CHAD: Hi, this is Chad. Thanks for joining me for another valuable discussion to help product managers become product masters. Becoming a product master involves four levels of knowledge and you can see how to move through the levels in the Product Mastery Roadmap, which is available at the same place where you'll find the summary as well as all the details in the discussion with my guest for this episode. That's at www.theeverydayinnovator.com/112. Now, lean concepts are being applied across organizations, but I haven't spent time considering how they would be applied how they would be applied to marketing. That is, until I had a discussion with my guest, Joe Dager. As product managers are frequently involved with aspects of marketing, I thought these concepts would be important to share, which is why I asked Joe to join me on The Everyday Innovator. Joe describes himself as the chief antagonist of Business 901, a firm specializing in bringing the continuous improvement process to sales, marketing, and service. His process thinking comes from over 30 years in marketing within a wide variety of industries and also applying lean concepts to that experience. Joe has been part of several startups, a few turnarounds, and now works creating digital marketing processes, primarily with SaaS type companies. I hope you enjoy the discussion.

[1:38]

CHAD: Joe, thanks so much for joining the Everyday Innovator podcast!

JOE: I'm happy to be here, Chad. Thank you for having me!

CHAD: I'm glad you could make it. I appreciate John Latham, who is a friend and also a previous guest on the show, introducing us and being able to talk about a concept I don't know a whole lot about, which is lean marketing and sales. As product managers, we interact with marketing frequently. Sometimes we're even aligned. Sometimes we're part of the marketing group. Sometimes we're part of engineering and sometimes we sit somewhere else but certainly it's a key function that's in the world of product managers. I'm curious about this whole concept. Can you kind of explain your approach to lean marketing in sales and how it applies inside an organization?

JOE: Well, you know lean marketing might be a fuzzy concept to some of us, right? As you mentioned there. But product managers would play a key role in it, very much so, because what lean marketing is, I try to take it in the sense that it's really learning, okay? When we think of PDCA and the very typical continuous improvement

CHAD: Because we have people listening from all over the spectrum, so the Plan, Do, Check, Act Cycle from Deming on how we analyze a process and improve it.

JOE: Yes, yes. And it's continuous improvement. It's really the basis of scientific learning, right? Scientific methodology. We just apply that to marketing. That's what we're supposed to be about in marketing, is more about learning, learning about our customers and what their needs are. I always use this reason that lean marketing has kind of surfaced is I always use the analogy that marketing is very much, is not so much anymore about getting the message out, it's just as much as getting the message in. To use the research and everything is key things product managers are looking for. We go hand in hand with product managers.

CHAD: There are two places where that really seems to be coming more prevalent. Social media has helped change that message a lot, right? Instead of just outbound marketing now there's so much more inbound marketing going on and customers reaching out to companies and having some influence there. It's just the smart product management objective of let's deeply understand our customers and know how we provide them value. This sounds like the focus here is on learning, but when I first hear lean, the background of lean comes out of Edwards Deming's work with Toyota and that Toyota production system. That was actually the roots of what Eric Ries did with Lean Startup, the book that became really popular a few years ago and continues to be very popular. So I kind of always, when lean comes up I never quite know which aspect of lean we're looking at, and Lean Startup, the first thing that kind of pops into my mind. How do you view lean? Let's make sure we're thinking of lean in the right way here together.

[4:37]

JOE: I think that's a great question, because when you think about that, you know, Lean Startup, I always laugh and say anyone over the age of 35-40 thinks of traditional lean. Anybody under that age, lean is Lean Startup. So you've got to phrase it to who you're talking to a little bit. Lean Startup is very powerful and that but it's more of that exploration and lean is so much more than that. That's just one part of it. I think of lean, of course is PDCA, as I mentioned, right? The continuous improvement aspect, but a big part of lean is standard work. That's SDCA. Then we've got Lean Startup, which I actually call EDCA, Explore, Do, Check, Act. So that's what you need. You need all three components.

CHAD: Walk through those again with us. So we've got the PDCA, which probably more of us are familiar with, those activities of checking what we plan and seeing what was working and making modifications to it. Then you said STCA?

JOE: SD.

CHAD: SD. Okay.

