

## Chapter One: The Uncopyable System (What You Will Learn in This Book)

The Pulitzer-prize winning musical *Hamilton* is a Broadway phenomenon, a true force of nature achieving an uncopyable attachment with its fans. Nominated for a record-setting sixteen Tony awards, it won eleven, along with the 2016 Grammy for best Musical Theater Album. As of this writing, the Broadway show is sold out for the next twenty-three months, but for only twenty-three months because tickets for performances beyond that date haven't been released yet! Its life in New York City and around the world is virtually guaranteed for years to come.

It's true many other plays and musicals have developed raving fans. *The Phantom of the Opera*, *Chicago*, and *The Lion King* are the three longest-running Broadway shows of all time. I was a huge fan of the fourth longest-running show, *Cats*, seeing it the first time shortly after it opened in New York City, and three more times including the London production with my smoking-hot wife, Kay. I loved that show! It sold out performances for a long time.

There have been other shows achieving that status of hottest ticket in town, but not a lot. *The Book of Mormon* became an impossible ticket to get for quite a while after its 2011 debut. Since the 1918 comedy *Lightnin'* first broke the barrier of one thousand performances, only 114 shows have achieved that number.<sup>3</sup> *Hamilton* is today's hot ticket. But it's also much more.

In the June 2016 edition of *Fast Company* magazine, Rachel Syme put it best when she wrote:

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<sup>3</sup> "List of the longest-running Broadway shows," Wikipedia, accessed November 2, 2016, [https://en.wikipedia.org/wiki/List\\_of\\_the\\_longest-running\\_Broadway\\_shows](https://en.wikipedia.org/wiki/List_of_the_longest-running_Broadway_shows).

Hamilton, which opened in the Richard Rogers Theatre in August 2015, after an off-Broadway run, isn't just a hit musical. It's one of those rare cultural phenomena that reaches beyond its genre and infiltrates the broader conversation. Fourth graders love the show as much as 80-year-olds. Hip-hop fans and history buffs alike are giddy over its inspirational, intricately rhymed retelling of the founding fathers' complicated relationships with Aaron Burr, George Washington, Thomas Jefferson, and more.<sup>4</sup>

Lin-Manuel Miranda, creator, composer, lyricist, and original star of *Hamilton* has developed a fan base and relationship with those hundreds of thousands of fans who haven't seen and may never see the show. Beyond the obvious cast album and obligatory social media participation, Miranda has engaged fans through other nontraditional means. From the beginning, in previews, Miranda established a daily lottery of two dozen, \$10, front row seats, which continues today. Fans line up early every day in hopes of grabbing one of the hallowed golden tickets. It has become known as Ham4Ham. As *Hamilton* grew in prominence, crowds became huge. Knowing most of those fans wouldn't get a ticket, Miranda and other cast members launched a series of impromptu short performances and videos as a thank-you and to keep the crowds calm on sweltering days. These performances took on a life of their own. They are broadcast on YouTube and include guest performers from other Broadway shows.

In 2015 Miranda was approached by the Gilder Lehrman Institute for American History about creating a new curriculum initiative. Backed by a \$1.46 million grant from the Rockefeller Foundation, twenty thousand eleventh-grade students in New York City Title I schools will each

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<sup>4</sup> Rachel Syme, "How 'Hamilton' Creator Lin-Manuel Miranda Is Building A Brand For The Ages," *Fast Company*, May 16, 2016, <https://www.fastcompany.com/3058967/most-creative-people/how-hamilton-creator-lin-manuel-miranda-is-building-a-brand-for-the-age>.

pay just a “Hamilton” (\$10) to see the performance and then integrate Alexander Hamilton into classroom studies.

Dissecting a *tour de force* such as Hamilton helps us understand how it achieved current *uncopyable* status.

### **The Uncopyable Mind-Set**

Shortly before the sports pop culture site *Grantland* shut down, Rempert Browne interviewed Miranda about his past and how he developed Hamilton. At one point Browne asks, “When it comes down to it, if you had to pinpoint one thing, is it making musicals? Is it telling stories? Is it filling in the gaps of American and New York history?”

Miranda replies, “It’s interesting; I think of it as, What’s the thing that’s not in the world that should be in the world?”

That’s an uncopyable mindset: looking at something everybody else sees but seeing something different.

Oftentimes, in my own interviews, I’ll be asked to synopsise all this into a sound bite. My reply is “Look at what everybody else is doing and don’t do it.”

