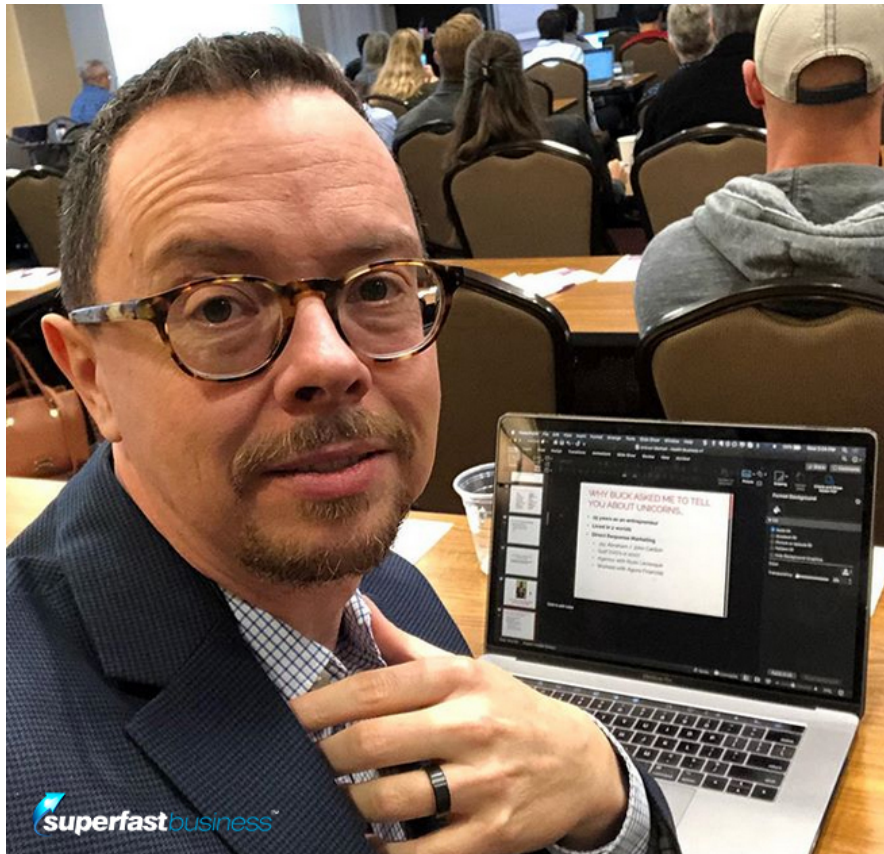




## The Unicorn Method for Running an 8-Figure Business - Part 2 of 3



We continue our look with Kory Basaraba into what makes multi-million dollar businesses grow and thrive.



Kory Basaraba

**James:** James Schramko here. Welcome back to SuperFastBusiness.com. This is Episode 779. This is a part two of a three-part series. My guest in this series is [Kory Basaraba](#). Good day, Kory.

**Kory:** Hey, James.

**James:** So we've been talking about unicorns and big businesses and how they scale and what lessons that has for us as a smaller business, presuming we're not likely to be a startup at Silicon Valley and go on to be doing billions of dollars. But there are still great lessons in Episode One, which you should listen to.

If you just started here, go back to [Episode 778](#), which was part one of this three-part series, and we talked about getting your data. That was really the big message, you've got to know your numbers, there's no excuse for not knowing your numbers. There's not much you can do, if you don't know your numbers.

And so today's episode 779, this is part two of the series. I guess the question is, Kory, what do we do with all the data?

## A pain to get, but absolutely essential

**Kory:** Very good question. Because it's a pain in the ass to get the data. And we have to have a good reason to go through that, for most entrepreneurs.

**James:** It is a pain in the ass. Like, every time I work with a contractor, or whenever I want to make a good decision in my business, I just have to go and get the data, there's really no way around that. And they want the deep dive surveys, they want the analytics, they want the heat maps. They want any kind of sales statistics – what's actually been selling, what price points, who we sell to, how long the customer stays, what's the lifetime customer value, all this stuff.