JOE: It's standard work. It's still Standard, Do, Check, Act, okay, is how it's termed. But it's the same thing. And then I mentioned EDCA, which is Explore, Do, Check, Act. It's really those three components and every company needs a little of both. I mean, you're going to have X amount Exploration going on, seeking new markets, right? That's EDCA. You're going to have a little bit PDCA. You're going to be improving your products for existing customers, you're going to be improving existing products to go to new markets. Then you have standard work. I always look at standard work as that's really what puts groceries on the table, right? The repetition, the effective and the efficiency that everybody wants out of the blocks with marketing. That's why we take traditional lean people the value stream managers and everything, they'll take lean and they'll think of creating a value stream map, getting rid of all the waste, creating flow, seeking perfection, and that's fine with standard work, but how do you find new customers? So those are the components and that's kind of how lean marketing differs a little bit with that traditional lean thinking within the factory.

[7:24]

CHAD: Okay, so we still have the issue of reducing waste, seeking to improve efficiency and effectiveness in that standard work. We have the process improvement piece and then in your EDCA, the exploration, I imagine you'd say you're learning through all of these, certainly.

JOE: Certainly, yes.

CHAD: In exploration you're learning more about what we could do next in terms of what we could do for the customer.

JOE: Yeah, the more simpler way to put it and I'm not sure it's simpler without a diagram in front of me, but if you think of exploration you're going after new markets, new customers, and new products. If you think of standard work as existing products and existing customers, that kind of frames both ends of it, and then PDCA is kind of in the middle there, right?

CHAD: Yep. Improving existing operations.

JOE: Yeah, improving existing operations or seeking new markets with existing products. You kind of sandwich it in between exploration.

CHAD: Okay. So I'm starting to catch on a little bit how you're applying this to marketing. When it comes to marketing sales, we seem to have some areas where lean could be applied as you're talking through this. Where do you see it fitting and where has it been limited? How can this really help us more?

JOE: I think where it's limited, when you think of the Eric Ries concept, the Lean Startup, is that we're developing an iterative approach to marketing. Any more, things change so quickly. It's great to have this vision out here. Then we kind of create this idea of where we want to go. Pretty standard, that's not anything new. But now we have to iterate to get there. We have to put some challenges in front of us. We have to create what's a deliberate practice to get there. You can't just sit there and say here it is, here's a step by step by step plan, because marketing doesn't work that way. Sales doesn't work that way. We don't have control, do we? The customer has control. We can't even make Plan, Do work inside the factory, let alone with customers outside the factory. So we think of that agile approach, we think of an iterative process and we start experimenting. I don't even call things marketing campaigns anymore; I call them marketing experiments. They fit there a little bit. But you go there and you just take it and it's a very iterative approach, it's a learning approach, kind of that sprint SCRUM type action sometimes or even a Kaban but you think of taking some type of thing, breaking it down, what's the simplest thing I can do, the assumption I have, and how can I prove it and how can I move forward? That's PDCA.

CHAD: When it comes to marketing experiments, could you give us an example of what that might look like compared to a campaign?

[10:24]

JOE: I just don't like to use the word campaign if I have an event out there, because campaign is kind of like this war. It's us against the customer, right? We're sitting there and we're going to try to manipulate him into doing something we want him to do. I look at it as an experiment that we're going to go ahead and we're going to seek; we're going to prove our assumptions based on what we think and we take it out to our customer and what's a great tool that we have today is data and analytics, right? What that

allows us to do, it allows us to learn at a very fast rate from customers. That's what we do, is we really sit there and I look at experimentation as it's creating those feedback loops, going the old system thinking type thing. PDCA is double loop learning. That's the part that makes lean so adaptable to marketing because that's where marketing went. It's become so digital, and you hear the word digital marketing, well I have a hard time distinguishing between digital marketing and non-digital marketing. What is that? I don't even know what that is anymore because they're so intertwined.

CHAD: I do like the experiment language, and I've used it in other places too. It makes things less big and complicated and maybe bureaucratic, in a sense. When we talk about a marketing campaign, that sounds like something that we've planned out that we think is going to work and how we execute it and it just gives this kind of picture, I think, to those involved, that we know what we're doing and things are going to work the way we think they will. Hopefully we know what we're doing but we realize there are a lot of unknowns in this whole process and thinking of it as a marketing experiment is more in that lean startup perspective of what are our hypotheses, what do we think we need to get accomplished here, and I suspect that you're making smaller steps towards what might look like a larger campaign as you start constructing it that way.

