



The Social Capitalist: Mark Magnacca

Mark Magnacca, the author of *So What? How to Communicate What Really Matters to Your Audience*, has a no-nonsense, practical approach that helps people tailor their messaging to ensure people will care. It's all about relentlessly focusing on how what you do benefits whomever your audience may be.

This is an edited transcript from a Social Capitalist Skills Session. The Social Capitalist is sponsored programming of myGreenlight, the only comprehensive online learning platform for critical relationship development skills. The interactive interview series is dedicated to delivering in depth discussion on relationship science with the best and brightest thought leaders in business and academia.

Tahl Raz: Hello, this is Tahl Raz; my guest today is Mark Magnacca. Mark is author of *So What?: How to Communicate What Really Matters to Your Audience* and the president of the sales training organization Insight Development Group. Mark's mission is to help sales people – and really, today we're all sales people – get greater results by focusing all their communications – verbal, written, digital – on what customers really want to hear. Welcome, Mark.

Mark Magnacca: Thank you, Tahl. Glad to be here.

Tahl Raz: Let's jump right in. You say that there is a magic formula for answering the question "what do you do?" So, what do you do?

Mark Magnacca: Well, you know how so many people have a great idea but they struggle to communicate it, in a way that people can remember?

Tahl Raz: Yes.

Mark Magnacca: What I do is help people package their idea and come up with a way to talk about it that makes it memorable and compelling, and causes people to want to know more.

Tahl Raz: That's aligns perfectly with a simple two-step formula that you've outlined in your work. Can you go over those steps and tell us why they're important and how they change the whole approach to that question?

Mark Magnacca: I'll give you some background here. I was a financial advisor for 10 years, and like many financial advisors, I really liked helping my clients. I liked the technical aspect of what I got to do, but the truth

was, I struggled when I would be at a Chamber of Commerce meeting or any one of those forums where you're going around in circles, and your turn to speak is coming up, and your heart's pounding, and your mouth's getting dry, and you're trying to think, *what am I going to say now?*

I found myself one time at the Breakers Hotel in Palm Beach, Florida, and a guy walks into the elevator. I'm in the elevator, on the 5th floor, going down to this conference meeting, and I have on my shirt the word "Commonwealth," which was the name of the broker/dealer that I was part of. There were signs around the hotel that this conference was going on.

This guy gets in. He looks like the actor John Forsythe, you might remember him from the old TV show *Dynasty* - you know, sleeked-back grey hair. He looks like a real blue blooder, like he fits at the Breakers. He gets in, pushes "L" for lobby, then turns to me and says, "You're with the Commonwealth... how long have you sold for Commonwealth?" And I said, "No, no, actually I don't sell for Commonwealth, Commonwealth is my broker/dealer."

"Oh," he says, "does that mean that they have a seat on the New York Stock Exchange?" The elevator begins to descend. I said, "No, no, Commonwealth is a broker/dealer and they have National Financial, and they're the ones who have a seat on the stock exchange," and the elevator is going down. "Oh! I see," he said, "So what do you do for National Financial?"

And I said, "Well, National Financial is owned by Fidelity, and they're the ones that are the clearing agent when I place an order for stocks and bonds and I have what's called an OSJ, and that's the guy who's like a regulatory person and makes sure that I don't get in trouble." And at this point mercifully, the elevator hits the lobby. The doors open, the guy turns to me and looks right at my face and says, "Good luck to you kid." And out he goes.

At this point, I actually felt like committing hara-kiri, I was so devastated. Here I had had a legitimate prospect in an elevator who asked me, "what do you do?," and I just blew it.

So I walk into the conference and bumped into couple of other financial advisors who'd been in the business much longer than me. I tell them what just happened. And I say to the first guy, "Frank, how do you answer that question?"

Without missing a beat, Frank says, “I’ll tell him I sell life insurance.”

I step back for a second and say, “Are you kidding me?” And he said, “No, I grew up in the ‘60s and that’s how we learned to do it.”