But once you get that, you're sitting on the ability to really scale. And I was just speaking to someone yesterday, who is going really well right now and has very little idea or understanding about what's actually causing that underneath the bonnet. They just know the vehicle's moving well.

But I said, look, if you could actually forensically X-ray your vehicle, your business vehicle, and identify what's about to break or what's doing an amazing job compared to all the other components, then it gives you lots of options to improve.

So in this case, with that vehicle, maybe the thing holding the vehicle back is they're just running on old worn-out tires, you know, that are worn down to the radio belt, and it's sparking on the road. If they just changed that from worn-out tires to slicks, they'd probably be able to improve their lap times, you know, dramatically, with the exact same vehicle in every other regard.

## You've got the data – now what?

So talk me through your process that you've identified from the unicorns. What do they do with the data?

**Kory:** Well, I think it comes down to the fact that we have so many options now in business. There are so many ways we can market and grow our business. Do we do content marketing? Do we focus on making [videos](#)? Do we do paid traffic? Do I tweak my funnel? Do I optimize my emails? And of course, every expert guru has their suggestion of what you should do next.

**James:** And just to put a point on that, often they have their hammer, and everything is a nail to them. And so if they're the, you know, Facebook community thing, or they teach people how to do a challenge, or they do the launch model, or they're a paid Facebook agent, then their thing is, that's their whole world, these experts.

So the danger is, they're going to make that look like it is the thing for you. And it's a very good reason why when I'm coaching people, I ask, you know, I peel back and I ask them to do a diagnostic. Because it has to be relevant for them, even to the point where, you know, my goals are not my clients' goals. So I have to find out what their goals are to be able to help them.

And so in this case, I think you're really talking about the ability to have customization, and how to screen out all of the tactics that may not be relevant for the journey you're at right now.

And it brings up this interesting reminder for me – when I was running the Mercedes-Benz dealership, and one of my responsibilities was marketing, we would have people come in every single day, trying to sell us stuff, from number plate frames to key rings to umbrellas to print media ads to sponsoring their ski chalet resort, whatever. And I used to ask this first filter, was this in our marketing plan already, and we were going to do it, because it fits what we need to do? Or is this a total distraction and way outside the spec?

No, I wasn't looking to sponsor a ski chalet. I remember talking about the state general manager with that one, I went to him and explained the pitch. He said, what else do they want us to do? And then he mentioned something so rude, I can't even mention it in this podcast. And it just made me realize, hang on a minute. If someone's coming to me asking for something, or telling me their greatest tactic, and they don't know much about me, or my plans, then it's probably in their favor, not in my favor.



**Kory:** Yep. Great example. And you know, people think of data being a spreadsheet, right? Okay, got my data. But when you ask your questions of a potential coaching client, you're gathering data, you're gathering information, and you're looking for the truth. We're trying to find the truth of what the real problem is, so we can actually fix the real problem. And that's really at the heart of why you want good data.

**James:** You know, the interesting thing for me on a deep level, and probably, you know, this is not really discussed that often, but I get information just from the way someone's communicating with me, whether it's pre-sales questions, or whether, when they've just joined, the way they organize their schedule, the way they send their packets of communication, their resistance or acceptance of new concepts or ideas, their process of orienting, you know, where they want to go, and their speed of implementation are all indicators that help me coach them better, that they're probably not even aware of.

They're just focused on the tactical thing, like you said, the spreadsheet. And it's the softer things that are still information packets.

