



# **Selling Disruption™ Show**

**With Mark S. A. Smith**

*The Five Critical Elements of  
Disruptive Marketing Science*

*G Leavitt*

---

Mark S A Smith: G Leavitt is a marketing scientist. Now, you might be thinking, "What the heck Mark, is a marketing scientist?" Well, that's somebody who takes marketing, which a lot of people see as more of an art, and turns it into a science. He's President of Savavo, a really cool company that takes that marketing science and turns it into action for mid-market companies who are trying to blow away their deals. Welcome G.

G Leavitt: Thank you, sir.

Mark S A Smith: You and I have had some interesting conversations about how we apply science to sales and marketing. I've really appreciated it and really enjoyed it, that's why I invited you on the show. Share with me and our listener what you are doing to disrupt selling with Savavo and marketing science.

G Leavitt: Long answer, right? I'll try to make that a short one, but ...

Mark S A Smith: No, take all the time you want, you have 15 minutes.

G Leavitt: Yeah. I was an agency for 12 years, and so I get what it's like to do marketing execution on every level. Really, I was a digital agency and then kind of turned it into a full-service agency. For those listening who know what an agency is like potentially, so if you've ever been in sales and marketing you have an idea, you've worked with one before. What I found in my research, because I just got curious is to why marketing departments were failing, I got curious as to why they didn't produce more profitable growth and I got curious as to why the CMO position is the least tenured position in the C-suite.

Mark S A Smith: Good question.

G Leavitt: My research was just out to find root cause. I mean, I was using a methodology called, theory of constraints, which some may be familiar with. The point is, I was just out to figure out root cause. Why do marketing departments not work better? The five things that I found were such consistent patterns, especially companies doing zero to 100 million, that I felt so strongly about those five problems that I found, those five patterns, that I decided to stop being an agency and to solve those five problems. One of the reasons why that was such an easy decision was because I did not see agencies solving those five problems at all. In fact, what I noticed was that agencies didn't even know they existed. To think that I was an agency and I didn't know those five problems existed, and I certainly wasn't trying to solve them, because I didn't know they existed, and other agencies didn't appear to be solving these problems either, I decided to kind of be that guy who carried that flag. At this point you may be wondering what those five problems were and I think we'll talk about those in one form or another. Mark will pull all five of them out of me on this call, I don't know, but-

Mark S A Smith: Yes, I think we're going to work on all five, because if I didn't I'd probably get hate email.

G Leavitt: Got it, got it, got it. Well, so before I tell you the five, or really we get into that, I just need you to know that those problems are market driven, right? I didn't decide to disrupt the marketing space off the cuff. I didn't anecdotally come up with a cool idea. This was born of the market and born of the research and the root cause analysis that I did.

Mark S A Smith: Ultimately G, that's the cause of all disruption. It's the gaps, it's the patterns that aren't fulfilled that create market disruption. Companies that say, "I'm going to disrupt the market," usually just make a lot of noise and then fizzle out. The people that truly change the market, like you are my friend, do exactly what you did. You did the analysis, you did your homework and you ended up with the answer. Tell us the answer.

G Leavitt: You already know this, but-

Mark S A Smith: Our listener doesn't yet.

G Leavitt: Over 80% of marketing execution fails the first time.

Mark S A Smith: Yes.

G Leavitt: 96% of small businesses in America fail within the first ten years. Is it fair to say that it is uncommon knowledge to succeed in business, given the fact that 96% fail? Is it fair to say that it is uncommon knowledge how to do marketing correctly if 80% of marketing endeavors don't produce ROI?

Mark S A Smith: That's right.

G Leavitt: I found that over 80% of those marketing execution failures were caused by a hole in your strategy.

Mark S A Smith: Makes sense.

G Leavitt: They're not caused by using the wrong tactic, almost never was that the case. Most of the time they actually weren't caused by using the wrong vendor, although that was one of the problems that we found.

G Leavitt: Certainly using a vendor that's not in alignment with what you need. We found 17 criteria that if you matched to with that vendor you'd have success. We subsequently help people match with the right vendors, right agencies.

