



James: James Schramko here and we're always interested to speak to people in the business services industry because the internet is something that businesses cannot avoid. I was having lunch with a financial controller the other day from a large organization and he was extremely interested in everything internet because it's become apparent that in his business, they need to be aware of it. And on the other side of the fence we have all these internet marketers who have the internet marketing skills but desperately need to learn how to talk to these businesses and how to communicate with them. So what I've done is I've gone out and get our repeat offender guest, I guess you'd call him. Kyle Tully, welcome.

Kyle: Hey James, good to be here once again. How are you?

James: Good. We've had lots of discussions before; we've put several interviews up on Internet Marketing Speed, you're a regular contributor to my SuperFastBusiness community at SuperFastBusiness.com, you've spoken at the FastWebFormula live events. Always a popular session and I think that is because we are in the most amazing time where if you possess a fraction of internet marketing skills and you combine that with some business knowledge, you have a wonderful business opportunity to go out there and serve these businesses for profit. I'd love you to tell me firstly if you agree with that and secondly, what sort of things have you been up to with your [consulting tycoon products and communities](#)?

The New Importance of the Internet in Business

Kyle: Yeah, I definitely agree with that. We're certainly in a time, especially in the last year or two where businesses becoming a lot more savvy about the internet. Either

progressing from not believing at all to realizing that they do need to do something about it and on the number level progressing from trying to do something about it to getting a lot more serious about it and starting to attract return investment and all these kind of stuff.

So it's a really good time for people like you and me who have some basic internet marketing skills and can take these to the offline world because they really are getting a lot more up to speed than they ever had before, which is actually making it easier for us to do our jobs in terms of selling them because before we kind of had to educate them on the internet and really sort get them to take a chance on us and on the internet. Whereas now they see lots of other success stories.

They really do realize the Internet is the way forward. It's a very easy conversation to have with them, it's a lot easier to get money and get good money out of them because they're natural transitioning funds from other marketing activities to the internet and it's now a choice of who they're going to work with and what particular strategies they're going to focus on rather than whether they should use Internet at all or not.

James: Yeah, so I'm thinking of that bell curve where you have the innovators and then the early majority. The big fat part of the python is yet to come, the late majority and the laggards so I wonder what the changes are.

If I think back to when we first met, it must have been something like 5 years ago, maybe 4 – 5 years ago. We were both dealing with customers. We were both doing this offline thing when it sort of hit the internet marketing scene. You've been doing copywriting and web development before that and I had been running a dealership but learning how to build websites.

And you're right. We did have to educate people and there wasn't necessarily an awareness of it or an allocated fund. We've seen the changes now where businesses would even have a part of their marketing budget allocated to online media.

What can we do as internet marketing experts to take advantage of that budget? How do we actually make it happen where that part of the budget gets directed into our bank account for providing a solution? What are the steps or the methods that we can use to make them aware of us and then the next logical step is for them to feel that we are the right person to be dealing with?

The Essential USP

Kyle: I think the main thing we've noticed more recently that's becoming really critical, it's really a business more than one thing but in the past we can get away with not having one and that's a USP. That's having some unique reason why someone should choose you over the competition. Now a couple of years ago it was good enough just

to go in there and kind of pitch them on the idea of the internet and you kind of either get the job or you wouldn't. It was relatively easy to do that.

Even they had to educate. Whereas now, there's lots of people saying you know the Internet, SEO, PPC, there's lots of people with the same basic message of you need to be doing something on the internet. It's becoming really important now to have some kind of unique reason why they should choose you to perhaps specialize in the particular area whether it be a particular market or niche segment, whether it be a particular type of result or particular strategy such as SEO, PPC and really work at being the best in your little small unique field. And then obviously the way you get in front of them is via marketing.

That's really what it comes down to, that's the key drive that we've seen, it's been the difference in people's businesses between those who are having big success and those who are still kind of struggling is the ones who are getting really clear on exactly what they do, who they do it for and the solutions they provide and the benefits they give their clients. They're the ones who are having a much easier time now.

So we've spent a lot of time with my students on helping them craft USP's and get clear on who they're targeting and we've found once you do get clear on that, all the other stuff like marketing and copywriting and what to actually say becomes a lot simpler because you have a really clear idea of who you're talking to and you can picture who they are, you can really think about the actual problems they've got not the sort of the generic problems of an entire market but the specific problems about this individual with his type of business.