“Well, how does that work for you?” I asked. And he said, “Usually, people step back, chuckle a little bit and walk away.”

At this point, I’m starting to think, *okay, maybe I’m not as pathetic as I thought*. I ask this next guy, “Duane, how do you answer this question?” And he says, “Oh, I went to a program for that and I’ll tell you what I tell people: that I help my client to set sail on the high seas of retirement to get to the destination port of their dreams.” And I say, “Are you kidding, do you actually say that?” And so I talk to a third guy and he doesn’t have an answer he feels comfortable with either.

So I began to discover that I wasn’t the only one with this problem. As a matter of fact, I saw that it was almost universal. Even really good people had a lousy answer. So I made it my mission to figure out how to answer that question, and, as you mentioned, I came up with the formula. It’s certainly not a new idea, but the way we packaged it and presented it is new because it makes it easy to adopt and to use.

Tahl Raz: Let’s go over that.

Mark Magnacca: Let’s break down the formula. If listeners go sowhat.com, they can actually download the tool to help you do this. The quickest way to get into it is if you scratch out on a piece of paper the following information:

One, what are my client’s three primary concerns? Just three little bullet points. And two, what are the three things that I do to address those primary concerns?

Let’s assume you’re a financial advisor, since that’s the earlier example I gave you. For the first question, you might say, “Well, people are worried about running out of money at retirement.” That would be an example of one concern. You might say people are worried about taxes, you might say people are worried about paying for their children to go to college. That would be three fairly common concerns your clients have today.

So now in the second sets of bullet points, what is the primary thing that you do to address that concern? In the interest of time,

we're just going to take one. So if I know that your biggest concern is running out of money at retirement, what do I do? This is where the shift in thinking will happen. It happens because you are now thinking in terms of, "How do I answer this question in such a way that the other person actually cares?" So, instead of my pathetic first attempt at what was then called an "elevator speech," we've now updated it and call it a "so what?" positioning statement.

That's really what we're doing, we're positioning you. It's not actually a rhetorical question as much as what we call an undeniable truth. So, I take you through this process and you figured out your client's primary concern, running out of money. Then you ask yourself, *what do I do to help people who run out of money?* And most financial advisors would ultimately come to the conclusion that, "You know what, I actually have tools and products that I can offer that help people create an income that they can't outlive."

No one cares that you have specific mutual funds, or annuities, or any of these different tools. They don't care about that. They care about what it can do for them. So, by packaging it into this little formula, it would go something like this. I might meet you in that elevator, or at the Chamber of Commerce, and you would say, "So, Mark, I see you're with Commonwealth, what do you do?" And without missing a beat, I'd say, "Well, do you know how so many people today are worried about running out of money at retirement?" "Yes." "Well, what I do is help my client create a stream of income they can't outlive." Fifty percent of the time after you say that, the person kind of cocks their head to the side a little bit and says, "Really."

Tahl Raz: What's the importance of formulating what you call the "undeniable truth" in your question – which is meant to be rhetorical, right?

Mark Magnacca: Yes, it's rhetorical. It's not designed to be answered, but it is designed to have a response. The way that this generally works is this. If I'm with an audience and I ask the question about worrying about retirement, if I'm looking out at a hundred people or a thousand people, I can tell you every single time this happens, something like 80 percent of them will nod their head in the affirmative.

The reason asking about an undeniable truth is so important is because the problem with the typical "elevator speech," as it was called back in the dot-com era, is that it presupposes that people are actually listening to you. What I discovered is that 50 percent of

the time, they're not listening to you yet. So the *undeniable truth* serves as a way to engage their brain. And then you hit them with part two of the one-two punch, which is what it is that you actually do.

Tahl Raz: So you're focusing on engagement first before actually articulating your "so what." Tell me, this "so what" positioning statement that we just went over, how does it connect to another part of your philosophy, what you call the "so what" matrix?

Mark Magnacca: Let me start by saying that when I first wrote the book, I had a number of interviewers asking me, "How is this different from the things I heard years ago called *WIIFM*, which is the old question, "What's in it for me?" That was a good question, and my answer was, "You're on the right track – except that it's actually very different."