JOE: Yes. It's all about feedback. It's really reacting to the feedback, learning from the feedback, and you're not going to change things from one phone call to the next phone call because you have to have a decent sample rate of some type, right? So it's not as iterative as that, but it's not as, what you do, you have to break the experiments down into small enough steps so that you can evaluate and learn from them. Usually we always had this big goal that, okay, we need to get 100 people into a webinar. We've got 30 days to do it. So that's what we start marketing towards. We have all this scripts and calls and things we want to do. But really what we should do, is we should say, okay, what can we do next week to prove that we're headed the right direction? What groups do we need to call to make sure what are we going to learn the quickest to be able to segment the groups and knowing which group to call, who we can reach out to, who we can email, and not just like exploration out of brand new people, but also from existing people, adjacent markets, and there's a lot of "adjacency" that goes into lean marketing, because we're not always out there exploring new, because that's such a high risk. That's why I say lean startup is just part of lean marketing. Because we're going to go to existing customers to see if they want to go to the webinar, we're going to try something new with them, maybe a different method to reach out to different parts in the organization, and we're also going to explore other markets, other adjacent markets.

[14:22]

CHAD: Yeah, established companies tend to sell to their existing customers, as you said, that's lower risk, and where we run into disruptive innovation is when the startup comes along and finds a whole new market that we hadn't pursued yet that was sitting there. I like how the aspects of PDCA, SDCA, and EDCA capture that realm, the different areas that we could go, with existing markets or pursuing new markets, too, and exploring what might be beneficial to the organization. As you've done this, I'm curious what you see in terms of metrics for measuring benefits. Maybe you can apply this through an example for us so this is a little more tangible for us, but as we've talked so far, it sounds like some clear benefits are taking things in smaller chunks in an experimental way, so you're using resources probably

more effectively in not wasting as many resources, but how do you go about measuring lean marketing process? Is this revenue, market size, what do you do?

JOE: Well, I think it's a lot of it has to do with exactly the markets we're in, the customers we're addressing. Just say there's this metric out here that works for everyone. What you really have to do is see what your experiment is framed around. Let's face it. If we have metrics, if we have a digital thing of how many signups, how many looks we get on a web page, to make it simple ones, okay? If we have those type of metrics available and want to experiment, but if we use another type of experiment we don't have metrics on, which one should we lead with? The one we have metrics. The ones that we can determine. So when you think of all the data that's out there, the data analytics, the predictive analytics, that you can…from websites, there's tons of software out there in the digital world. Surveys are okay. Focus groups are kind of blasé. I mean, those are all good things, but it's really about the questions you ask and in the digital world, using the right tools any more. I don't even know where to start with what tools we have out there, Chad. I mean, because there's so many that you can actually measure things with. But just to keep it simple, the first thing you have to do is determine who's going to be looking at the measurements and then also how often they're going to be looking at them, and what they're going to use out of the metrics, because we pull up 5000 metrics any more on anything. Of clicks, visits, I mean, I can tell who visited my web page just by their IP address and I can get a note that someone from Boston, MA and someone from Microsoft in Boston, MA has visited my website in seconds. I can tell someone opened my email up that I sent, so I need to call him the next 15 minutes. We have all this different data that we're going about and the whole key is when you're building a feedback system, is make sure that you only try to use what you need to use and for it to make sense. I'm kind of the keep it simple, stupid. I'm very much into that. It's really starting with a feedback plan, how you're going to measure things and then sit back and see what tools you're using and what's available to you very quickly, because there's practically anything out there anymore, it's just more of a time and a money thing, really, than it is a qualification of what you use.

[18:31]

CHAD: Yeah. The tools for feedback have grown a lot. Facebook has helped us and driven in other aspects of advertising on the internet for sure, but this new millennium we've seen a lot more tools that help us get a handle on the real return on investment for our different marketing efforts. It's interesting what we can do now. I did want to ask you about other kind of tools, though. I want to get to, if we have the traditional marketing, and I'm not sure what is traditional anymore, but if we have what we might run into as a marketing organization, a marketing group inside a company, that's not doing lean now and we want to introduce them to lean concepts, I assume there are some steps and some tools that we would apply to make this happen. So if you were going to introduce lean to a marketing group, what do we go through?

JOE: I probably wouldn't call it lean.

CHAD: Good thing to know to start with.