Specializing Versus Being A Generalist

James: Okay, let's just dig in to that a bit. What do you say to someone when they say, "Kyle, should we specialize in just do SEO or just do websites or just do PPC or should they be a one stop solution for the customer. How does someone know what they're differentiation actually is?"

Kyle: There's no right or wrong answer. Part of it comes down to the business that you want to create based on your own unique background and skills and specialties and everything. You only need to look at the market to see that there's lots and lots of success stories both people who are very much generalist who provide everything from websites, to traffic, to conversion, to analytics stuff and everything in between. And lots of success stories of people who are very specialized whether they be just PPC experts or SEO experts, or only focus on one particular niche. So there's no right or wrong answer to that.

I think a lot of it comes down to you and the business you want to create. However you can whether you're going to be a generalist or specialist, you can still target your marketing in a specialised fashion. Some of the most successful journalist I know they

still have a USP based around for example something like Lead Generation. Something that is a common thread across many different markets in a lot of business sectors.

They refer to their marketing problems as a lead generation problem. And so as much as this company might be a generalist in terms of the services they provide. They very much specialize in the messaging they use and the language they use.

James: Love it. And I guess there are other things they can differentiate as well. They might specialize in a particular vertical like just serve one type of customer. Like one industry classification.

Kyle: Yeah exactly. There's lots of case studies out there and lots of good examples to model of people who have a very specialized business, whether it just be targeting dentist or just targeting lawyers or just about any other niche out there. That's a fantastic way to go. We've got some good success stories dying to come out of our program for people who have specialized in that manner.

It's a simple thing to envision why it would be more successful that way when you think about you're an accountant, you're sitting at your office and you get two letters come in one of them is from a deal and or marketing company saying we help you grow your business and the other one's from the accountant practice growth specialist, it's no brainer for him which one feels like the more logical fit and you know in every niche we look at, there's plenty of opportunity out there, plenty of clients who are willing to spend money. Most of our students are working with sort of 5 – 10 clients at one time. Most of the markets you look at there's plenty of opportunity, plenty of prospects out there for you to target.

The Use Of Filters

James: In terms of devices that people could use to come up with the ability to specialize, I guess the thing that's coming to my mind is a technique like using filters. For example my coaching in SilverCircle is kind of generalist. I can deal with most different verticals and I can deal with different types of industries but my filter is a cut-off point of the income or revenue that people should be generating before I would like to work with them because I know the sweet spot where I can really get a maximum result.

So I would call that a filter. A filter's useful in helping people differentiate in other words working out who they shouldn't be dealing with.

Kyle: Most definitely, some of my filters, the criteria I call them, that I've had for my business for a long time, my sweet spot so to speak have been businesses in the 2 – 10 Million dollar range. I found that in that range, they're big enough that they've got marketing budgets, they're spending money on marketing, they've kind of figured out

how to sell their product or service. And it's a lot easier for me to come in and ramp up what they've got going.

I found businesses smaller than that are a little bit too chaotic, don't really know what they're doing, often don't have marketing budgets to support what I want to do. And then businesses above the 10 Million dollar range in general there tends to be too much red tape, too many layers of management to deal with, too much bureaucracy. So I found that sort of range, the 2 – 10 Million dollar range is a really good one.

I've also found things like if they've got a marketing department or a marketing manager can sometimes be a good filter. I mean obviously there are tons of other filters based around things like the actual business size; problems are a really good one, targeting a particular type of client with a specific problem.

One of my students at the moment is specializing in conversion rate optimization, a particular type of people who are using AdWords to drive traffic. So already he's got a fairly specialized niche. They're targeting just 1 traffic source with just 1 service but he's also going 1 level deeper and looking for people who specifically have problems with lead generation or the actual conversion of a single page and their website.

So you can take it down to a very small level and even at that level, there are still literally dozens and dozens and dozens of prospects who fit that ideal client profile.

James: Right, so what comes to mind for me is one of our services specializes in reputation management. We could even sub niche that into Reputation Management for Politicians or Reputation Management for Celebrities. We could really tailor around marketing just to talk to that specific person and I imagine that specific person hearing from us would really resonate with us thinking we are a good match for their problem.