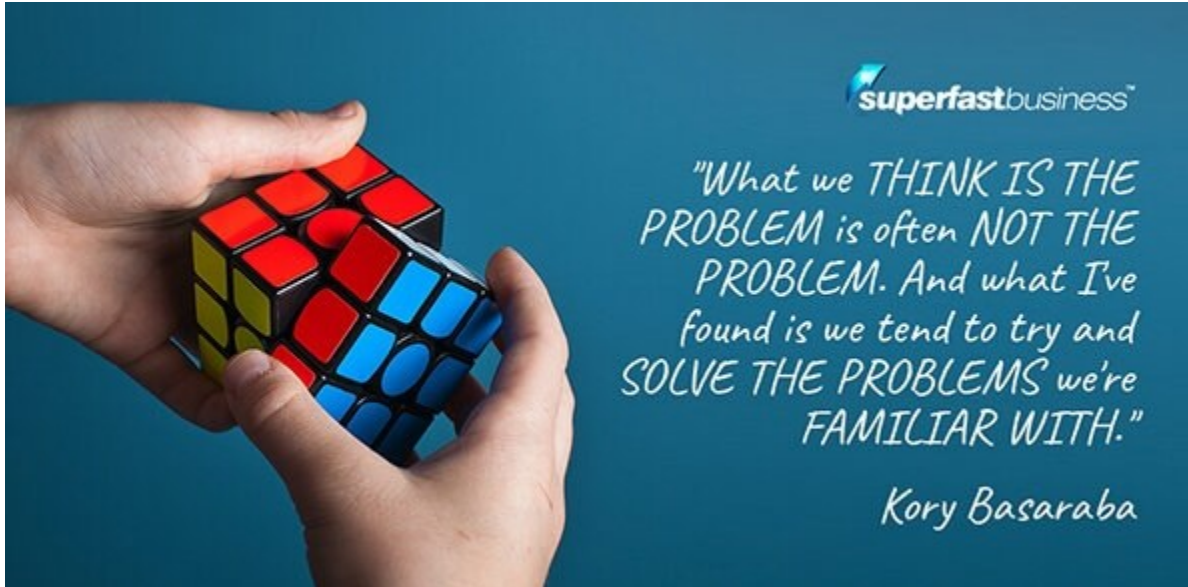
Like, back to the showroom, when someone's talking about buying a car, but then they just start to freeze up, and then they're putting their hands on the chair, because they're ready to go. That's a huge piece of information. That's not in a spreadsheet. But an experienced salesperson knows, this sale's going south really fast, and I have to say something or do something to fix it. Because we're not on the right path here.

So you're probably looking at other things. I know, for example, you like to interview customers, and find out why they bought, and interview people who came through the funnel but didn't buy, and see what's going on there. So there's lots of other things we can do together, intel that could be very, very useful to put back into the sales process, and especially into the paid process.

So you still want to keep on this topic?

When what you think is the problem, isn't

**Kory:** Well, I think that's the key, is that in the context, right, what are we trying to do here? And most of my clients, they want to buy a hundred new customers a day, they want to spend \$10,000 a day on Facebook and make \$20,000 a day. So that's their mission. So the question becomes, okay, what stops you from doing that? We need to know what's really stopping you.



And what we think is the problem is often not the problem. And what I've found is we tend to try and solve the problems we're familiar with. So to use your car analogy, you might be really comfortable changing the oil, rotating tires. And so we're going to look at those things and go, maybe if I rotate the tires again, this time, it'll work. Right? So it's like, maybe I got to fix my landing page again, when really the problem is deeper in the funnel, your average order value isn't high enough.

So without the data, you're just guessing. And we know that focus is essential to success. Especially at the level where you're wanting to hit seven figures or eight figures, you have to put all of your time and attention on a couple of things that are really going to move the needle. And the data tells you, where do you focus? That's really the most valuable piece, is to give you the clarity that, hey, you're making the right decision. And then you have more confidence investing.

## The three levers of scaling with paid traffic

**James:** How does the data tell you? Like, what are you looking for in the data? And do you see common patterns that come up over and over again?