JOE: What we basically do is the typical marketing process when you start any marketing plan is that you look at existing customers, existing structure, right? And what you really try to do is you try to document what people will do. If you call it standard work, what's the first thing? Everything's different here. No,

this is marketing. It's sales. The first thing you do with a mature company is what is your standard work. What do you do? Then we just kind of pick where do you want to go? What's the next thing? We say where you want to go and then we kind of shorten it down and we get it down to one or two experiments and kind of dig a little deeper and then we go and we determine how we can improve that and what is their standard work. We create a gap. Then we iterate to close that gap. A great tool to use to do all that is lean A3, if you're familiar with an A3 or A3 thinking. It's just one page, one document where the left side is plan and the right side is do, check, act. That's really how I've introduced it to a lot of companies. The other tool that we use is more the marketing Kata. It's a break off from the Toyota Kata that Mike Rother introduced, which Kata-thinking is how to develop deliberate practice. Which again, that's all we're trying to do in our marketing is we sit there, we document standard work, then we create where we want to go, then we focus on a certain area to help us get there, because we narrow it down to a focus, whether it's a people, a process focus or that, and then we just go ahead and we look at that and we break the experiment down into some small step and we iterate towards it.

[21:58]

CHAD: Which sounds pretty straight forward when you walk through it.

JOE: You quantify standard work with the marketing team or a sales team and they struggle with that concept because everybody is trying to make it effective and efficient, right? That's not the idea. Standard work and lean is just really document what you do and create a repeatable process out of it. Because if it doesn't repeat, it's not a standard, right?

CHAD: Repeatability is a good place to start, isn't it, when we want to work toward any kind of maturity in our processes.

JOE: There is. If you're digging too deep, maybe you need to step back and look at a little bit bigger picture. It's very similar. Most people try…they've got this effective and efficiency thing in their mind versus here's what we do, here's where we want to go, and let's just iterate towards it. Let's just see what works better. If we reach our goal, it's not all about effective and efficiency, it's about reaching the goal.

CHAD: It's a smart way to think about things, just making that iterative progress towards where you think you want to head and doing experiments to do that. That also seems to take pressure off the people involved in the sense that we all recognize that we can't see far enough out to know wherever that field goal is, or where the target is we want to hit, we can't possibly see all the steps to get there, but if we take little steps towards it and fine tune as we go, we have a much better chance of hitting the target that is of interest to us to hit. Tools there that you shared was the A3 form, which is, like you said, just the one page, really, shows the plan, do, check, act summary on one page. Then, marketing Kata which is deliberate practice. Can you tell us more about that tool?

JOE: What the marketing Kata is if you're systems thinkers out there, are familiar with the levels of perspective, that Kim did, Daniel Kim did years ago, in the early 90s. It's very similar to that. But it's a derivative from Toyota Kata by Mike Rother and what you do is you create this vision and then you create a challenge question, or a focus question, kind of group that around. You kind of put some constraints and boundaries to things. Then you develop your standard work and then, just as I said, you

pick an area that will bring you closer to that challenge question. After that, you iterate toward that smaller area. It's a whole procedure to do it but it's very similar to that levels of perspective that Daniel Kim had and The Path of Least Resistance by Robert Fritz is another one. Because what Fritz talked about is there was a rubber band and if you think about, and let me get this right, if you think about when you have to create tension to be able to move and once you start getting slack, you've got to move it out a little bit to create more tension to keep moving, so there's always got to be constant tension is where we're going and that's what we're looking at with customers. If you think about interacting with customers, there has to be somewhat constant tension. There has to be some curiosity out there. That's what causes someone to click, right? We're looking for that constant tension of what's on the other side of the door.

[26:18]

CHAD: Do I want to walk through that door or not?

JOE: Well I've got to feel comfortable enough. That's marketing's job is to make someone feel comfortable enough that they want to open the door and see what's behind it. But there's got to be that apprehension, that tension to cause them to click and to move through. Kata is a great tool and is a method of simply develop deliberate practice because once you develop deliberate practice, the culture of EDCA as I would call it, of iterative thinking, there's no end to where you'll go. Exploration takes place. When you talk to futuristic people and the futurists out there now, it's these adjacencies, it's these next steps that you take and you don't know how you're going to get there. You challenge them. That's from deliberate practices always looking on the edges, always looking on what's out there next, what's behind the door, and it starts sounding like a marketing plan a little bit.

CHAD: I'm thinking when you go in and you help companies with these sort of issues, you need to get yourself the giant rubber band that will stretch around three people just so you can help illustrate this tension and how we're going to move together and make all this happen and maybe you could coin a rubber band and put your logo on it. I think this would be very helpful.

