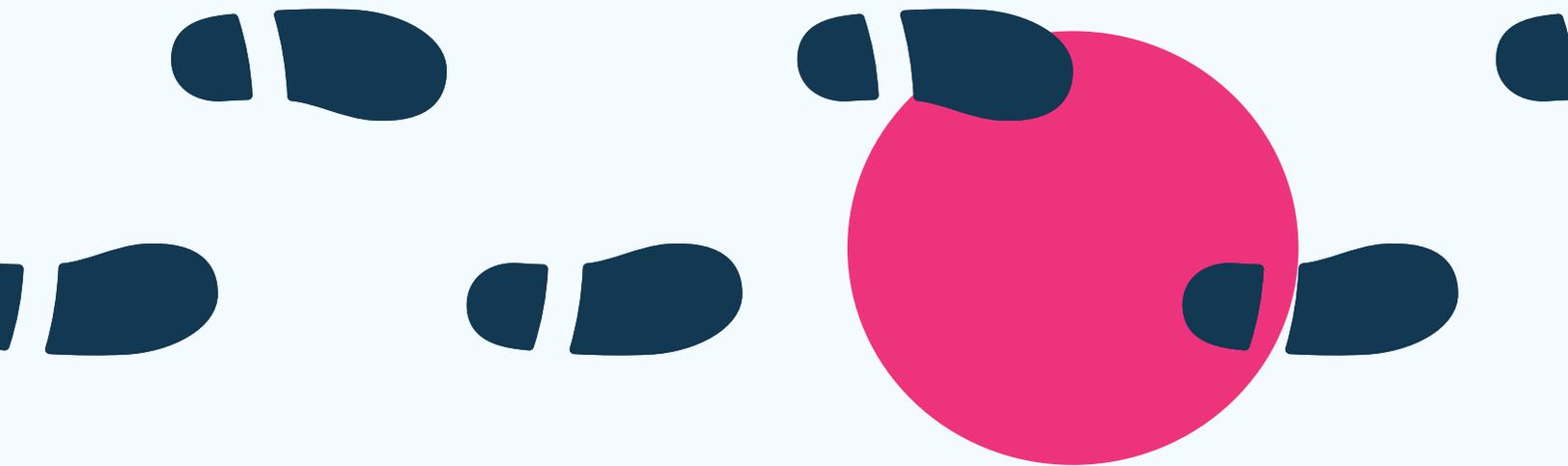
Our ultimate purpose is to transform complicated processes and product and evolve them into experiences for our customers that generate results. The only way to achieve this is to focus our training on long-term sustainability, not short-term success.

The #1 secret to sales training success in the promotional products business is to not take this complexity for granted and embrace apprenticeship as an intimate art form that requires dedication, time, and a purposeful plan.



“A long apprenticeship is the most logical way to success. The only alternative is overnight stardom, but I can’t give you a formula for that.”

– Chet Atkins





**8 Secrets to Protect  
Your Bottom Line.**



It happens to all of us at some point in our promotional products career: you finally convert that hard-to-reach prospect into a bonafide customer ... only to watch them mutate into the dreaded all-consuming-client.

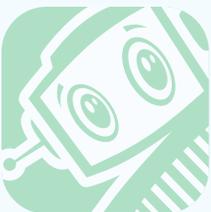
You know the type: Constant cost comparisons. Always looking for a “deal.” Too much hand holding. Slow pay. Never quite happy with the outcome.

Emotional vampires, they suck the life right out of you.

And then it happens, and the clouds part. You land a dream customer: fat margins, easy to work with, understanding when mishaps happen (as mishaps will happen), and pays on time.

Someone pinch me, you think. If I could only get more clients like this!

You can.



But you must steel your mindset: You're in business to

make a profit while enjoying your work. Period. Those two principles are not mutually exclusive. Making a profit usually has a direct bearing on the fun you're having in business.

Ready to start enjoying work again?

Here are eight no-nonsense principles of profitability, principles that the pros had to figure out the hard-learned and hard-earned way, principles that will protect your bottom line, maximize your profit, and bring your mojo back:

## **#1 Maintain an average margin per customer**

Most distributors know their average margin, but few analyze their average margin by client. Think of every client as a small business unit.

If you drop your margin to land an order with Client A, you need to make up for it elsewhere on another project. Analyzing your margin by client makes you





aware, it informs how you will sell to that customer in the future. Profit is the fuel in your economic engine, to ensure you don't run out, you must habit yourself to regular reviews of profitability: by month, by quarter, and by customer.