It's very different for these reasons: I believe language matters, and I believe the question that you ask matters. It's not an insignificant difference if you as the questioner ask in your own head, "What's in it for me?" It's the wrong question. The "so what" question is really asking what's in it for *them*. So, as much as they may seem like the same thing, it's really two sides of the same coin. The "so what" question is designed to shock people and help them remember that if you haven't thought about what's in it for the *other* person, you're very likely to be ignored. You have start asking yourself and reminding yourself, "Wait a minute, if I can think about something that matters to them I can at least engage them, and if I have them engaged, I got a shot."

So the way that you do this is what we call the "so what" matrix and its three simple questions. I have people tell me they read the book, and then while on their way to giving a presentation, on the back of a napkin on the airplane they scratch this out, and it transforms what they communicate.

The three questions are: *for what, so what, now what?* A little more context. "For what" is for what reason? So, for what reason are we having this communication, for what reason am I speaking to you, for what reason am I doing the presentation, for what reason am I going on the appointment? What's my reason? Next, "so what?" What's in it for them to spend their time with me? And then finally – and this is the one people so often miss – "now what?" What is the call to action, what is supposed to happen if all goes as planned at the end of this meeting? As simple as that sounds, I'm going to tell you there are far too many interactions in America and around

the world everyday where people don't ask those questions before they engage and, as a result, end up wasting time.

Tahl Raz: Flesh that out a little bit. Take us to one of the many training sessions do you do. You've explain the importance the matrix and gone over those three questions. Now they're trying to apply it to position themselves. Where do people trip up?

Mark Magnacca: Most people, regardless of whether they're sales people, financial advisors, accountants, attorneys, or any of a number of experts in their field., get tripped up in that almost all of the training they have is what I call product or technical training. So, if you're in the computer storage business, you go to the meeting and you learn all about the latest on computer storage. If you're in the security business, you learn about what's happening in the street. If you're in the financial services, pharmaceutical ... I liken it to going into a meeting where someone takes a water pitcher and starts pouring all this product knowledge into your head until it actually overflows.

And so what happens is, when we're selling or delivering, we're so stuck thinking in terms of the product, the product, the product, that what we do is what doctors would consider malpractice. We have a tendency, in our culture in particular, to prescribe without diagnosis. Prescription without diagnosis equals malpractice. You don't walk in into the doctor and he says, "You know what, I just had a rep here from Pfizer and I think that based on the special that we got going on I really need to get you on this particular cholesterol lowering drug, even if it's completely irrelevant for you."

But that often happens in the sales world, where we get excited about the product and we want to talk to *everybody* about it, rather than starting with the question to find out what their pain or what their issue is. And again, this not a new idea, but what I've found is that there's almost a renaissance going on. It's as if much of this knowledge has been lost, and me and others like you and Keith are actually bringing it back. Very often what we need isn't a new idea, but a reminder and an adaptation of a proven old idea.

Tahl Raz: Let's talk more about the "so what." You're explaining then what you think is important to the customer or audience, which is really contingent on knowing what matters to them. Can you go through some of the insights and strategy that you teach to help people discover what the customer really wants?

Mark Magnacca: I believe that it all stems from asking better questions. It's been said that there's no such thing as a stupid question. I got news for you: That's a lie. There are stupid questions, and many of them are guilty of asking them inside of our own heads, over and over.

I'm here to suggest that questions are at the heart of the entire work of anyone in the business of communication, persuasion, and sales. Questions are powerful. They're like a surgical instrument, but you need to take time to think about the question, rather than letting it fall from your brain to your mouth.

Tahl Raz: Give me an example of that.

Mark Magnacca: Let's say you sell personal development services. In your own head, you ask yourself questions such as, "Why do I always fail at this? Why do I always feel stupid? Why do I never have the right question?" Until you start to override what I call a bad question with a better question, it literally affects your thinking. So the way that you change your own mindset is first by changing the questions.