Kyle: It's funny you mentioned reputation management. I've actually got a student who's just niched herself into the reputation management for lawyers market, just started sending out her first direct mail campaigns ever the other day. She's already gotten 2 responses from that, one of them was actually from a lawyer who doesn't need reputation management but knows a whole bunch of other people who do.

So just that power of saying I'm the specialist at this, can start generating lots of different results that you might not have expected like referrals and endorsements. It's the least kind of things that if you're a generalist there's no way that same response would have happened.

Talking To The Prospect

James: Perfect. Okay, we've covered the differentiation aspect of it; we've given some suggestions on how people can identify who they want to deal with and how they can show them. But what we haven't really covered and I would love to dig into this more is

how do we actually communicate with the prospect? How do we have them find out about us? How do we talk to them? What sort of mediums are we using?

Assuming we can hang all our messaging around our differentiation, what's the actual vehicle that gets us in front of the customer?

Kyle: The way we get in front of the customer is basically by marketing. That's really the vehicle that drives all of this business. I think Dan Candy said it best where he said, "We're in the business of marketing our services not doing our services." That's really where the rubber hits the road.

You can spend all this time deciding on the niche to go into and setting up all your criteria and filters and building a pretty website and all these kind of stuff. But until you actually start putting marketing campaigns out into the market and driving traffic to your website, putting direct mail campaigns to a list of people. Until you start doing that, you haven't really done anything to grow your business and frankly this is where a lot of people really get stuck because it's a huge mental leap for people to start promoting themselves.

Putting Yourself Out There

It's a real big jump from sitting at home at your office saying I'm a marketing expert to actually putting a piece of paper out and sending it to someone saying I'm a marketing expert and I guarantee I can help grow your business. It's a really big step, the lady I was talking about before has just specialized herself. She was telling me how she felt sick the night before she was sending out the letters.

Worrying about what these people might say, calling her bluff, knowing that she's getting started and all these kind of stuff and so it's a big mental leap for a lot of people to get passed this. The thing I suggest to people is just get something out there.

Even if you send just a one page letter to a prospect and just say, "Look, I had a look at your website and I noticed a couple of ways I can help you get more business, give me a call on this number." If people just started doing that and did it on a consistent basis, they'd start generating leads, they'd start getting opportunities to have conversations with business owners and frankly a lot of the time that's all it takes, a simple conversation.

When you're enthusiastic about what you do, when you've got a clear statement about who you are and who you can help, the problems you help them solve, the specific results you can help them generate. You get into a conversation with these people and they get caught up in it. That all starts from having these marketing systems in place and basically just doing the marketing on the day to day basis.

Consistent Marketing

One of the first questions I ask my consulting students when they come to me, they're always asking how can I get leads, how can I get more clients? My first question is always, "What marketing have you done today?" Usually it's nothing, and I say, "What marketing have you done this week?" and most of the time it's nothing, and I say "What about this month?"

Occasionally, they've tried maybe 1 strategy in the past month. That's really the core of the problem. People aren't marketing themselves enough and they're not doing it consistently, they'll try a direct mail campaign once and it won't generate the results they were hoping and they'll give up. So I think all of this stems from just having good habits around marketing yourself consistently.

James: I can certainly relate to that core reluctance or feeling of someone calling your bluff when I started. It was particularly hard for me to record something or to put myself on video out on the internet at one point but after you go over that resistance, it just becomes as you said a habit or I like to think of it as a routine and then you know, try stopping me publishing stuff. I'm like a content machine now because I've overcome this fear that someone won't like it.

I know someone won't like it, I know some of the material won't be read or whatever but I'm not personally offended by it. But you're right. The reason people aren't buying things from a lot of consultants is because they don't know they exist.

Kyle: Exactly.

James: Tell me about the balance between, I guess it's almost a trap. We're sitting there at our desk behind the computer, what sort of changes do we need to make, or what action steps would we have if we had a blank whiteboard sitting beside our computer here, what 2 or 3 items would we write on our checklist should we go away and do after we listen to this call if we want to go from a theoretical business service to an actual customer paying us money in the bank we're in motion service?