## #2 Create a “no-low-go” line

Establish a low margin, minimum threshold, a line in the sand that states, “we'll go no lower than \_\_\_\_\_% per order.” Sometimes it makes sense to go low, for example, you might have a big order opportunity with a reliable customer and a trusted supplier. But establish a standard and do not dip below it.

Most importantly, filter each opportunity through a risk assessment. Too many distributors are too quick to drop their margins to land a big order without a buffer to recover from the possible loss.



It is crucial you understand that there is such a thing as too low. What's the lowest? That's for you to decide.

One distributor summed up their minimum margin this way, “under 25 points makes no sense at all.” We can’t suggest what your low threshold should be but have one and stick to it, even in the lean times.

### **#3 Establish a first-time, minimum order threshold**

Distributor RIGHTSLEEVE has a minimum first-time order threshold of \$2,500. Sound too steep? When you consider the downstream cost to your operation to on-board a new customer (the time, energy, and risk), you’ll realize it’s not steep, it’s a protective mechanism. A minimum first-time order threshold keeps new colleagues from chasing bad business when they’re hungry. It keeps their focus on the right kind of business. The first-time order threshold exists as a yield sign; it makes you pause and assess the client opportunity. You might decide to take a \$500 first-time order with a client who has significant potential, but if you take that order without sizing up the annual spend opportunity, you’ve lost money on that order before it





goes out the door. A high entry point ensures you protect the integrity of the types of clients you serve, establishing a baseline for working with only profitable customers that represent real future growth potential.

#### **#4 Raise prices incrementally**

We often get stuck in the habit of quoting the same margin to a customer. Yet, some customers can increase their demands or services with you, but because you're afraid to lose the business, you stick with the same margin. The result? Your operating costs escalate and your net profit declines.

Or, perhaps you've improved your services to a customer. They love you and sing your praises. Are you reaping the financial reward for your well-earned praise? Incrementalism is a way to raise prices without risking concern. 1% or 2% average margin increases are hardly noticeable, and it is a fantastic way to gradually add profit back to your bottom line.



## #5 Establish a minimum annual sales threshold

This example will vary by distributor, but a quick straw poll among friends revealed that their minimum threshold of annual sales potential required for all customers is \$10,000-\$20,000 (this is for drop-ship customers with no additional TLC).

It's tough to predict what a client will spend, but a minimum annual sales requirement will help you onboard the right kind of customers, particularly customers who know or can approximate their annual budget. A minimum annual sales threshold also helps protect your time, ensuring that the investment you make in each client pays dividends: the more you know about a business, the more potential you have to grow that business. If you serve hundreds of clients with low annual sales volume, your ability to consult, analyze, and help each customer is negligible. Establish a minimum annual sales threshold so you can focus your expertise on clients worth your time.





## #6 Determine your ideal book of business

What's your ideal book of business? 20 x 50?

Twenty customers, who spend \$50,000 each with you annually? 50 x 20? Fifty customers, who spend \$20,000 with you annually? Determining your ideal book of business can establish you on a path to better prospecting and build your backbone for firing substandard customers.

Moreover, focusing on an ideal book of business keeps you from chasing small projects for small customers thereby fragmenting your customer base. For every “easy order” you take with a customer that does not have the potential to fit into your ideal book of business, you are losing time that you could invest in growing existing customers. Determine your ideal and dare to dream big. If you dream big, you'll aim big, and eventually win big.



## #7 Fire clients annually

Firing a client is tough, but the pros do it for a crucial reason – opportunity costs. For every low margin, high maintenance client you squander your precious time on, you forgo the opportunity to work with a better customer with healthier margins.