G Leavitt: Given the fact that it really was mostly based on this idea that your strategy and your plan cause your failures, not your execution, that became the juggernaut for me.

G Leavitt: I figured it out in part because I was building marketing plans for a living. I was able to walk in, someone would say anecdotally, "Radio doesn't work for me," or, "I've tried direct mail three times, it never works." I would go in, fix the strategy and it would work.

G Leavitt: It's just important I think to note that marketing is not a performance art, it is not a guessing game, and you're not in Vegas.

Mark S A Smith: Yes I am.

G Leavitt: You are actually [crosstalk 00:05:50].

Mark S A Smith: Your customers aren't in Vegas and I'm selling in Vegas, not gambling in Vegas.

G Leavitt: Right.

Mark S A Smith: Marketing does not have to be a gamble anymore. Marketing can be absolutely a science.

G Leavitt: That is my message to the world, essentially is that it's not a science for you, you just haven't embraced the science yet because it does exist and you can live that life.

Mark S A Smith: There's also a lot of bad marketing advice out there.

G Leavitt: Oh yeah.

Mark S A Smith: A lot of really, really bad, bad marketing advice and a lot of it's sold for \$197, or three payments of \$777. At one time, I took the \$666 payment, but there was hell to pay. Friends, that kind of marketing is shiny stuff, don't go for it. You got to talk about the science, not somebody's one hit wonder, and that's what we're talking about today. Outline for us G, the five criteria that you learned. You've just shared one of them, which is hole in the strategy.

G Leavitt: Yeah. I'll talk about them in reverse order in terms of the way we execute them. The first one I would mention is that there's no real time scoreboard to show us where something is broken across all channels. If we wanted to see the marketing department in all of its glory and everything that it was doing, and we wanted to find out where campaigns were broken, or which campaign should be doubled down, or which ones should be turned off, there is no tool for that.

G Leavitt: Frankly, the aggregation tools of the day, where there's 27 connections that bring in different SaaS products that you use and pull them into a scoreboard, is very much bush league.

G Leavitt: There's a lot of reasons for that, because there's no data warehousing at all. The data sets don't look even similar to each other and so there's no objective uniformity. The data sets are all totally disparate, they're just hodge podged onto a page. It's really important to nail this idea of getting uniformity across your data. A click is a click, a call is a call, a conversation is a conversation. You need to know what clicks, and what calls, and what conversations are going on across the sales and marketing department, and you need to know them with objective uniformity. You need to

know that the data's real, that it's right and that you're not relying on someone else who might be fubbing the numbers.

Mark S A  
Smith: Yeah, because they get paid for it.

G Leavitt: Yeah. Agencies like to report what they want to report. I'm not trying to say that they intentionally mislead people. Some of them I'm sure do, but you need to know as the marketing department person, the person wearing the CMO hat, or the VP of sales, or CRO hat, you need to know your data. Without knowing that in real time, there's no bookend to marketing if that dashboard is not clean and clear and right. That's the first thing I would mention.

Mark S A  
Smith: The challenge is that if you have a product, or a service that is a long sale's cycle, you won't know what marketing is working and what isn't for way too long for you to fix it. This concept of the real-time scoreboard is critical the longer the sale's cycle that you have.

G Leavitt: Great point. There's more nodes in the funnel, right.

Mark S A  
Smith: Right.

G Leavitt: There's more touch points along the way. We like to say this, there's always a weakest link in any system. Theory of constraints tells us that, Toyota theory tells us that. If you think of every lead generation activities as just a system, there's always a peak to every mountain. There's always a weakest link. If we're able to see where the conversion issue is in any system, then we're able to focus on that conversion point and prove its results.

Mark S A  
Smith: Of course that may take a little science evaluation.

G Leavitt: Absolutely.

Mark S A  
Smith: What's the second thing?

G Leavitt: The second one I would mention is this idea that we already covered, which is that people hire the wrong vendor. From my observations and research in root cause analysis work, I've found that most of them go about vetting marketing providers in a very ass-backwards sort of way. There's not as much vetting as there should be. When we stumbled upon these 17 criteria that we determined as like, "These are the 17 things you should really ask yourself before you hire a marketing vendor," there's one imperative truth that came out of this whole process. That is, if you are not a marketing expert, you are not good at vetting marketing experts.