Breaking Down Your Goals

Kyle: I'll tell you the biggest reality check that you can do for yourself and this has really been a wakeup call for a lot of people that I've spoken to is to... everyone talks about goal setting, most business say yeah I want to have a 6 figure consulting business. The most powerful thing you can do is take that goal that you want to do like you want a hundred thousand dollars in your next year and start breaking it down until you've got a daily figure. You know exactly how much money you need to generate each day.

Also break it down, look at it, if my average client value is going to be \$5,000 break it down and figure out how many clients you need to generate over the course of a year? And then break that down and figure out how many clients do you need each month, each week and then you can start to play with some numbers and figure out, okay, if I need for example 2 clients this week to hit my income target for the end of the year, and I convert say 10% of consultations into clients, that means I need to be doing 10 – 20 consultations this week to hit my targets.

So breaking down those big picture goals that are kind of always out there in the future and bring it down to a daily target that you have so you can look at your whiteboard and say, “Okay, I need to generate 2 leads today on average to be able to hit my income targets for the end of the year.” Then your daily actions are taking you towards getting those 2 leads or they’re not. The reason this is so powerful is because people put that in a hundred thousand dollar number up on their whiteboard and it’s so big and it’s so far in the future that you can kind of always kid yourself that you’re making progress.

You know you can sit there playing with your website and tinkering with the colors and the fonts and you can spend time in the forums learning about different strategies and buying new products and that hundred thousand goal is always out there in the future and you can do nothing today and sort of do a little bit more tomorrow and you’ll catch yourself up.

But it’s not until you realize how many leads you need to generate on a daily basis and how quickly you fall behind if you don’t start generating those leads that it really becomes real. And you can really kick yourself in the bum and say, “Okay, I haven’t generated any leads this week, I’m already 20 leads behind where I need to be to hit my targets. That’s where it comes down to.

It’s like okay, I know my daily and weekly goals are and I haven’t done anything this week to achieve them. I need to either get serious about this business and start making it real and do something to get those leads or frankly, you should probably give up because otherwise you’re wasting your time, you’re wasting your energy. You’re better off spending that time hanging out with your friends and family rather than just having this pretend business that you keep talking about but don’t ever make real.

James: That’s it. I think a lot of people get attached to the idea and the excitement and the hope that the business brings but then reality sets in when the credit card bill arrives and the water rates and the telephone bills need paying. You can’t pay for those on hope and imagination. You’ve got to hit the pedal to the metal.

Kyle: Yeah.

James: It’s a really interesting thing, just a quick recap; we’ve covered the most common mistakes of not knowing who you’re dealing with, not differentiating and then

not actually telling one about it. So they're things you can put on the checklist. It could be, identify what makes you special.

Commit yourself to an action plan of reaching out to these customers once you know that using multiple marketing channels. And you've got an idea of what you're daily run rate is, so setting a daily metric. I love that. You know most of the people that I work with have gotten passed those phases and they're into the stage where they've got the second part of the business and I'd love to just touch on this because not many people talk about it.

And I think that's why I've become a specialist in it. It's the actual backend of the business. Because what we're talking about so far is front of house. But I am interested in back of house.

What sort of challenges and difficulties have you seen service consultants facing when they've actually got the business and they are popular and they know who they are and they're marketing's working, what sort of stumbling blocks do people have and let's see if we can address a couple of things and give some tips there as well.

Striking A Balance

Kyle: I'd say the biggest one that I see coming up time and time again is losing that balance between growing your own business and doing the client work. So what happens is it's that feast or famine type of syndrome where you put some marketing campaigns out into the world you know, you go in your networking events and start generating leads and all of a sudden you take on 2 or 3 clients very quickly and suddenly all you can focus on is delivering for those clients.

You want to get them the results. You want to make sure that you sort of over deliver for them and have some great testimonials and case studies and you completely forget to continue marketing your own business. Sooner or later, the leads start drying up, those sources that you went to before have now gone cold and before you know it, you finish the work for these two or three clients and you've got nothing else in the parkland.

So this is the single biggest problem I see. Everyone goes through it at one stage or another, and so the way you get around that is being disciplined, again having good routines and habits around marketing your own business, making it a daily thing or a specific day each week where all you do is grow your business.

For example, for me on a Monday, that's my day. Monday is my day where all I do is work on my business, I don't do much with my consulting students, I don't do anything with clients. It's purely for my business. So no matter what else happens during the week, I know I spent a good four hour workday on proactive things to grow my business.