**Kory:** Yeah, well, in the context of scaling with paid traffic, you've really got three things: you've got the traffic that's coming in, you've got the conversion, and you've got the customer value. Those are your three big knobs to turn.

So if your traffic is going to cost you a certain amount, if your funnel isn't converting, and if your customer isn't worth enough money after the sale, you can't make it work. So we first start by narrowing it down to, which of those three buckets is the problem? Is it a traffic problem? Is it a conversion problem? Or is it a customer value problem? And that tells us generally where to start focusing? So we look at numbers, you know, related to each of those areas?

**James:** Is there a common one that's usually the problem?

**Kory:** The one that people often miss and don't realize how important, it's the average order value.

**James:** It's interesting you say that. I worked with a lady recently, she's doing about \$15 million a year in revenue, and we were working on a specific project to start a new side division around a recurring membership theme. Because she knows that's something I'm good at. And in the process of due diligence and checking her customers, checking the business model, she said, Look, I only want to do this model if it can be done with paid traffic.

And she worked out the product value and what the customer is going to do. And she's never really done a lower ticket thing before. And it really just stopped the project dead in the tracks. She says, I just, I cannot make this business model work with paid traffic with this low an amount per sale. So then we look to what would the product look like, if there were other tiers to it or back end products? What else does it feed? How else can the money come?

But it was very interesting to me that a seasoned paid traffic person knows straightaway that it's not even worth trying, not even worth putting up an offer page, or testing the product, if you have paid traffic as the only option. Because there's things she didn't want to do in terms of other ways to get traffic. Didn't want to do a podcast, didn't want to do social media videos, doesn't have an existing network of audience for this particular product. Just a small handful of people. So paid was going to be the pathway. That was interesting.

## Demystifying the lifetime customer value

And I think you're right, most people wouldn't know the lifetime customer value. I get asked all the time on my diagnostic, you know, what is that? Or how do I work it out?

How do you explain it to people?

**Kory:** Well, there's two things.

There's the day one order value, which is, if you look at the last, it depends – if you're doing high ticket, if you're doing coaching, and it's \$1,000, that's going to be a different situation. But if you've got an e-commerce store, you want to look at your last handful of transactions, and say, How much did they spend with me on day one? That's your average order value.



And the next question is, well, how much they spend in the next 30 days. Because if you can get them to buy something else, 14 days later, seven days later, that's really a huge leverage and huge opportunity to recoup your investment on your paid traffic. So that's what I'm looking at in that situation, is okay, what do they spend now? And what do they spend after they've had a chance to get to know you?

**James:** And what about in my case, when we're setting up a new funnel, what time dates would we be looking at to see if we get a return on adspend or ROAS, as it's called? Would we be looking at a set period?

**Kory:** Yep. And again, this is where you want your numbers – you want to know how long it takes someone to make a purchase from you. So if they're opting in, and then it takes seven or 14 days on average for your customers to buy something, then you want to make sure you're giving your ad account that seven or 14 days to get the return on adspend before you start turning things off for scanning.

So that's something a lot of people do, is they'll look at three or four days with a bad span and go, it's not working. But they've got a seven-day email follow-up sequence that does most of the heavy lifting. So you'd want to leave it on. And again, God, we sound like broken records at this point, but you need to have that information. If you don't, you're just, you know, winging it.

**James:** So that's how you use information. So you're saying the one that most people miss is the customer lifetime value, how much is the customer worth to them. So that's one takeaway from this episode, so far.

The other two components you mentioned is the traffic coming in the front door, how much that costs to acquire a customer. And then there's the conversion. I imagine with the conversion, there's different points in that conversion pathway from the ad to the page, the page to the thing, whether that's a product or a webinar, and then the next thing to the next thing, and then the emails and so forth.

## Capturing and collating the numbers you need

So how do we track all of this stuff through to learn from it? We talked about, you know, what things to capture before. Maybe we discuss where to collate it. I'm using a reporting system, other people manually get things in a spreadsheet. I think you said that's like, the first easy way, just to pull up your analytics, have a look at your traffic and your sales, and you got your number.