Mark S A  
Smith: Ain't that the truth.

G Leavitt: It's really simple. The same way a mechanic would be much better at saying, "That guy's a good mechanic." It sounds obvious, but as leaders and CEOs, we don't do the best job always of hiring the right vendor.

Mark S A Smith: They're going to do their magical work, their marketing and sales persuasion to make you feel they're the right vendor and you don't have the ability to discern whether they are indeed or not. They did a good job selling you, but they're not necessarily doing a job selling your company's products.

G Leavitt: Then, to exacerbate the problem, if you didn't do step one, which was get a real time scoreboard up with uniform data, then this problem, if you have it, which most people do have this problem on some level, becomes even more acute because now you don't know how to figure out whether it's producing ROI in real time. Now the second problem is both problems.

Mark S A Smith: Here's how getting number one, your scoreboard wired up is going to help you pick the right company. The moment you tell any marketing agency that you have a scoreboard that you're going to be watching in real time their results, you tell them that, they're going to do one of two things. One is, "Great, bring it on." The other is, "Excuse me, I got a call I've got to take," and they will disqualify themselves on the spot if they're being held accountable for what they're going to do.

G Leavitt: Amen. I'll even plus that if I can, which is-

Mark S A Smith: Yes, please.

G Leavitt: You can come to them with that scoreboard and your acquisition economics, which we'll get into in a minute, your target CPO, your target CAC, etc., then you will scare them to death knowing that you have target economics for every conversion point and that you have a way to measure those economics. It will absolutely clear the playing field for you. Those are number one and number two, and if you-

Mark S A Smith: I love it.

G Leavitt: Fix those alone, we could hang up right now Mark, and if people fix that, we would have changed the world, in my opinion.

Mark S A Smith: I know it, but I'll still get hate mail if we don't get to the other three points.

G Leavitt: Well, the third one's easy. You've got to fix your team and the problem that I discovered in my research was that unlike the financial industry where there's clear distinction between what a CFO is, what a controller is, and what a bookkeeper is.

Mark S A Smith: Yes.

G Leavitt: There are not clear distinctions in the marketing department as much for some reason. It's kind of a weird thing, but in very simple terms the CFO is a strategist, a financial strategist, the controller is someone who manages the day-to-day operations of that financial department, and the bookkeeper is involved in a very finite detail, right? An executional task. Adapted to the marketing department, you have the CMO who is the strategist, you have the marketing manager position, which

is that day-to-day operation's person, and then you have executors. We just talked about executors. Agencies, or freelancers, or whatever you want to call them, they're executors. They're doing copywriting, or design, or programming, or something like that. When I say, fix your team, here's what we discovered. We discovered that if someone went in house with their marketing positions or department, they wanted someone in house, generally speaking they gave that person two or three of those responsibilities.

Mark S A Smith: Oh, so they're asking them to do long-term, short-term, intermediate-term strategy, selection, sequencing and tactics, and they probably aren't good at any one of the three.

G Leavitt: Right. You hit it on the head. Generally, what's even worse is that they were like, a designer by trade.

Mark S A Smith: Oh, sure.

G Leavitt: They ended up in marketing.

Mark S A Smith: Yeah.

G Leavitt: The real core skill in their background is design, and so they bring with them this design flare, but inevitably they've never written marketing plans for a living, so their strategy skills are weak. They've never managed a marketing department, because they're a designer. They're not a project manager, it's not even their personality type. I mean, they're hiring an A-player to do a B-job.

Mark S A Smith: Right. They've got the A, the attention part wired of AIDA, but attention, interest, desire and action, but they don't have the other three steps of classic AIDA marketing. They got one, but they ain't got them all. I'm not saying that AIDA is the end-all be-all, it just happens to be a good framework to use for a conversation of this type.