Simple advice, but not easy to do. We all have our heuristics, outside influences, perceptions, and opinions about things. They’re drilled into us. But if we truly want to clearly separate ourselves from the crowd, this is exactly what we must do.

And being uncopyable is a moving target. Will *Hamilton* be considered uncopyable in ten years? Probably not, but that’ll likely be a result of Miranda writing the new rules of competition for the next generation.

Tiger Woods did the same thing. When he burst onto the professional golf scene in 1996, he was expected to do very well. But nobody expected him to be, literally, unbeatable. Woods took golf to a level nobody had seen before. He was the best at almost every aspect of the game. Many golf historians feel Tiger's mental toughness was far beyond that of previous champions, but the genuinely new dynamic Woods brought to the game in which golfers had previously been seen as "not really athletes" was his physical conditioning. Outside a small handful of fitness proponents, most notably Gary Player, golfers weren't known for running ten miles and lifting weights.

Tiger's physical prowess was incredible to watch and intimidating to play against. He hit the ball farther and straighter than anybody on tour. For years when Tiger teed off in a tournament, everybody else pretty much played for second. Twenty years later, the newest generation of golfers has grown up under Tiger's new rules. They are athletes in the complete sense of the word. And nowadays they hit it farther and straighter than Tiger ever did.

Achieving uncopiable status requires a consciously developed practice of observation and curiosity, and an almost contrarian perspective. Instead of following the leaders in your market, break away from them by creating new rules of competition they can't or won't play under—as *Hamilton* does.

And don't fall into the trap of thinking you can just ask your customers what they want that's different. I guarantee Lin-Manuel Miranda didn't do that. Your customers don't know what they want. They know they want something better—but not different.

Nobody asked for an eight-track tape player.

Nobody asked for a cell phone, let alone a smart phone.

Nobody asked for the Internet.

Nobody asked for social media.

Nobody asked for Amazon.com.

My all-time favorite quote about this came from Henry Ford: “If I’d asked people what they wanted, they would have said faster horses.”

### **Understanding the True Marketing Process**

Do you realize you’re probably approaching marketing backward? True dat, as my friend Kelly would say.

Too many small businesses see marketing as something *else* they need to do after they’ve done the important stuff. And many also see marketing as a necessary evil but not really the business they’re in. As a result, what often happens is they ride a revenue roller coaster. It goes something like this:

1. When your company first started, you and your team (if you have a team) knocked on doors, made cold calls, and maybe even grabbed a directory of company names and starting dialing for dollars. (On my first sales job, our sales manager threw the Yellow Pages at me and said, “There’s your list!”)
2. After a lot of these calls, you generate some sales. Everybody’s happy! But then you have to fulfill the orders, so you and your team switch your efforts to production and delivery.
3. While you’re focusing on fulfillment, there are no outbound sales or marketing efforts. Because there aren’t, sales dry up, eventually. And with no orders to fulfill, you and your team, once more, have to knock on doors, make cold calls, and, maybe, grab that directory again.

4. This scenario repeats itself over and over. When you're filling orders, sales are being ignored. When you have no orders to fill, you push sales. It's feast or famine.  
You're on the business roller coaster and you'd really like to get off, but you don't know how.
5. One day a media salesperson cold calls on you and makes a pitch: "I can expose your brand to 25,000 names every week and it'll only cost you 2 1/2¢ each! If you make only *one* sale, it'll pay for the whole thing!" You get sucked in to the funny numbers, thinking, *Hey I can work on my business and this will take care of the marketing for me!*  
Yeah, right.
6. It doesn't work. Of course, it doesn't work! So you go back onto the roller coaster, \$625 poorer. Do you learn your lesson? Unfortunately, most don't. In fact, many people think, *Well, that marketing tool doesn't work!* You get back on the roller coaster, and time passes until yet another media salesperson drops in, and the scenario plays out all over again.

Why does this happen to so many small businesses? There are two simple reasons. *First, you are not in the business you think you're in.* Do you manufacture widgets? I don't care whether they're small, inexpensive widgets or big, huge, expensive widgets. You are not in the business of making widgets. You are in the business of *selling* and *marketing* widgets. The widget is incidental. It's merely the deliverable for what you're selling. Do you manufacture golf clubs? That's cool, but if you don't sell them, you're just going to end up with a big pile of steel. Do you build towering high-rise condominiums? Sweet! But if nobody occupies those skyscraper views, then you're selling to Trump—for cheap.

This is one of the most difficult lessons for small business owners. You *love* what you do! Maybe, you grew up loving to fish. You spent years on the river or boat and are happiest when you're fishing.