JOE: That's from Robert Fritz and he's the guy who developed it and Senge's Fifth Discipline -- that's the guy Daniel Kim gives credit to and what's really interesting is those concepts and the systems thinking has really come back now.

CHAD: It has. Systems thinking is showing up in more places and I think it is some recognition of the silo cultures in organizations that we've created that are being managed rather independently and not having the synergies between them as we need them to have inside organizations.

JOE: I think it's going back to knowledge learning. We're finally starting to realize the learning organization is coming to fruition. I think that's part of it. Also I think one of the things is what's always happened with systems thinking is that there was too much of a pause.

CHAD: Tell us what you mean by that.

JOE: What I mean is that when you implement systems thinking, when you start thinking about systems thinking, things were, and John Latham and I talked about this one time, it was very interesting, is there was too much of a delay for something to actually happen. It was too far down the organization, you

know, six months, nine months. What you did up here actually from a systems perspective, started taking place in other areas where you could recognize results. The difference now is that we've got so much data about what happened before us, we're constantly monitoring data and now we're getting predictive analytics that that is starting to shrink. You've got those three forces coming together that makes systems thinking more realistic.

[29:38]

CHAD: That's a good point. You can see the impact of your changes much more quickly than you could before.

JOE: And you can predict them. You think it's going to happen because of the predictive analytics, so you feel a little more confident investing a little more money to opening the next door.

CHAD: To taking the next step. Absolutely. Now, in this discussion you mentioned culture and I was going to ask you about that. When you're putting these tools in place, you're pushing on how things are done now and wanting to do them differently, and you said you're basically creating a culture of PDCA. Talk about what's going on with that culture change and just how you have seen through your experiences trying to make a culture change that supports this lean marketing approach.

JOE: It's tough. I'll say that. I know of very few companies that really can hang on to it. I've been doing this for 10 years now. Companies that have been successful are…everybody has kind of taken part of it. They take sections of it and make it work. They do that very well. It's very difficult to change the culture, because at the end of the day people still have to hit their numbers at the end of the quarter. And there's no one more driven to do that than sales and marketing. There's no one more driven to do that than a sales guy getting paid on commission. So that whole cultural aspect of lean marketing is very tough. Now we see it happening more in SaaS type companies because they don't have as many sales people. They don't have as many commissioned sales people out there. It's more of a marketing perspective that you're getting people to go, to click on the platforms that we're seeing now and when you think of the Airbnb's and the Ubers and that, the direct sales are not as prevalent as what they were. But as we develop and as we see things especially, the service dominant logic type thinking where value is co-created with…

CHAD: Yes, co-created with the customer.

JOE: With the customer. As you see those platforms develop, the idea of lean marketing becomes much more prevalent. Again to your product managers out there, when you're product focused and most lean companies, traditional lean companies are very product focused. They grew up on manufacturing. But when you're product focused, it is very difficult to think of those lean marketing concepts. You're driving that product for more sales because you're very transactional oriented. With the SaaS company and being more user oriented, you're much better. But you think of Mercedes Benz and some of the things they just recently did and as they've become user centric and you think of electric cars, how that's going to change the care industry and the knowledge we gain from data.

[33:04]

CHAD: Electric cars are a huge trend that will impact many areas. Give us an example of what was going on at Mercedes Benz that you're thinking about.

JOE: Yeah, if you think about the Mercedes Benz concept, and how they moved from being a completely, who's more product dominant type thinking than Mercedes Benz? There isn't anyone. And how old the dealerships were. One of the good examples I use is Mercedes had to retool all their old dealerships to start thinking more user centric and how they brought users into the culture. When you think of Toyota, what did they do to move into a new culture, a new type of thinking that was more customer centric? They did it with Lexus but they brought in all new dealerships. They didn't even try to retool the things. That's what's so amazing. What Mercedes did is they moved that from a much more product focus to a user focus and they had to retool dealerships. That's an amazing story with Joseph Michelli in his latest book about Mercedes Benz, which I recommend people to read it because it's such a good story about that.

CHAD: Yeah, Joseph Michelli -- I forget what book he started with. He analyzed Ritz Carlton and their amazing customer service and customer experience, then Starbuck's and I don't know who else he's done, but really good books to look at. The Mercedes Benz example is great, that sometimes we need that, we need to create our own disruption so we can do things differently. Clearly, Tesla has created disruption in the automotive industry by, they have electric cars of course, but by disrupting that dealer experience. I go to my mall and I go to a store that's like Apple to figure out if I want a Tesla or not. Very different dealer experience.