How often are you looking at this stuff, and do you come up with the first strategy and deploy it, or are you coming up with adaptations on the fly? I imagine some people would pivot too early, as well. An endless lifetime of pivoting, pivoting, pivoting. Like, they change from Facebook agent to Facebook agent. That's rotating the tires with a broken car.

**Kory:** Right. Exactly right. Yeah. So for most people, when you talk about conversion, you want to start with your order form, start where the money is. So look at your order form, how many people hit that order form, and then leave?

**James:** And are you talking about the sales offer page, or the cart page with the actual dollars on the checkout? Because I've found both of those can be quite powerful in their performance.

**Kory:** Hundred percent. So in this case, I'm talking about the form where you put your credit card in.

**James:** That one, right.

**Kory:** That's the moment of choice.

**James:** So the cart page. And some people embed that on their order page, right? I separate it out. And that's worth asking, if that's a good idea or not as well. But I'm capturing emails before they go through to the sales page. And then from the sales page, they click through to the cart.

But I've actually got an on-button offer, so to speak, when they're ready to buy and they've made the decision, then I'm offering them annual, and a special incentive. Apart from money saved, there's an extra value item for the annual for my coaching. So that, I've noticed lately, people are really taking that up, and it's an on-button thing.

So I imagine, you know, what we're doing is we're having a look at how that performs, like what's the ratio of annual versus monthly, how many people make it from the offer page through to the cart page, how many people get sent the cart, the one-cart follow-up, you know? Like, Kory, here's that page again. That one versus the 60-day follow-up I do in my cart abandonment sequence, which sells like crazy.

And I highly recommend, if you're a member of [SuperFastBusiness](#), install that [cart abandonment](#) sequence. Or if you're not, you can buy it at [SuperFastResults](#). I think it's very cheap. Install that, and it will pay for itself, if you haven't got a cart abandonment sequence. You know, it takes me 60 days to see the full effect of that program. So that's why I think people probably do it and then move on to something else, while that's going to be a substantial part of the machine.

## Figuring out what to repair first

**Kory:** Well, look at all the things you've listed. You've got emails, you've got order forms, you've got all these moving parts in your funnel, and you're trying to decide, well, what do I fix first? And it can be overwhelming and paralyzing, if you don't really know.

**James:** Just tell me the answer, Kory, which one do we fix?

**Kory:** That's right, right here.

**James:** So you've already given us a big clue, make sure we get enough money for our product or service early in the process, inevitably to fund some of that, we want to use back towards paid advertising so we can accelerate and scale.

That's what unicorns are doing, right? They're taking money, and investing heavily in growing size to get big, because they want to be a more valuable business. And they need to own that market share, and it's a race for those people.

Maybe it's not a race for us. But we can definitely, if we're running a normally aspirated business that's not supercharged or turbocharged, and then we turn on that supercharger, then we could actually probably lift our profit with not much extra effort, or be it, we're going to have to do our data, we're going to have to make decisions around the data. And then we're going to have to implement a series of tests or missions and things.

But I think in this episode, what we're really getting a feel for, you know, there's three main areas that we can focus on, that we want to see which one is the most broken, and then update that as fast as possible.

**Kory:** That's right. Look at your traffic, see what those costs are and how is it performing. Look at the conversion and look at your customer value over that first 14 to 30 days. You get a good sense of those three pieces, you can decide, hey, is cold traffic actually going to work for me? And if you're already doing cold traffic, where is your greatest opportunity to scale? It's going to be one of those three areas.

## The segment-by-segment approach

**James:** I want to ask you about something. It gets taught a lot. I've been asked three times this week, so I might as well ask you. What about the technique where we're putting up content, and then we're not putting a call to action, and we're driving people to that? And then we're making a segment of that. And then we're running specific call to action ads to that – it's like a cascading type of campaign. A lot of people do it. A lot of people are teaching it. And it's pretty much all Facebook. Is this something you see a lot, and do you have an opinion around this technique?