The way that you change someone else's mindset is also often by asking questions. You asked how to ask prospects better questions. I'll give you some of the specific instances from the book. Too often what matters to prospects is not what you think matters to them. Case in point, for "so what," there's a story about a friend of mine who had a Jeep Grand Cherokee. She was spending at that time about \$80 a week on gas. So she went to this Toyota dealership, and she heard all about the Prius. What was really important to her was saving money, but the salesperson couldn't help but project his values onto her. He began with talking about how the purchase of this car would help in reducing her carbon footprint, how it would mitigate the climate change crisis. He projected all of these stuff onto her that was completely and utterly irrelevant.

It wasn't until the point that he almost lost her that he was smart enough to ask the question, "What is most important to you when you decide to buy a new car?" And she hit him right between the eyes with it. He asked a good question, she gave him a good answer. Her answer was, "I want to save in the amount of money I spend on gas."

We unconsciously, in a sense, poison the well with our own biased thinking, rather than act like good doctors who ask the questions and let you answer before they decides what your problem is.

Here's another story. Think back to the meeting that Ronald Reagan had in Geneva in 1985 with the then-Soviet Premier Gorbachev. The idea here is having an actor's sense of timing, of being able to deliver the right question in the right way at the right time. So, Reagan is sitting in this historic meeting, the first time they've ever met. At that time, the United States had more than 25,000 nuclear warhead pointed basically at the Soviet Union, and they had an equivalent number pointed at us. Reagan was there, and had decided in his own mind that for him to walk out of that meeting with the 10 percent reduction in nuclear weapons was a complete fraud because whether we could blow the world up 10 times over instead of nine times over really didn't make any difference.

So at a certain point in the meeting, he looks at Gorbachev and he says, "How would you like to take a little walk with me outside and get some fresh air?" That's not an accidental question. That was a pre-meditated question. Within an instant, Gorbachev jumps up and says "da" and out they go with Gorbachev's translator. They walked down to a little cottage where Reagan had the fire burning. They sit down and he says, "Mr. Gorbachev, we're not armed because we don't distrust each other because we're armed, we're armed because we distrust each other." He said, "Why don't you and I spend a little time now to get to know each other and see if we can work out that issue of mistrust?" After 60 minutes of talking, they start walking back up, and Reagan had another question: "Why don't we agree that we will have a summit in the United States next year? I'm inviting you to come." Gorbachev says, "I accept," and then asked similar question. He said, "Why don't we agree that the following year the summit will be in the Soviet Union?"

These two men walked back into the room, where the diplomats had made no progress whatsoever, and Reagan announces that they have just agreed to do two summits over the next two years. It all changed because of the questions he asked to bring it down from the geopolitical level to two people listening to each other.

So, here are two questions that you can ask in the spirit of Reagan's questions. The first question, which you should practice and preferably write down, would be this: What do you see as the biggest opportunity to grow your business over the next 12 months? And then I would pause.

Tahl Raz:

Let me answer your question before you move on. Do you think most customers have articulate answers for that?

Mark Magnacca: Well, let me give you the next part and then I'll answer that question.

Tahl Raz: Okay.

Mark Magnacca: Let's do this as a live role play right now. You and me, and I'm asking you this specifically for my greenlight.com. Let's pretend that I'm a communications expert and my job is helping you spread the word about your organization, but the truth is I don't know that much about it. So we had a first meeting and I don't know whether there's a fit yet. I say, "Tahl, whenever I meet somebody like you for the first time, I don't ever want to take for granted that I know what's most important to you. So would it be all right if I ask you just a few questions to better understand where you're coming from?"

Tahl Raz: Sure.

Mark Magnacca: Okay. As related to my greenlight.com, what would you say is the biggest opportunity that you see to grow this business over the next 12 months?

Tahl Raz: Well, I think the biggest opportunity actually is something right along the line of what you do, refining our value propositions and getting them out through sales and marketing channels to the right audience. That's people who are receptive to boosting their professional effectiveness and personal productivity and revenue potential through better relationships and a more powerful personal network.