G Leavitt: Yeah. We view the marketing manager position as much more like an executive assistant, than like a marketing guru. In the same way, the CFO and the bookkeeper are very different from each other and there's a controller, there's that position in the middle. It's the same thing here. You would hope that the marketing manager would understand the strategy well enough to take it to execution, but the marketing manager's job is to be a project manager, and the marketing manager's job is to get reporting right, and project management right, and vendor management right. It's managing chaos. You and I are strategists-

Mark S A Smith: Yes.

G Leavitt: For a living. We get paid a very high dollar amount per hour to do strategy. If you were to ask me to be a marketing manager, I would throw up in my mouth. I don't have those tendencies. I'm not the OCD type. I will let things fall through the cracks, as I'm sure you would. You hire a strategist to do strategy, sounds obvious. You hire a manager to do management, sounds obvious. You hire executors to do execution.

Mark S A Smith: That's right.

G Leavitt: Simple as that. You get that right, you solve a lot of problems and a lot of what we do is just fix team dynamics and hierarchy that was put together by someone who didn't know any better.

Mark S A Smith: Makes sense. Makes complete sense. What's our fourth element that we have to fix or do right?

G Leavitt: Your execution issues are caused by your plan.

Mark S A Smith: Oh, good one.

G Leavitt: The strategy and the plan is typically the cause of all your failures. You want to think that you're engineering the success of your marketing department, and approach, and campaigns, before it even starts, before you ever even pull the trigger. You want to treat strategy in a way where you say, "All of the success is dependent on my plan. The execution of this plan, the deployment of the plan, is merely a byproduct of me writing the plan. The success is determined before I ever even pull the trigger."

Mark S A Smith: That's so good.

G Leavitt: If you've got that in your head, you're engineering it for success, the likelihood of you doing it really bad is almost zero. The likelihood of you doing it a little bit wrong is somewhat high, but again, if you have the scoreboard in place, and the right people, and all those other things, you'll know where its broken so quickly, you'll be able to do small tweaks on that greatest constraint, that greatest problem, so fast that you just win. I know that sounds like, "Duh," or maybe even a little bit bush league.

Mark S A Smith: It's not.

G Leavitt: "Oh, well of course."

Mark S A Smith: It's not.

G Leavitt: People don't implement it, right?

Mark S A Smith: They don't.

G Leavitt: Because bush league or blocking and tackling are overly simplistic. I'm okay with that. If you don't do it, shame on you.

Mark S A Smith: Well, here's the issue. See, I do coaching and working with mid-market companies and I ask them, "Give me your marketing plan." They say, "Well, we probably need to work on that a little bit." It's almost universal that they don't have a solid plan. For a lot of these people it's, "We need another good sale's person." Their marketing plan is having people cold call. That's not a marketing plan friends, that's a path of spending



a lot of money burning out a poor person. A premise in the world of real estate is, you make your money on the buy, not on the sell. In the world of marketing, you make your money on the plan, not the execution.

G Leavitt: That's a great analogy, I love it.

Mark S A Smith: In this particular case, without a plan, you're literally ... Come on, you're screwed. Without a plan you have no scalability, you have no sustainability, you have no profitability, you have no sale ability. Those four magical things that we have to have to run a successful and disruptive company. I love it, excellent. Fix the plan, we fix the execution.

G Leavitt: If I'm listening to this, the one question I have in my mind, and it's a question you should be asking yourself is, "Well, so what is a marketing plan then? What are the steps to it? How do I build a correct one? Because, I think I have one, but based on what Mark just said, maybe I don't." The first thing I would say is, you probably have what I call a lead gen plan, or an advertising plan. You don't have a marketing plan, you have an advertising plan. It just means you know which tactics you're going to use to essentially create awareness, or create opportunity.

Mark S A Smith: Yeah, as I like to put it, to create conversations.

G Leavitt: Yeah, exactly. To give you context, that particular part of your plan, which that is part of your marketing plan, is step ten of 12.

Mark S A Smith: That's right. Yeah, exactly.

G Leavitt: The inevitability of the question of what are the first nine that I'm missing, it's there-

Mark S A Smith: We're not going to get that in this particular show, sorry.