**Kory:** I think it's a really intelligent way to approach things, because it mimics how we interact in real life, right? We're not likely to get married on our first date. So we want to get to know you. And the thing to watch out for is, again, if you have enough profit margin in your product, you can have more steps in your funnel.

Because when you spend that money to get that first view, whether it's a video view or a landing page view, now you know this person is interested, right? You've narrowed down from an audience of everybody to the people who are spending time with that content. They're more likely to buy. So that's just good marketing.

The execution of it is really where it rises or falls. Is the content compelling? Is it pulling out the people who are actually good candidates for your business? But as a strategy, it's a very intelligent way to go, as long as your numbers justify it.

## When there's not enough volume to test

**James:** I've got another question around this, because it's sort of in this zone of what we're talking about today. What if we just don't get enough volume to really test properly? Some of the testing or CRO experts, they say, look, you're kidding yourself if you're running multivariate tests or A/B tests, and you just don't get the volume? Like, what do we do in that case? Do we just have to have a best guess? Or do we just be more patient?

**Kory:** That's a really good question. Because you hear all the time, well, just test that, just test that.

**James:** Yeah, test it. Like, I might make 30 sales a month for my main flagship product. It's just nowhere near enough volume to get anything useful.

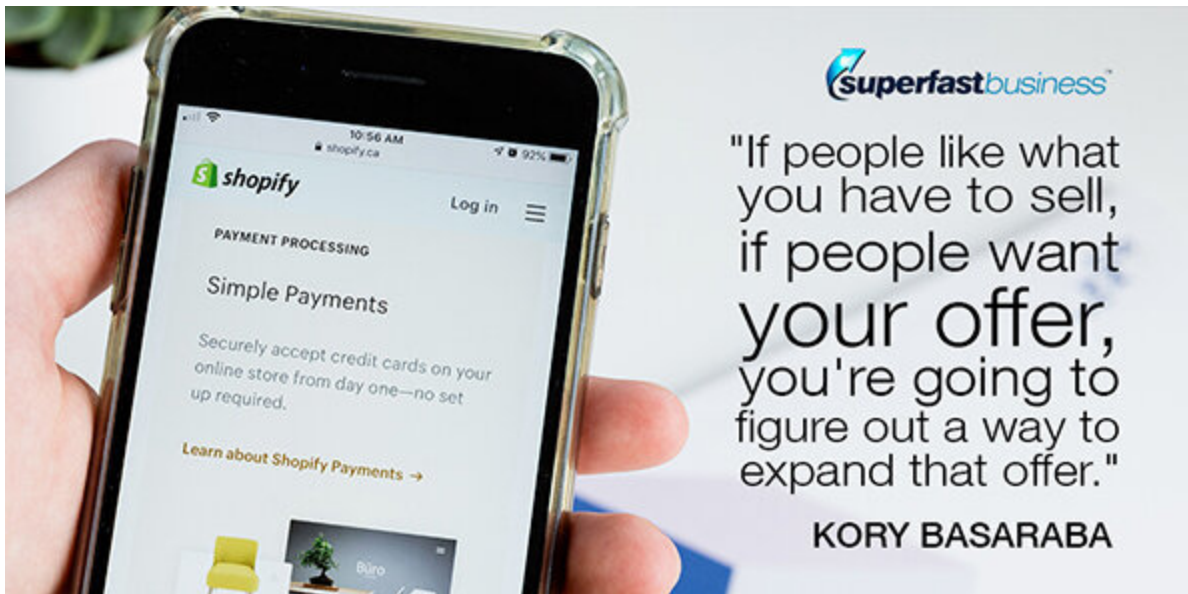
I know I've had an increase in sales lately, but I can pin that tail on the donkey. I know exactly what that was. That was [Episode 775](#), where I pulled together all the frequently asked questions I get and walk people through a brand new chart explaining each of my coaching products – who they're for, who's going to get a result, what they actually get. That's just driven sales.