JOE: Well, you move the dealer away. Since we're on the age of politics and talking politics now, I mean even when you think about President Trump, he's moved into social media. He's kind of removed the news from delivering the news. He's disrupting that whole culture and a lot of the news people are still hanging on to and thinking he did this and he did that and he did this and they don't realize that he's completely disrupting the political scene by going direct.

CHAD: As an aside I think it's probably one of the best things that's happened for Twitter recently, having come out of a time when no one was interested in buying the company when they were interested in selling. Now all of a sudden they are in the news all the time as an organization, just by name. Can't hurt them any.

[36:04]

JOE: It's great. But that's good marketing nowadays. What lean allows you to do, and if I can say anything, what lean allows you to do is I always turn to the idea of the ability play in your customer's playground, that user centric focus we were just talking about, and being able to be there. Cadillac probably realized over $5 million worth of ad exposure today because they had all the limos and all the SUVs in the parade today.

CHAD: Not bad for Cadillac.

JOE: So that is the idea of today's marketing. That's where marketing is going. You've got to be somewhat in the playground. You've got to develop relevance of where you're at. Just pushing the message out isn't effective any more.

CHAD: Right. People expect there to be a connection and an interaction. That's why the inbound marketing has become so prevalent is we're not just pushing messages out any more. I want to revisit this culture issue just for moment, too, though. You said it's very difficult for some really important reasons. If we're messing with the expectations that a marketing director has to meet next quarter and that sales person has a responsibility of meeting in order to get their bonus and meet their quotas and that sort of things, those are very real issues that we would expect resistance around. Anytime we're making changes that impact someone's livelihood, that's personal resistance. All of a sudden we're feeling that in a sense of, whoa, hold on, I'm not up for this change that you're suggesting. When it comes to really respecting the people involved and overcoming that resistance, any tips? Any suggestions to help us out with that?

JOE: We go back to that basic idea, to develop small iterative practice. Develop deliberate practice and leave it grow. Take small issues where you start developing part of your marketing that isn't commission driven and develop that deliberate practice. Side step the big issues. It doesn't work with this big message coming down that says this is the way we're going to do it. We start with small areas that isn't going to affect the commission structure, that we develop and we start improving. We start getting people used to the culture, used to PDCA. Look at the iterative processes. As groups, teams move around, projects are shared, what happens? That culture starts developing. If it doesn't work within your company, there are reasons it doesn't work. Why push it? We don't need to become lean, right? We need to build a good company is what we need to do.

[39:09]

CHAD: Start with the culture that's in place, take on the small issues, run our experiments, don't try to change the commission structure overnight, and maybe some of those experiments turn out to be things that really help the sales people and that you find opportunities to do more of that then for them because now you have some support for them.

JOE: If sales sees it's helping them….sales have changed. We talked about the outbound and the inbound. They are the gateway to the customer. If you want to develop a lean culture, you want to develop an organization, the sales guys are your integral part of it because they're more about bringing the message in. They're one of our huge feedback loops that we have to listen to and develop a structure for them. The first thing people think of a sales guy is what do they do. They say we're going to get lean so we need the sales guys to give us this report, give us this data, give us this, and we shouldn't be looking at it from that standpoint. It should be how we're going to make this sales guy's job easier. How are we going to use data to support him and with that data, when it is used, how can we gain feedback on it without making 50%, 70% of his job giving inside feedback.

CHAD: My big picture takeaway, and I want to share this not just to summarize but to give you the opportunity to correct me, too, on what I got wrong, but my big picture takeaway is really looking at marketing sales in the way of what can we do to, instead of some big campaign that we're trying to accomplish our objectives, maybe we set out those objectives once a year and how do we take steps towards that. Instead of doing that, looking at it in terms of what is the target we want to get to and what's that first step that we could do that we might run a little experiment against, to get us to that first step. Then we build on that and take the next step. Thinking about marketing in more of an iterative

manner as opposed to the bigger campaign, bigger projects manner. Is that a fair way of at least how we've been characterizing lean applied to marketing sales?