G Leavitt: No, we won't. What I will say in really simple terms, if you can get your audience right, get how you want to position yourself to them, and differentiate yourself with them, and you can get the economics right as part of that conversation. Meaning, you know what they're going to buy and you know what you can spend to get them in the door and you can subsequently create a budget based on those economics, you're heading down the right road to then be able to ask, "Well, where should that budget go in terms of tactics?" Like we just talked about. You're headed down the right road to get eventually to, "What advertising mediums am I going to use?"

Mark S A Smith: Yeah.

G Leavitt: Before you know all those other things, and there's nine of them, I only said two or three, but you're really kind of screwed if you miss those things, because your conversions will always suffer.

Mark S A Smith: Absolutely true. I love it, really good synopsis. We have to figure out our audience, which means who do you want to sell to. You have to figure out how to position it,

which means how do you be different. It's not just different, it's desirably different in their mind. If there's not a desirable difference, I don't care how different you are, you're not going to make any money. Get the economics right, which we may or may not get to in the show, and then create the budget that we can deploy. That's a great series of steps. What's the fifth thing?

G Leavitt: Well, the fifth thing's an interesting one, because you could argue that it's the root cause of the other four. It really is one of the major five. That is, it's an acumen issue. There's a knowledge issue.

Mark S A Smith: Well, ain't that the truth, yep.

G Leavitt: If you do the research on why businesses fail, and there's a lot of research on it, you'll come to two inevitably very clear conclusions from all sources. D&B, Inc., Forbes, Entrepreneur, anywhere you look you'll hear these two overwhelming things. The first is, there's a lack of knowledge on the part of the owner or the leader, the person really in charge of the growth of the company. Two, there are market dynamics or market issues that have not been considered, which are hurting sales and that's causing the failure. Get your marketing plan right and get your acumen up to speed, chances of success go up dramatically. The way we frame this fifth issue is just at least educating on how to build a strategy, because that will feed off of each other.

Mark S A Smith: Yeah.

G Leavitt: I'm not suggesting you go learn every single type of marketing and advertising there is, I'm just suggesting you at least learn how to write a strategy.

Mark S A Smith: I can guarantee that everybody listening to this show right now is thinking of a situation of a business they worked with, where there was a lack of knowledge and a lack of acumen. Without a doubt, that is the overarching element that creates these other four elements, these other four issues that is causing the problem. You're right on. Brilliant, absolutely brilliant synopsis. Get enough so that you can create a reasonable marketing plan and then turn it over to the experts to do the execution as you watch it like a hawk from your scoreboard.

G Leavitt: You hit it on the head. Some people will embrace that and some won't. I hope that everyone listening will.

Mark S A Smith: Do you know what the difference is between embracing and not?

G Leavitt: What's that?

Mark S A Smith: Disrupting or dying.

G Leavitt: Good point, right? I like to say, leading the market or being in the market. If you don't get the things that we just talked about down, you will never lead the market.

Mark S A Smith: Yeah, right.

G Leavitt: Because the market share belongs to he who has the best customer acquisition system. If you don't fix these five problems, there's a very small chance you'll ever lead your market. I would say that this acumen thing, I really want you to wrap your head around this. I'm not telling you to go back to school for eight years. I'm telling you to get the education on how to write a marketing plan that is bulletproof. With us and our clients, they can do that in 20 hours, Mark, 20 hours.

Mark S A Smith: Right, yeah.

G Leavitt: Just a few days-

Mark S A Smith: Half a week of work.

G Leavitt: Then after that it's a 30-minute thing per week. You know why? Because all they're doing is they're just interfacing with their marketing manager, that controller position, that operation's person, who's the project manager over all things marketing. They don't have to get involved in the weeds on everything. Like you said, executors are going to do the work.

Mark S A Smith: Yeah.

G Leavitt: Marketing manager's going to manage all the projects. You just need to get your plan right.

Mark S A Smith: The good news is that the marketing manager and the executor doesn't have to be somebody on staff, that can be outsourced.

G Leavitt: 100%.