One day you come up with a lure that large-mouth bass just can't resist. Other fishermen notice you hit your limit every day and they ask for the secret. You tell them about your lure and, of course, they want you to make one for them. You start hand-making your special lure. A bunch of people buy it and someone suggests you should start a business. That's the ticket! You can make a living in the sport you love! You start a business and next thing you know is you've got a production line, inventory, rent, and, maybe, even an employee or two.

Let's keep this short because we know what happens. You think you're in the business of making lures. People will, naturally, be attracted to them and purchase them. Easy peasy! But that's not what happens, is it? It's not so easy peasy, is it? And the reason is you never thought you'd actually have to get out and *sell* those little buggers. Whether you like it or not, you are now in the business of *selling* and *marketing* large-mouth bass lures.

*The second reason for the marketing roller coaster is small business owners think they can hire an outside resource to do the sales and marketing.* Sometimes, they hire an agency. Sometimes, it's a freelancer. Sometimes, it's a sales representative. Sometimes, it's a full-time person.

It sort of makes sense to get help when you finally understand you need it. But this course actually misses a critical first step: *You (the business owner) are first and foremost the number-one salesperson for your company, and if you can't sell your product, nobody else can, either.*

History is filled with extraordinary corporate success stories, most of which are about founders and CEOs who embraced the role of being their company's top salesperson.

At the age of sixty-five and often sleeping in the back of his car, Colonel Harlan Sanders visited restaurants, offered to cook his chicken, and, if workers liked it, he'd negotiate franchise rights to his Kentucky Fried Chicken recipe then and there.

Ely Callaway Jr. bought the golf equipment manufacturer Hickory Sticks for \$400,000. In 1983 he became president and moved the company to Carlsbad, California, where he sold clubs out of his Cadillac, renaming the company, Callaway, Inc.

The first sales of Phil Knight, Nike's cofounder, were conducted out of a now-legendary, green, Plymouth Valiant automobile at track meets across the Pacific Northwest.

Major CEOs throughout history, such as Mary Kay Ash, John Patterson of NCR, Larry Ellison of Oracle, and Napoleon Barragan of 1-800-Mattress, understood the importance of sales and marketing as the primary function of their businesses.<sup>5</sup> That's your job too.

## **THE FOUNDATION BLOCKS OF UNCOPYABLE**

Once business owners understand their number-one role and the true function of their company, they need to understand the correct steps for achieving the highest success, and those steps must be in the right order. The media you use—direct mail, your website, trade advertising, Val-Pak, social media, or any of the other myriad of tools available—is *not* where you start a marketing strategy.

### **The Marketing Diamond**

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<sup>5</sup> "Ten Greatest Salespeople of All Time," *Inc.*, March 28, 2011, <http://www.inc.com/ss/10-greatest-salespeople-of-all-time>.



You start with your *market*. Who are the prospective customers in your target market? What can you tell me about them? There are two important parts to knowing your market: demographic and psychographic.

Demographic is usually easy for us. What industry are these customers in? Where are they located? How big is their company? How many sales? How many employees? Most of us know the answers to questions such as these, which is great because they give us the *profile* of our target, identifying our prospects.

The second part, the *message*, isn't always so easy, because we have to sort of climb inside the mind of our prospects.

What problems, challenges, obstacles, or hurdles do our target prospects face every day?

What keeps them awake at night?

What aspirations and opportunities do they have?

What have your target prospects tried to either fix pain or achieve gain that hasn't worked?

After you've painted a clear picture of your target market prospects, what message can you craft that gets their attention? The more you can show how working with you will fix pain or achieve gain, the better chance you'll have. The best way to do this is to join the conversation already going on in the prospect's mind. A simple example is in the weight-loss industry. It's not so much that people want to lose weight but, rather, what losing that weight will achieve for them: turn heads on the beach, be the slimmest woman at the class reunion, get the body back after having a baby.

The better job you do of matching the message to your market, the more success you'll have.

The third part is the *media* you use to send your *message* to your *market*. There are, literally, hundreds, maybe thousands, of different types of media you can choose to use, but there is no one perfect medium that works for everybody. Yes, social media works for some businesses—but not all businesses. TV still works for some, no matter what you’ve heard. Heck, even billboards work for some businesses!

The key to finding the right media is simple: Does your target market already pay attention to it? That’s it. Nothing more. I don’t care if there are more people on Pinterest than live in Japan. If *my* market isn’t on Pinterest, it’s useless to me.