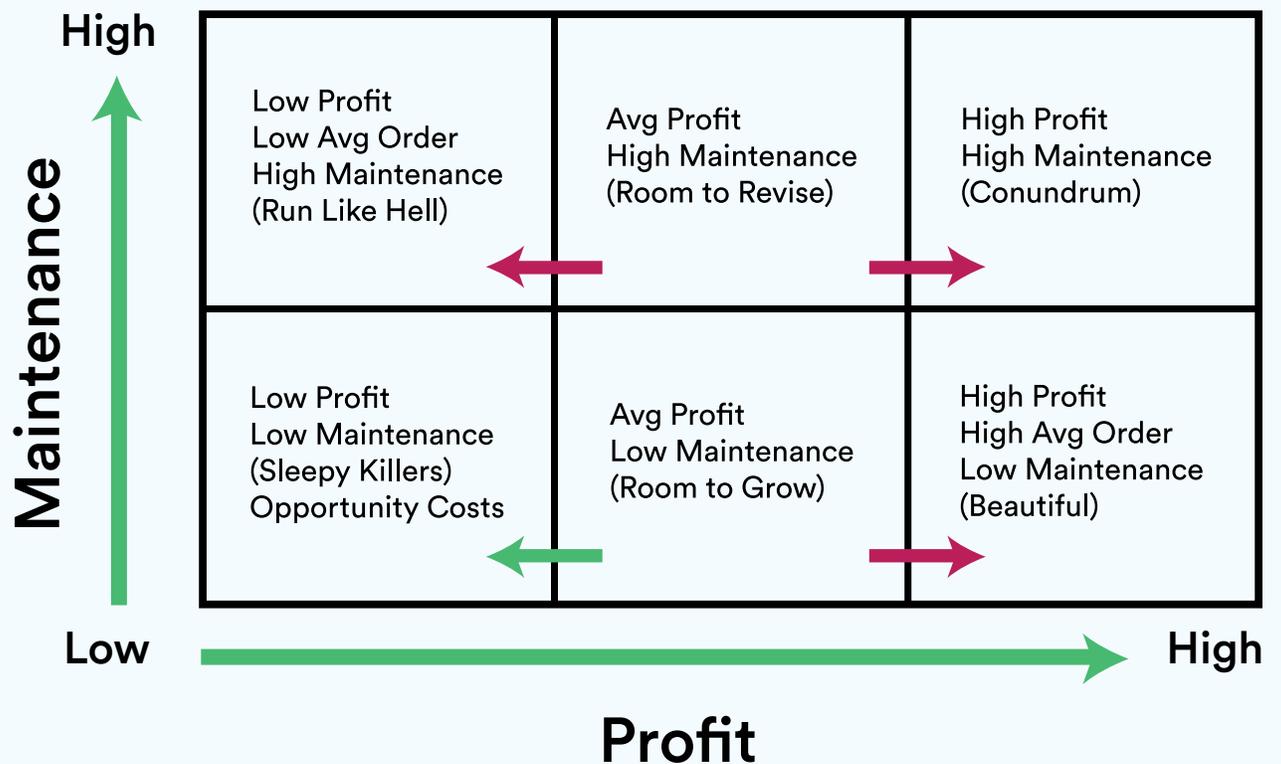
When reviewing a customer's sales, remember that gross sales and gross profit are only two metrics. Another important metric to look at is the number of orders processed in a year (to determine your average order size). Review average order size once a quarter or every six months alongside your YTD sales and profitability. If you find yourself working with a low margin, high maintenance customer, either work diligently to improve or let them go.

Sometimes, the only way to make room in your busy calendar for profitable business is to eliminate the unprofitable. Establish a six-month review with all of your customers and ask where they fit on the



profitability matrix below:

## *Profitability Matrix*



Opportunity cost is the least understood yet most important principle in a salesperson's growth. The pros don't just believe the proverb "time is money," they live it and make hard decisions by it. To paraphrase Dan Ariely: Money [time] is all about opportunity cost. When you spend money [time] on something,



that's money [time] you can't spend on something else.

## #8 Stay grounded in your hedgehog

In Jim Collin's monumental book *Good to Great*, he explained how to arrive at your Hedgehog Principle, your "one big thing" that differentiates you and makes your company great. He suggests you ask three simple questions:

- What can you be best in the world at?
- What drives your economic engine?
- What are you deeply passionate about?

In the answers to those three questions, you will find your best clients; they will be healthier margin customers who you enjoy working with and customer who enjoy working with you. For every customer you serve, ask if they are the "right fit" for you. Determining "right fit" builds a longer lifetime customer value and puts "fun" back in the word "work." It also ensures you work with customers who respect your value



proposition and it prevents you from chasing low margin business.

## One-foot hurdles

Warren Buffett once wrote that he and his business partner Charlie never learn how to solve difficult business problems, they learned how to avoid them. He credited their success with their ability to identify one-foot hurdles they could step over, rather than their ability to clear seven-footers.

Principles of profitability are your one-foot hurdles. They are not opinions; they are guiding principles that you can apply to your business to fuel your growth and give you back your joy in entrepreneurship.



**“Change is Hard”  
is Bullsh\*t,**

**Here’s How to  
Inspire Your Team  
to Change.**



You will not be the same company at \$10 million that you are at \$1 million.

Between those two figures lay a multitude of changes. You cannot grow without change. “When you’re finished changing, you’re finished,” wrote Franklin. As your business matures, you will encounter the objection “change is hard” so many times, that you need to prepare to deal with it judiciously, not only for your team ... but for yourself.