Mark S A Smith: Because they're working to a plan, so this doesn't mean you have to hire more people, it just means you got to build a plan with some advice from somebody who understands how to build a plan, and then figure out who to best manage it, and who to best execute it, and your marketing machine is off and running.

G Leavitt: Got it.

Mark S A Smith: You, my friend, the marketing scientist have built that machine based on all these things you've learned. Give me a 90 second overview of Savavo, who it's for, and how we can connect people to that amazing engine you've built.

G Leavitt: Well, it only took me 12 years to construct.

Mark S A Smith: For a smart guy, that's a really slow mover.

G Leavitt: Yeah. We systematically solve those five problems and it's all in software. We have a learning management system that teaches people how to write plans and we give

them a coach to help them, hand hold them through that process. The core of our system is the plan builder, so we allow you to build your strategy and your plan in software in a step-by-step environment that prevents you from doing it the wrong way. As you build that plan, our software then connects to the management and execution pieces that are needed. Getting that plan in the software where it's shareable and digestible by others is important. Then we lease out marketing managers and coaches to help you write plans and CMOs if you want a CMO that's part-time. We'll lease out those positions.

Then the last two things that we do are we have a marketplace of vendors. These are executors from all over the world and there's hundreds of them. We have a dating algorithm, as it were, it's a match system. As soon as your plan is written, we run an algorithm and we match you to providers that do the things that are necessary to be done as part of your plan. We use those 17 criteria that we discovered to match you. We hopefully mitigate you from hiring the wrong vendor in a very tremendous way and literally, it's one click of a button, Mark. I mean, as soon as your plan is done, you click one button and the match, the 17-point algorithm goes and does that. The last thing we do is of course provide the scoreboard. We measure online and offline marketing activities in one dashboard in real time.

Mark S A Smith: I love it. Now, the thing that I find most interesting about Savavo is that the investment to do this is about the price of half of a head to do the marketing management. Now, you have to have your marketing budget, but to do the management and the execution components and the strategy setting is extraordinarily inexpensive for the value that it delivers. It's disruptive.

G Leavitt: Yeah, it's disruptive. We try to price all of the human capital side of what we do in a way that doesn't necessarily provide a nice margin for us, because that's not where we want to make our living. We want to make those services affordable.

Mark S A Smith: You do.

G Leavitt: To your point about it being half the cost of a real head.

Mark S A Smith: Yeah.

G Leavitt: We've positioned it that way on purpose, like you said, to disrupt the market. Then we let the software do the talking in terms of providing the structure and discipline.

Mark S A Smith: Perfect, I love it, absolutely love it. I think what you've done is brilliant. If I had the 12 years, I probably would've built that software myself, but I don't, I'm working on other things. Thank you very much. It's a delight to partner with you to be my marketing guru when it comes to how do you put together that plan to create conversations. Do you have something to offer our listener today?

G Leavitt: Oh, absolutely yeah. The first thing I would say is, I think a little more education would be nice on the subject of how to write a plan, right? The 12 steps, etc. If your listeners want to learn more about that, I would suggest they hop over to Smarketing,

marketing with an S on the front. Smarketingworkshop.com and that will direct them straight to my workshop on Smarketing and how to build Smarketing plans that I hold every week. That workshop they could join remotely over the internet. That would be probably the easiest thing to do. For those that do attend the workshop, I do give a pretty valuable gift on the workshop, so that would be maybe something to stick around for. That I think would be the best next step.

Mark S A Smith: I think that's a great opportunity. Check out the Smarketing workshop, which then would get you connected to the software and all the other elements. You got to be able to build that plan as an executive, as a CMO, you got to be able to have a smart way of building your plan and that's really the first step, Smarketing workshop.

G Leavitt: Smarketing really is this idea that sales and marketing are one discipline, that they could be connected, that they should work together and that's one of our goals.

Mark S A Smith: I'm with you. In selling disruption, we see product sales, marketing and customer support as an ecosystem with different people doing different things, but we all must accomplish the same thing, and that is make the customer so happy they met us, that they refuse to do business with anybody else.

G Leavitt: Amen.

Mark S A Smith: Thank you G for joining me on Selling Disruption Show.