On the flip side, if I build five-axis, horizontal, milling machines and I find out my market reads *Today’s Cat*, you can take it to the bank I’m advertising in *Today’s Cat*.

The big question mark, of course, is *moment*. When will a lead make a decision to buy? Sometimes, we might be able to influence and speed up the decision-making process, but most of time, we can’t.

Here’s the big question: When a lightning bolt comes out of the sky, striking our leads in the head and they realize they need that solution *right now*, do they think of us first? Do they think of us second? Do they think of us at all? Our goal is, in fact, to be the *only* solution they think of.

If we correctly follow the *market-message-media-moment* plan and add the uncopyable strategies outlined in the chapters ahead, we can influence the decision when the *moment* is right.

## **Your Branding Strategy**

Have you ever heard about the guy in Anchorage who took a set of tires to Nordstrom and asked for his money back? The salesman contacted the manager, and after some discussion, they

determined this guy was a very good customer. So they refunded his money even though Nordstrom doesn't sell tires! Clearly, this is an amazing story that reinforces the Nordstrom policy of customer service and unquestioning refunds.

There's only one problem: there's no proof it's true.

It's part of the Nordstrom myth. I've heard many different versions of the story, usually from a professional speaker using it as an incredible customer service example of just how far excellent companies such as Nordstrom will go to take proper care of their customers: "If Nordstrom can take back tires, shouldn't *you* rise to that level too?"

In a meeting, about twenty years ago, I had the chance to ask Jim Nordstrom about the tire story. He smiled and said, "I don't know. I wasn't there," an excellent nonanswer. But the story persists. I heard it recently during a session led by a member of the International Speakers Hall of Fame.

That's the thing about myths. Many are rooted in some truth, expanding as the story is handed from one person to the next. The fact that, ultimately, a myth may sound too fantastic yet still be uniformly accepted only happens when other stories about the "hero" are provably true and somewhat consistent. The tire story speaks to an ideal of superior, even unbelievably high, customer service. And there are many stories of Nordstrom delivering just that. My own family has had several such experiences.

For example, Kay was shopping for Kelly's school clothes, several years ago. She found an outfit she liked at Nordstrom. Unfortunately, the one that fit Kelly was missing the belt. The salesperson assured Kay she would find the right-sized belt and contact her. The next day, Kay received a phone call from the salesperson. "Hi, Kay! It's my day off, but I was thinking about

that belt. I stopped in a nearby Macy's and they have the exact same outfit. They are holding the belt for you and you can pick it up anytime."

*That's* an amazing customer service story.

Stories like that help us believe that the tire story might be true: "Hey, if *this* can happen, I guess *that* can happen too!"

The other thing about myths is how much people like to share them with friends and peers. I can safely say that when I do share Kay's belt story, whether in a speech or just in conversation, others, inevitably, want to share their own amazing Nordstrom customer-service story. And so the myth spreads.

Smart companies understand the power of myth. Oh, they might use another word for it, such as *brand*, but when managed correctly, it's still the same. You see, the essence of your brand is the big, specific promise you make to your customers. What promise can you make that resonates with your target audience? Nordstrom doesn't explicitly declare it offers world-class customer service in its advertising, but we all have come to expect it. Why? Because the company *implicitly* shows us through great stories such as my wife's, and *mythical* stories such as the returned tires. And not only do those smart companies develop strong myth/brands, but they help spread them too. Yes, even Nordstrom does that.

That's the thing about your myth/brand. You must manage it. You must carry it around with you at all times. You cannot for one second to allow somebody else to take control of your story.

You must also look for available tools to anchor your branding myth in the mind of your target market, and trigger the memory even later.

Great brands almost always have great myths attached, whether they're in the B2C market or B2B.

### **Your Innovation Strategy**

The first McDonald's drive-through was created in 1975, near an Arizona military base, to serve soldiers who weren't permitted to get out of their cars while wearing fatigues. The manager of the Fort Huachuca McDonald's was befuddled by the loss of potential business, so he looked for an answer. While sitting at his bank's drive-through window, the solution hit him. If money could be passed through a window, so could food! The first fast-food, drive-through window was created. Nowadays, between 50 and 70 percent of all sales are through the drive-through.<sup>6</sup>

This is an example of what I call Stealing Genius™.

As I pointed out earlier, too many industries are guilty of practicing a strategic orthodoxy. Everybody looks alike and everybody acts alike. And the main reason for this is people tend to look at *each other* for new ideas. As a result, most competition doesn't create innovation. It creates conformity.

And you don't want that, do you?