Mark Magnacca: Okay, good. Now, I'm just making a note about that what you said. Let me ask you the follow-up question. "What do you see as the biggest challenge you face in trying to capitalize that opportunity of refining your value proposition and getting it out to those sales and marketing channels?"

Tahl Raz: I think the biggest challenge actually is on an enterprise level to our B2B clients and on an individual B2C level, explaining to them exactly how better relationship and powerful personal networks translate into better performance of their organizations and in their careers.

Mark Magnacca: So, now, what I want to do is pause and get out of the role playing for the moment. Imagine all of the stories that I could have told myself about who you are and what's important to you. I asked you two questions and it took less than 60 seconds.

I've written down your words. What I would then do is read them back to you. This isn't meant to be some kind of a manipulation. I simply know that most people believe their own words before they believe someone else's word. Would you agree with that?

Tahl Raz: It makes sense. It's an interesting point.

Mark Magnacca: So, here what's interesting. If I filtered everything you said, here's what I took away from it. You said, "in the B2B and the B2C space, explaining to them how what you do translates into performance," or why they should care – which is really the essence of the "so what" message. They already have his idea that, "yes, I know relationships matter, blah, blah, blah," but there isn't a clear line in their head that going through this program that you offer is going to move the needle specifically as it relates to revenue.

So now one or two things will happen. I either realize that I have something that can help you do that, or I would be very honest with you and I would say, "You know, Tahl, I really appreciate your sharing this with me. Based on what you've said I have to be candid and let you know that what you need is not in my sweet spot. But I want you to know that I have friend in Dallas, Texas, who is an expert in the arena that you're looking for. What I would like to do, if you are interested, is to make an introduction on your behalf."

So, I have two options, I can either engaged or disengage. But the magic of what just happened with us is that I got you to talk to me about your pain. You wouldn't in most cases have revealed what the pain was given that we just got to know each other, number one. And number two – here's the answer to your original question, "Do most people know the answer?" – in my experience, 50 percent of the time, it's not that people don't know the answer, it's that there's cobwebs in that part of their brain. So you ask the question and it takes a few second to process. The immature sales person wants to jump in to the silence because they're afraid of the silence. The person whose practices I would condone would give it a few moments – *one one tap, two one tap, three one tap* – while the person thinks. Very often after they've looked up at the ceiling and come back with an answer they had never thought of before.

So what you've done is you've actually expanded in their mind around what they believe is possible. Then they reveal what their challenge, what their pain is, putting you in a position to directly address whether you can help them solve that pain or not.

Tahl Raz: I think you just mentioned something that's absolutely critical. I think sales people often get some kind of message about being better listeners or asking questions. But it hasn't sunk in, or they haven't really adopted that mindset, because even though they may incorporate questions into their sales script, they don't actually wait for answers. They actually don't feel comfortable with silence enough to wait. Do you see that as being a big problem?

Mark Magnacca: Absolutely. What happens in the 10 to 12 person training programs I do, when we're doing one-to-one interviewing skills, is not dissimilar to what we are doing now. I'll put two people in a room and give them these questions. One of them plays the role, for example, of a financial adviser that they know, and then the other one is the investment sales person who's now calling on this financial advisor. We record their conversation with the Ipad2. Then I dispatch them to, say, five rooms, and then they come back and we plug in their Ipad 2 and watch the video.

Again and again what comes up is this uncomfortableness with pausing and actually letting the other person know that you've not only heard them, but weren't itching to respond the second they finished talking.

The beauty of it is that it's not me saying it, right? We just look at the video together. I'll ask their partner what worked and what didn't. Inevitably the partner will say, "I feel that you came on too strong," and the guy will be looking at it, saying, "You know, I never, I didn't realized I did that." The only way I discovered this was by doing the same exercise. I was absolutely guilty of it.