So now I should be driving people to that piece of content. I'm talking about in this episode, for example, but I should be running paid ads to that, perhaps, and seeing if I can repeat the first act of when it got published organically, sales went up. If I run ads, the sales go up. Is that sort of the way we go about it? Or is it something more scientific than that?

**Kory:** The fact is, if you don't have a certain volume, then testing is essentially useless. Because you can't really rely on the data. You see a reversal. So if you don't have the volume to test, then you have to go, what data do I have? And you have to just make intelligent decisions along the way based on what you see, not a hunch.

So the first layer, get some actual numbers and look at the actual numbers and say, Okay, I made this podcast, this many people clicked, sales went up. Let's then see what happens if I drive some traffic to it.

**James:** So I would try and put a tracking link, and I'll try and marry that up to a purchase, and see if I could trace that attribution. I think that's what they call it, right?



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"If people like what you have to sell, if people want your offer, you're going to figure out a way to expand that offer."

**KORY BASARABA**

**Kory:** Yeah. The best you can, where did these sales come from? So get the fundamentals in place? And you know, it's disheartening if you don't have volume, and it's like chicken and egg, how do I get the volume, if I don't have the volume? The fact is, if people like what you have to sell, if people want your offer, you're going to figure out a way to expand that offer.

**James:** And it's not just me, but also, you. I've got a scenario at the moment where some of my clients are kind of stuck in a rut, or they've plateaued. And they need to just shake the whole box, they've got to just shake the whole box. And that's when I bring in someone like you to have a look at the data.

So if they've listened to [Episode One](#), then they're going to have got that already. Then they come along and they say, Kory, help me understand this data, what is going on? And given that I have low volume, and I probably can't test that well, I guess we're sort of breaching into Episode Three, where we're going to be talking about the next big moves after that.

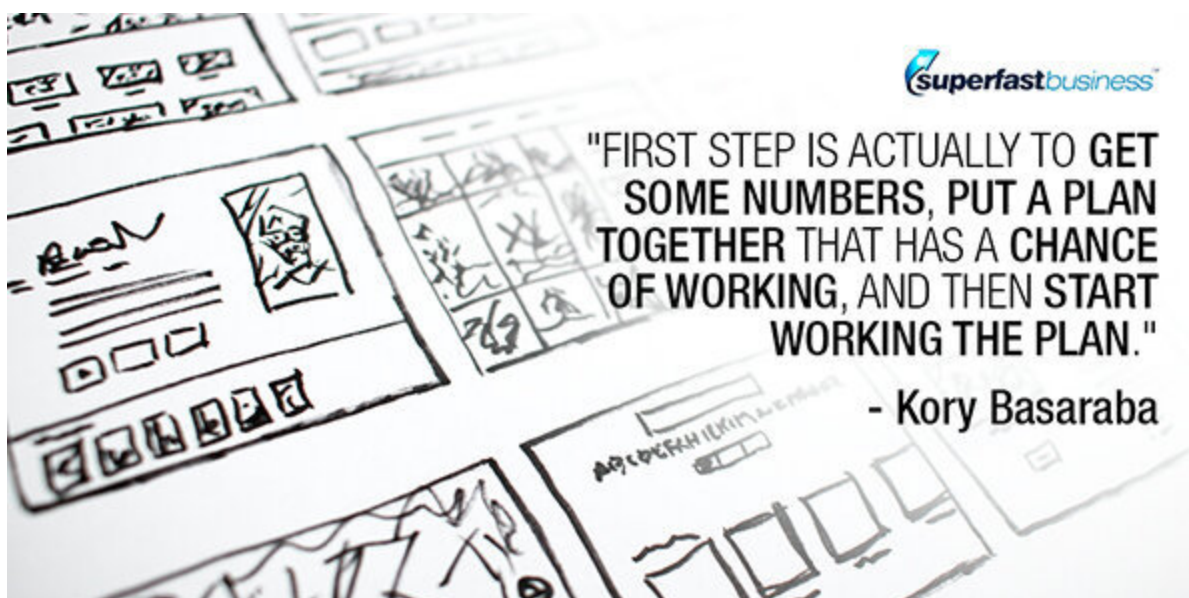
So just to recap, we've got all our data, we've now identified, of the three main areas that usually have trouble, which one's the most broken? And then we start changing it or tuning it.