But innovation is *hard*. How often have you pulled your team together for a "brainstorming" session? You ask everybody to bring their best new ideas for whatever challenge you might have. Let's say you want to develop a new marketing campaign. So you get the flipchart out and open it up for suggestions.

Silence.

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<sup>6</sup> "Fast Food Statistics Concerning Drive Thrus in the Recent Years," November 17, 2013, <http://www.fastfoodmenuprices.com/fast-food-statistics-concerning-drive-thrus-recent-years/>.

Until someone pipes up and says, “Well, I saw Huge & Hated Corporation do this promotion giving away baby ducks at a trade show in Detroit. I don’t know if they made any sales, but they gave away a *lot* of baby ducks! Maybe we can do something like that.” And everybody chimes in, “That’s a great idea! We can do it even *better* than Huge & Hated, Inc. did! We’ll give everybody *two* ducks!”

*No, no, no, no, no, no, no.*

As a kid, I had the opportunity to spend a little time with W. Edwards Deming, one of history’s leading management consultants. Wikipedia states:

Many in Japan credit Deming as the inspiration for what has become known as the Japanese post-war economic miracle of 1950 to 1960, when Japan rose from the ashes of war to start Japan on the road to becoming the second largest economy in the world through processes founded on the ideas Deming taught.<sup>7</sup>

One of the foundation blocks of Deming’s approach to total quality management was benchmarking. The definition I was taught was “to observe correct behavior and implement within your own context.” Deming shared that companies often made a big mistake with benchmarking. Observing correct behavior within your industry only gives you a comparison of how you’re doing. If you truly want to innovate you must put yourself *outside* your comfort zone, exposing yourself to alien experiences (my words). Observing correct behavior among aliens can often stimulate completely new ways of looking at something common in your world.

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<sup>7</sup> “W. Edwards Deming,” Wikipedia, [https://en.wikipedia.org/wiki/W.\\_Edwards\\_Deming](https://en.wikipedia.org/wiki/W._Edwards_Deming).

The Fort Huachuca McDonalds manager had most likely driven through his bank's drive-through many times. But when he had a need for a new solution, he was smart enough to look elsewhere, not just at other restaurants.

That's Stealing Genius.

### **Your Experience Strategy**

The commoditization of businesses today focuses on the three traditional components of competition:

- product
- price
- customer service

Technology has all but erased companies' abilities to create a product that differentiates them from the competition. Price cutting has never been a long-term success strategy. Oh, many have tried and many have dominated for short periods of time, but nobody has sustained. Even vaunted Walmart (home of the "Every Day Low Prices!") has been soundly usurped by Amazon. Eventually, someone will take down Amazon too. Jeff Bezos has already predicted it.<sup>8</sup> Which leaves today's company to fend for itself on customer service. Because it's the last of the big three competition components to survive, it's the one most businesses look to.

Unfortunately, it hasn't been that easy. After all, what defines good-to-great customer service? Plus, there's a giant Achilles heel in providing great customer service: *people*.

Businesses have to rely on people to deliver world-class customer service, and apparently, it's just not that easy. At our local mall a Nordstrom and a Macy's are located just a few hundred feet

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<sup>8</sup> Charlie Rose, "Amazon's Jeff Bezos Looks to the Future," CBS News, December 1, 2013, <http://www.cbsnews.com/news/amazons-jeff-bezos-looks-to-the-future/>.

apart. From a customer service perspective, they might as well be on different planets. If you walk into Macy's after passing through Nordstrom, you can actually *feel* the level of customer service drop. It's as if the temperature fell twenty degrees.

Certainly, you should work hard at educating your team to deliver the best customer service possible, but there is now a fourth component to add to the product/price/service list: your customer's experience.

Now granted, your customer's experience is immensely impacted by the customer service delivered. But it can go far beyond. You can develop a customer experience that, literally, creates an uncopiable attachment for your customer.

Just look at *Hamilton*. And Disney. And American Girl. And Harley-Davidson. All have created incredible experiences for their customers. And here's what happens when you create incredible experiences for your customers:

- a richly imprinted experience wants to be repeated
- a richly imprinted experience wants to be remembered
- a richly imprinted experience wants to be shared

As you progress through the rest of this book, look for those new perspectives and ideas that whack you upside the head just lightly. It might be in your branding strategy. It might be in your innovation strategy. It might be in your experience strategy. Heck, it might be in more than one!

Regardless, the point is you need to look for ways to get your customer *attached* to you, both professionally and personally. That's how you separate yourself from the competition.