

Perry Marshall: How 80/20 Thinking Applies To Absolutely Everything In Life

Episode Companion

SOME BACKGROUND

- Perry was a pastor's kid and grew up on a farm. His father wasn't an entrepreneur at all, but for some reason Perry had the entrepreneurial spirit pretty early on.
- His hobby was building his own custom stereo equipment, which is expensive. In order to build the next piece of equipment he had in mind he had to sell the last one. One day someone bought one for \$60 and Perry realized he could reproduce the same speaker and sell them for profit.
- Selling speakers wasn't a real living though, so he went and got his engineering degree. Then ended up working for AMWAY, which was a very cool aid drinking kind of experience. But they did clean him up and put him in a suit and tie.
- He was seriously learning how to tell stories in order to sell product, which is way more complicated than he thought it would be at first. He was out there pounding the pavement, going out there annoying people trying to make sales.
- He was working harder and harder and when his wife got pregnant with their first kid he really put himself into the red, getting so burned out that he got fired 3 months into her pregnancy.
- But he managed to get a job at a new software company before they could find out he had been fired. At about the same time he went to Dan Kennedy's seminar and got hooked on his magnetic marketing. He bought the \$300 info product, which he'd never think he'd do. His boss thought he was so gullible but it actually turned the tide for him.
- This is 1997 and most people aren't using email, but engineers do! He figured everything he had learned about sales letter could be applied to email and he was right. In a couple months he was finally getting commission after commission without having to pound the pavement at all, it was all inbound.
- At his old job no one really wanted to talk to him since sales people were looked down on in the engineer world and his boss thought he was too technical to do sales well. But this new job required an engineer like him to make sales and be technical about how you're approaching sales. That's when he was finally in a place to use his strengths in his work.
- If you're constantly cutting against the grain of who you are then get out! How much time do you want to waste not doing what you're gifted to do?
- Soon after implementing his email marketing, the software company sold for \$14,000,000 and he got a huge check on the way out. That's when he became a devout student of this new marketing.
- "What if I got really good? Just totally committed myself. I'm going to be the most insanely devout student of this stuff and I'm going to learn everything that I possibly can. I'm going to know how to maneuver my way out of any situation."

8 AXIS SELLING

- You want to commit yourself to a discipline and learn it really really well. In order to understand where your strength lie he's developed a Marketing DNA Test, which is like a Myers-Briggs for marketing talents. This is after noticing personality patterns while working with other marketers.
- Like Copywriters vs. Hostage Negotiators.
 - Copywriters sit and grind all day getting things perfect until they finally post it and then the money starts rolling in. In general, they are a weird and eclectic bunch who like to collect lots of ideas and synthesize them.
 - Hostage Negotiators, they are the ones who throw themselves into situations. They will say lots of stuff to people and not remember a thing they said while they were in there landing a deal.
- Perry has seen so many people who are Copywriters try to be Hostage Negotiators and vice versa, which is exactly what he means by cutting against your grain. You're constantly working against yourself if you're being the wrong version of marketer for yourself.
- In his test he has 8 axes of people, which is all about making combos of what people like and don't like. $\frac{1}{3}$ of his students say the test nails them perfectly, while the other $\frac{2}{3}$ say it gets really close.
- He recently had an engineer take his test, which said he was actually a copywriter. Now the guy is making 6 figures a year being a freelance copywriter.
- If you focus on what you're good at then it's an exponential return on your time investment. Getting on the right path will make an immediate improvement on your life.
- What about people who are good at what they hate doing? Well, we all have to do something things at work we're not fond of. The best thing is to find the intersection of your natural gift with the work you're doing. But if you're not good at one kind of selling then chances are you don't like it either.
- Another thing to consider, do you like selling the latest new thing or the reliable standards? Someone who likes to be at the cutting edge is going to be bored with reliable stuff. The person who likes reliable products is going to be anxious out there on the edge.

RULES FOR DISRUPTION

- Matt and Joe heard about Swift Financial while at one of Perry's events. It basically uses some metrics to approve you for a loan in just minutes, rather than days or weeks. They used it to instantly have the funds to buy another company. PayPal ended up buying them too.
- Really successful companies are dramatically simplifying things for people and the market. Being able to approve loans in minutes is incredible. PayPal bought them for over \$100,000,000 that's what a game changer it is.
- Can you cut the distance between desire and fulfillment? Then that's a great business idea! He had a guy 2 years ago who had done film production as a side gig for over 20 years. This guy developed a whole new model for getting funding lined up

for movie production. In just two years he now has his own movie studio with over 1 billion dollars in backing.

- People talk about disrupting industries but there's a formula for breaking things in the right way. It isn't about being an anarchist.
- Perry believes we are actually in a very transitional phase of human history right now, where the old rules no longer apply and the new rules haven't been defined yet. You can try knowing the new rules, even have influence over the new rules but one day the wrecking ball is going to come. Like how taxis will be replaced by automated cars one day.
- Accounting and taxes are just about to get their wrecking ball and the IRS already sees it coming. Any industry that's still doing the same thing as 30 years ago is primed for a sudden change.

80/20'S FRACTAL INSIGHTS

- Perry thought he understood 80/20 years ago, but he's only scratched the surface and is realizing how super-powerful the principle really is.
- 2 things to understand.
 - 80/20 isn't just a rule of thumb, it's a law of nature. Like 20% of the rabbits have 80% of the babbies, that sort of thing.
 - 80/20 is fractal. What does that mean? Say California's coast is 1,000 miles if you're flying, but it's way more if you drive, even more if you walk. Then there's inlets in inlets and the coastline keeps growing in way. The same is true for makreting.
- How does the fractal stuff apply? 20% of the roads carry 80% of the traffic, but it keeps going. So 4% of roads carry 64% of the traffic. And 1% of roads carry 50% of the traffic. The same is true for marketing, where is that 1% of roadways you want to own?
- Basically, there's immense amount of leverage if you find the right place. This is an upside to perfectionism if you're doing it in the right way.
- A bad copywriter will be an okay copywriter after 10 years of study, but a talented copywriter will become a great copywriter in the same amount of time. You can go deeper and deeper on this stuff.
- Don't throw away that 80% that seems less valuable though! You can still use it. Perry hashed out an idea at a Rush concert after a friend suggested they do a deep cuts tour where they only play their lesser known song. How do you sell that? Well, only 1% of the fans actually want to hear those songs, so you do small shows and charge \$500 a ticket. There's always a place for low leverage stuff to have leverage.
- There are 2 kinds of failure, strategic failures and moral failures. Strategic failures will get people mad at you but they'll forgive you after awhile. Moral failures, though, no one ever comes back from those. Like no one does business this the Enron guys anymore.

RESOURCES

- [The Truth Seminar](#)
- [80/20 Sales and Marketing](#) - Get the book for free!
- [Free Evergreen Traffic Playbook](#)
- [The Perpetual Audience Growth Course](#) – Learn how to drive consistent, high-quality traffic day in and day out
- [GenM](#) (*Sponsor*) – Find marketing apprentices for \$50/mo
- [Swift Financial](#)
- [The Book of Proverbs](#)