## You know what's broken – how do you fix it?

How do we know what to fix? Like, we know the part's broken, but how do we know what the repair looks like?

**Kory:** Right. The question I always ask, and again, in the context of paid traffic, I will say, what would happen if we gave Facebook \$10,000 tomorrow and spent it on Facebook ads? Where would things start to break? And depending on where you're at, you might be like, Oh, my gosh, I'm going to be out of business. Or you might say, well, we get 5000 of that back, or we'd be fine. So it's like, if I dropped a thousand-horsepower engine in your car, is it going to handle that, or is it just going to fall to pieces?

**James:** You get to the first corner and you'll run straight into the wall.



**Kory:** That's right. So you're looking for what I call the vital constraint. What's the thing that, if it doesn't get fixed, is going to stop the whole show? Once you know what your vital constraint is, then you can start making a plan. It's all about having a plan. Someone says, I want to scale to eight figures. I'll be like, great, why don't you show me your plan? And it's really just a bunch of ideas. So first step is actually get some numbers, put a plan together that has a chance of working, and then start working the plan.

**James:** Perfect. So the theme of this episode is you got to have a plan. It's driven by the data. You've found your constraint. You're anticipating what breaks next when you turn up the traffic. And that should inform the plan as to what you're going to start with in your first experiment. Whether you can statistically validate it or not's another thing, but I guess in the most simple thing you'd like to make \$1 back for every dollar you spend in a reasonable timeframe, might be one goal that someone would have. That's sort of what I'm thinking about for my own business.

**Kory:** Yup. That's right. That's it.

**James:** Okay. Go on.

**Kory:** No, we'll leave it there, James. I think we can keep going. We'll save it for episode three.

**James:** So tell me what we're going to talk about in Episode Three, just to get us interested in that one.

**Kory:** Sure. The most critical part of running an online business is the way that you take a total stranger and turn them into a customer. Right? That process. So now that's called a funnel. The old days when I was selling door to door, my funnel was knock on the door and see if they wanted to buy a vacuum cleaner. Now it's more sophisticated.

So the key with the funnel we're going to talk about, your funnel is essentially your [customer's journey](#). And supporting that journey, it's led to becoming who they want to be. That's how I look at that. It's almost like a hero's journey. And if you know what your customer's hero's journey is, you can start building a funnel that supports that. And that's where you really start seeing some crazy success, when you know how to link those two together. So I'd love to talk about some of that next time.

**James:** Fantastic. Kory, this is brilliant.

If you want some help from Kory, head over to [FunnelDojo.com](https://www.FunnelDojo.com). We're going to be doing some training as well.

We actually surveyed my own audience. If you're listening to this podcast, maybe you've even filled in some answers. Kory's one of the partners of mine who's been looking at what challenges my own audience have, which is why we've made this podcast series. We want to make sure it addresses your needs.



But I think we got some really good ones today, such as, what if you don't have enough volume to test? What are the typical areas that a business is suffering the most? What should they be anticipating when the scale increases, and how often should they be updating or measuring their campaigns in process?

So in the next episode, we'll talk about the funnels in more depth. Thank you, Kory. I appreciate the share, and have a good one.

**Kory:** Always a pleasure, James. Thanks so much.



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