So that's definitely the biggest problem I see is just finding that balance and every freelancer and every independent consultant and most business owners I've ever worked with have had that issue. I think the second thing is, a lot of people, especially in our industry, they feel like they need to know it all. They need to know how the SEO is done, they need to become an expert at the PPC, they need to know how to install WordPress and all these really low-level technical things. And so, when they first start getting clients, they want to do all the work.

They can see that they can make more money by doing that and not outsourcing. They feel like they want to learn it all. And again, they get stuck in this technical stuff where they really should spend that time marketing themselves.

And so I think it's important to have outsource providers in place and have systems in place so that all you're doing is project managing. That's the ideal first starting point for a consultant, is just to be managing the project. And managing the relationship, managing the project, your outsources do all the technical work, so that you can focus the majority of your time on the marketing stuff and on actually growing the business, which is, like we said right at the start of the call, that's really where the actual business is, it's in growing the business. If you're not growing the business you don't really have a business.

Is It Really A Business?

James: I love that. You know, when I'm consulting to somebody and I spot a very high profit margin, I know that they're actually a high-paid web developer and not a marketing professional. They're not building their business. Do you have any sort of metrics or ideal profit ratios that you look for to get an assessment on whether a business is a technician or actually a real business?

Kyle: Somewhere in the range of two to one seems to be some kind of sweet spot where, just say you've got five thousand dollars of income coming in, about have of that is going out the door immediately. But it really does vary, I mean, many parts of my business it's more like 90% profit margin. In others it's much smaller than that.

A part of this is also going to come down to the exact business model you've got, whether you're more of a reseller with everything being automated where your profit margins might be five or ten percent, so that there is a lot of variety in there, but I think that if your profit margins are too high you've just got more money that you should be investing in marketing and spending that money kind of thing.

James: Yeah, I agree that the more informational aspect of it or more automated the leverage the higher the margin will be but the services businesses, a lot of the things we're doing still rely on human labor and for that reason I think about half of your income might go back into the business to fuel it or to supply as inventory or stock or resources. But that's ok. And you know, a simple exercise is to say, well, if you're

making five hundred thousand dollars in sales and two hundred fifty thousand dollars of it went back to other people but your main role was just doing the things you like, that's still a two hundred and fifty thousand dollar income. And if you're bringing in five million dollars and you spend even three of that in marketing and infrastructure and growing a decent business, you're still keeping two million of that before tax.

So that's where it's quite a mental leap I think for a lot of people to let go of trying to do the website and trying to integrate the autoresponder and setting up conversion testing stuff. Really I don't think you're going to get past a low six figure business until you let go of the tools. And that's certainly the biggest thing I've seen when people get into that more mature zone.

The Action Plan

Hey ah, I wanted to just find out from you – what do you think someone should do when they put down the earbuds from this call. Now what would be today's action item? Just to get it down to one thing.

Kyle: I think that's going to depend on where you're at right now. Obviously some people who are listening to this are possibly brand new to Internet marketing and never even considered going down the consulting and local business services route. Others are probably dipping their toe in the water and haven't got any clients and I'm sure we've got a couple of people on the call who have got multi-million dollar businesses.

So everyone's going to be in a different position. And I think a bit of thinking goes a long way. I think a lot of people jump into taking random action too quickly so I would have a think about all the different things we've talked about on the call today, you know have a look at the notes that you've taken and start putting together a plan of the direction you want to go.

If you're just getting started, have a think about your past experience, the knowledge and skills you've got and think about the type of business you want to create. What would your USP be? If you were gonna go into this business of being a local business consultant, what would your USP be, what services would you provide, what solutions to problems would you provide, which niches would you go into, and start planning that out.

If you're currently doing the consulting thing and it's not working out as well as you want, we've probably given you half of different reasons why that could potentially be so have a look at what you think the actual reasons are, whether it's that you haven't specialized enough, whether it's that you're simply not marketing yourself hard enough, whether you have got caught in that trap of doing the work and not marketing yourself consistently, and work out a plan to get to that next level. I think really the key is, I talk about this a lot in my coaching calls, people want to give up having to think too much.