JOE: I think it's a very fair way. I think it is very much you're going to have to see where you want to go and you're going to have to develop a current state if you want to be effective. That's what you should be doing anyway, lean, anything. You should have documented processes in place. Then all you want to do is pick something and improve upon it. It's going to have an impact. It's fine to pick a problem but you want to pick something that can have an impact and improve on it. Lean has a great set of tools: Kata, A3, all the different matrices, all the different things that we can improve processes with, it's got a great set of tools out there. But it's really not about the tools. Everybody always hears that and things like that. But it's a mind shift. It's a mindset that we can do. What really is the best mindset about it is that we can start without knowing the end. We don't have to see the finish line to start. We just have to see the first hundred yards.

[42:40]

CHAD: This aligns really well with why Eric Ries wrote the Lean Startup and his experience with that, which was with a startup company, built a product and like three people bought the product. That's a painful time to realize that even though you thought you had something really valuable, other people tended to disagree. You want to take the steps ahead of time to figure out what is working and what isn't working and one step at a time is better than the big-bang approach and by the time you have a product ready for the market that's the bad time to be learning about what customers really want or not.

JOE: Yeah, and it is documented. If people go back and pull up Daniel Kim, Levels of Perspective, that type of thinking is right there. It's explained very well by him.

CHAD: I'm not familiar with that one. Levels of Perspective and you said, Daniel?

JOE: Daniel Kim.

CHAD: Oh yeah, you mentioned him earlier. I'll have to look into him too and see what we can find about him. So, I appreciate all the information on lean marketing and sales and kind of that experimental approach that I really resonate well with. I also asked you for an innovation or success quote to bring us. If you could share that and why you chose that one.

JOE: Someone that I always enjoyed a tremendous amount was Peter Senge. He was on stage with Dr. Demming and Brian Joiner and I still am a disciple of more them than I am the Toyota Way, let's say. Senge always had a quote and it tells you how long we've been trying to apply something to sales and marketing. But his quote is, "Sales and marketing have never been against systemizing the process. They have been against being systemized by the process." I always thought that was a great quote because we go in there and the first thing most lean companies try to do with this sales and marketing is they start trying to systemize sales and marketing by the processes, by their tools. The first thing they need to do is just sit back and get a current state, see where sales and marketing want to go, and see how they can help them.

CHAD: That's a good quote. Part of what you've talked about through this is we are putting more of the person back into the situation having to think about what that next step is, as opposed to I have seen and I'm sure you have too, organizations that the quote shows that are trying to create a step by step process that you follow and we expect it to always work. As you said earlier, what's different in all these situations is the customer and you don't really have the control that you think you're going to have.

JOE: And if you don't mind I'd like to add one thing to that. You think about this, everybody has this idea of the sales funnel, right? That was created back in 1880 or something.

CHAD: So it's not just a social media internet kind of thing? (laughing)

[45:39]

JOE: No…I think it's had a pretty good run, okay, for any system, 140 years. What I teach at Business901 is really pull-marketing. The funnel of opportunity, where we start with our present customers and we build the adjacencies from that to build our funnel, versus trying to gather a customer at the top of the funnel and force fit him down through some manipulation method. I think that adheres to lean marketing very well.

CHAD: And it sounds like that might be a resource at Business901. I was going to ask you about that. For listeners that want to find out more information about this whole big concept of lean marketing sales and what you do, how can they do that? What resources do you have available?

JOE: I would go to www.business901.com. We talk a lot about sales and marketing just in general, not just lean marketing. We go ahead and we talk about that. The funnel of opportunity is an ongoing experiment that I create with people and they sign up for that and they get onto a little Trello board with me and we experiment for 30 days and see where they go.

CHAD: Excellent. So is that set up in a coaching sort of relationship?

JOE: Yes. Yes. Very much so. Because I don't think…I'm not looking for a one size fits all type of strategy because I don't necessarily think that's a great way to market, a great way to create a marketing system for anyone, but what you do is you still build standard work, you still build a culture of PDCA and then as a result of that you'll have EDCA.

CHAD: We can find that out at www.business901.com.

JOE: That's right, Chad.

CHAD: Very good. Joe, I appreciate your time. Thanks for talking to the Everyday Innovators and thanks for the information on lean marketing and sales.

JOE: Well thank you very much for having me, Chad. I want to thank all the listeners for listening.

CHAD: It's been great. Thanks.

CHAD: Thanks for listening. Please go to www.theeverydayinnovator.com/112 for the summary of the discussion with Joe plus other information. Also, I would love if you could add a review to iTunes for The Everyday Innovator podcast. Doing so makes it easier for other product managers to discover this

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