Tahl Raz: We're coming out towards the end of our time, so I want to review what we've packed in. We talked about the "so what" positioning statement and the two-step formula to get to that. We talked about the matrix. We talked about how you find out what is important to the listener/reader.

There's two issues that come up in all of these for me. One of them comes up in the story that you tell of Reagan. It seems that an existing connection was established, or a surface credibility and authenticity was established, by Reagan by asking Gorbachev for a walk. You see that elsewhere. Do you have tips on how to do that before getting into these next steps?

Mark Magnacca: This is actually an interesting complement between your work and my work. One of the fundamental ideas that I believe in, since way before LinkedIn existed, was the concept of what I refer to as *CSI*

research. In CSI research, you spend just a few minutes preparing before you walk in to meet someone for the first time. Too often I find sales people who are unaware of this idea. They'll walk in into a meeting and their CSI research is looking around the office and seeing the picture of the family on the desk and trying to quickly wing it.

What they should do is go on to LinkedIn or Google the person just to get a few things: where they go to school, what's their background, where they worked before. I have a philosophy on this that is initially somewhat radical for some sales people – but ultimately after they've tried nobody has come back and said, "It doesn't work." My philosophy is: Tell the truth. Do your homework, and tell them you've done it. So I train people to say, for example, "I don't ever want to take for granted until I know what's most important to you. I did some homework before we got on to this call and one of the things I found most interesting about you, was the work that you did at *Inc* magazine."

Doing a little homework before we get on the phone allows us to pick up right away and get the Reagan/Gorbachev model accomplished faster. You have to remember in the case of Reagan/Gorbachev, not only had they never met face to face, but they had 40 years of mutual distrust from their respective government systems. So they had a much bigger hurdle to overcome than you ever would. So you do a little homework and just being able to get a little bit of engagement going back and forth, the natural reciprocity often kicks in. The person may want to know a little bit about you, and then the sales person needs to be able to say, "You know Tahl, I really appreciate your sharing that information. What I'd like to do now is go and shift gears and ask you few of those questions." So we don't burn up 40 minutes on pleasantries, we spend just a couple of minutes on it. That's the relationship building process – but then we were able to move off pleasantries and transition into business.

Tahl Raz: Really good, I like the way you formulated it, even at the beginning when you said, what, "I don't want to presume?"

Mark Magnacca: "I don't ever want to take for granted."

Tahl Raz: I don't want to take for granted, right. It's right away starting to send messages that create, like you said, reciprocity. You're opening up the relationship and creating a connection and a kind of engagement. That's what you call a "grabber opening."

Mark Magnacca: A grabber opening, right. Just like when you're writing an article, or doing a newscast, and need some kind of a grabber to get the person's attention. Again, it's not a cheap trick. The underlying DNA of all of these is a deep curiosity. You have to want to know, and if you don't really care, you're not going to do the work and you're going to be found out anyway. So my suggestion is, if you're not interested, if you couldn't care less about the people that you're calling on, do something else. You're not doing anybody any favors just doing through the motion.

I'd like to wrap up with a compliment to you and Keith. Going back to that phrase, "I don't ever want to take for granted," I can tell you I have definitely taken people for granted in my life – not on purpose, but it has happened. I think one of the things that you both did with *Never Eat Alone*, at least for me, was simply remind me that one of the great ways not to take people for granted is to have as part of your consciousness that relationships needs time and they need attention. You can't presume that like a plant that you've not watered for a year, when you go and all of a sudden want to re-engage, that it's alive and well, if you haven't cared for it. So that's a big take away I have from you guys.

Tahl Raz: That's a great place to end. Anything else you want to mention?

Mark Magnacca: We have a new 3-minute video at sowhat.com for your listeners. Take a look at it, there's some free downloads and the tools in the book that we talked about here today. It's a great way to get people thinking about the answer to what I believe is the most important question you can ask, "so what?"

Tahl Raz: Tremendous stuff Mark. We really appreciate your time, it's been incredibly informative. Thank you. Bye, bye.

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For more information about Mark, visit www.markmagnacca.com.