They want everyone else to just give them the answers and lay the path for them and everything needs to be a step-by-step way for them to achieve their goals and that's not how it was for me, that's not how it was for you and just about anyone I know who's been successful. Now, we can give people a step-by-step sort of general guideline but in terms of actually implementing those steps, there's a whole bunch of thinking that needs to go along especially if you want to create something that's right for you.

You know you don't want to fall for someone else's plan and sometime later you find out you've created a six-figure business that wasn't what you wanted to do and yet you're trapped doing things that you don't want to do. I think it's really important to think just step back for a moment. Forget about your money troubles, forget the fact that you need to pay your rent tomorrow and you got kicked out of the house and step back and think about what you really want to create and what would the logical next steps be to doing that. If you're not sure, you can seek out a coach or a mentor and there's plenty of resources available right here in your site.

James: I love it! I was sort of thinking of a metaphor around that where it's like a car, you know when you buy a car, it comes with an instruction manual and it says put foot on accelerator to move, step on the break to stop but what you do with it is you really have to make big decisions and if you're not capable of that, you probably just need to catch the bus like the other people who just want to buy a ticket, hop on the bus and it goes where it goes and you don't have a say in it. So if you really want to take control of this, I love that- you've got to think.

Kyle's Bootcamp

So today's action item is a planning session. Is it true that you did a planning session and you summarized all of your notes from your community and your students and put on a little bit of a bootcamp and sort of covered all the big key topics?

Kyle: Yes my focus for the last year or two really has been the coaching aspect of what I do. I've obviously got information products out there that teach people what to do and I found really where people struggle isn't actually how to do it. It's actually the day-to-day things of overcoming their own internal limiting beliefs and internal resistance.

So a big focus for me has been the coaching aspect and earlier in the year I went through all my notes from about 12 months of coaching calls plus dozens and dozens of these one on one calls I do with our students. Literally it was like 230 pages of my hand-written notes from about a hundred hours of calls and I just condensed that all down into a two-day event that I held for some of my VIP clients and that was just a fantastic event.

Basically it was going through all the different key things that had been breakthroughs for different people that helped them get from either struggling to having a business

that was making money or from having a business that was making some money to really taking it to that six or seven-figure level. That's what I focused on at that event.

I had a special guest come in for the first time at one of my events, John Logar, he revealed some of his fast prospecting strategies. He's doing some crazy numbers using LinkedIn, answering questions, generating \$40,000 in four weeks. Building his own sort of experiment site and generating \$63,000 in 7 weeks..

Just like some crazy numbers I had him come in and basically lay out what he'd been doing, how he'd been doing it and everything like that and we recorded a little of that stuff and I'm actually in the process at the moment of building that up into a membership site where people can access all the recordings and the workbook and everything from that event. It's nothing fancy, there's no big production or anything like that.

It's basically me sitting on my desk, going through my notes line by line, analyzing each of the points, answering people's questions. Look, if you feel like you're a bit stuck at the moment or you feel like your business is stagnant or you're not really sure which direction you want to go, maybe not generating as many leads as you'd like or you're not able to get the high-paying clients that you want then this breakthrough consulting bootcamp I did is probably the direction that you want to be looking 'cause there's a whole bunch of knowledge and experience crammed into this thing and I'm really proud of it. It's probably my favorite event that I've done so far.

James: Awesome, well I'm going to put a link to that. I'm sure it'll be up soon and you got to love John Logar. I think he's publicly credited you and me for helping him with his journey.

Now, for listeners if you want to hang out with Kyle then certainly join any of his programs where you'll get access to him and I also hope you can join [SuperFastBusiness](#), where Kyle and John hang out and answer questions as well. I really appreciate you sharing this stuff. It's such a good thing and I suspect we'll be talking about this for many years to come because you know it's been four or five years so far and I feel like we're only just getting started in this market.

Kyle: Yeah mate, it's true. I've been doing consulting in one way or another for about 13 years now and people keep asking me when is it going to be saturated, when is it going to stop? You know, it's just not going to. I'm here for the long haul. I've been teaching my program for about four years I think now and I'll be teaching it for another four years so I'm really excited for the next round of students to come through.

James: Kyle Tully, the [consulting tycoon](#), it's great to catch up. I'll speak to you soon

Kyle: Thanks, Mate.

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