### **Why does the phrase “change is hard” have such power to prevent us from growing?**

It’s usually because of scenarios like this:

Ann works 60-70 hour weeks, and she’s constantly on the go.

She has a support team she relies on, but, truth is, *they* rely entirely too much on her, flooding *her* with questions every day:



- Can I overnight this expensive sample?
- How low should I go on this margin?
- The order for ABC Corp missed its ship date, what should we do?
- Can I use this new supplier?

These are not unimportant questions; they are just *unnecessary*.

The result? Ann's exhausted and her team is frustrated. Ann and her team lack clearly defined systems that empower decision making.

Salespeople think “systems” are killjoys that murder spontaneity. The truth is, even if they are the most free-wheeling, freethinking salesperson on the planet, they already follow systems. According to the book *E-Myth* (a book that many consider the entrepreneurial bible) a system, in its most simplistic form, is simply *a way of doing things*. Systems are simply routines. Your route to work is a system. Your weekly meeting schedule is a system. Salespeople know that systems are the rails on



which they fly.

The irony? Ann's team is following an unwritten protocol, an unstructured system that they follow religiously, *the system of depending entirely on Ann*.

Until Ann decides to make a change, and build a better system for her team, she'll remain frayed and her team, fragmented, both of which lead to one destination for all: burnout.

### **“Change before you have to.” – Jack Welch**

Systems and processes are created in businesses either accidentally or on-purpose. Or, what *E-Myth* describes as *intentional systems vs. unintentional systems*.

Unintentional systems are the result of fast growth and old habits. Intentional systems are processes created for optimum performance based on long term goals.



Intentional businesses are system dependent; unintentional systems are people dependent.

Ann is smart. By now she realizes that her team is following an unintentional system. **She *knows* she should change the way they are doing business by creating a better system and defining it for her company** but each time she broaches the subject with her team, she is rebuffed by the phrase “change is too hard.”

### **So, how do we bury the myth “Change is hard!” forever?**

The obvious counterpoint to the phrase “change is hard” is the reality that *not changing is much harder*. But that’s too logical. And human beings don’t make decisions logically, they make decisions emotionally and justify them rationally.

If we make decisions emotionally, then, for a team, the question is not:

- **How do I convince my team to change? (logic)**





The right question is:

- **How do I lead my team to imagine the right outcome so that they are inspired to change? (emotion)**

## Your Last Big Change

Think back to when you bought a home. This was a big change. If change is so hard, what made you take the risk?

You were *inspired* by your vision of the outcome.

From the time you started looking for a place to live, to the time you made the decision to move, you filled your head with visions of what your life would be like once you were in your new digs. You painted a mental picture, constantly. You pictured how liberated you would feel when you would no longer be stuck in your old, cramped quarters. You thought of the interior design and the layout. Your future vision was so all-consuming that you thought more often about the



outcome of the change than you did the change itself (the pain of moving). Your dream kept your enthusiasm alive as you looked beyond the change and focused on the result of change. The change (moving) wasn't insurmountable enough to keep you from accomplishing your goal.

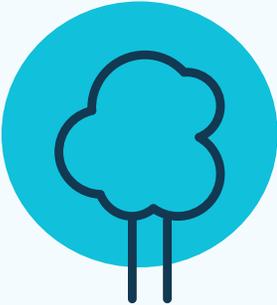
## **Imagination Over Reason**

The most critical step to making a major “systems” change is to keep your mind focused on the outcome, which requires an act of *imagination* more than reason.

And, when trying to convince teams to change, this means we must invest more time in coaching, encouragement, and inspiration.

If you are making a major systems change, begin by asking your team to imagine themselves 90-days after the change. Encourage your team to write down their responses to the question, “How will I *feel* about this 90-days from now?”





If you are making a systems change, some answers to this question might be:

- This change will begin a new season in my career; I will have more room to grow.
- The change might be difficult but the outcome will mean more income.
- I'll spend less time messing with frivolous details and more time doing the things I love.

Or, let's just get real. Real, real:

- I won't hate my job anymore.
- I will love waking up every day to my work.
- I won't cringe when I open my email.
- I'll finally start making more money.
- I'll have time for a life outside of work.

Just like moving to a new home, the act of moving (changing) is merely a part of the process and as a company committed to growth, this is a process you will go through again and again.



As a leader, the key to changing a team is not to combat fears with logic, nor to focus on the difficulty of the change, but to envision the outcome in such vivid detail, and communicate it with such clarity, that you ignite imaginations and inspire the willingness to change.

“

***“It is not necessary to change.  
Survival is not mandatory.”***

”



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