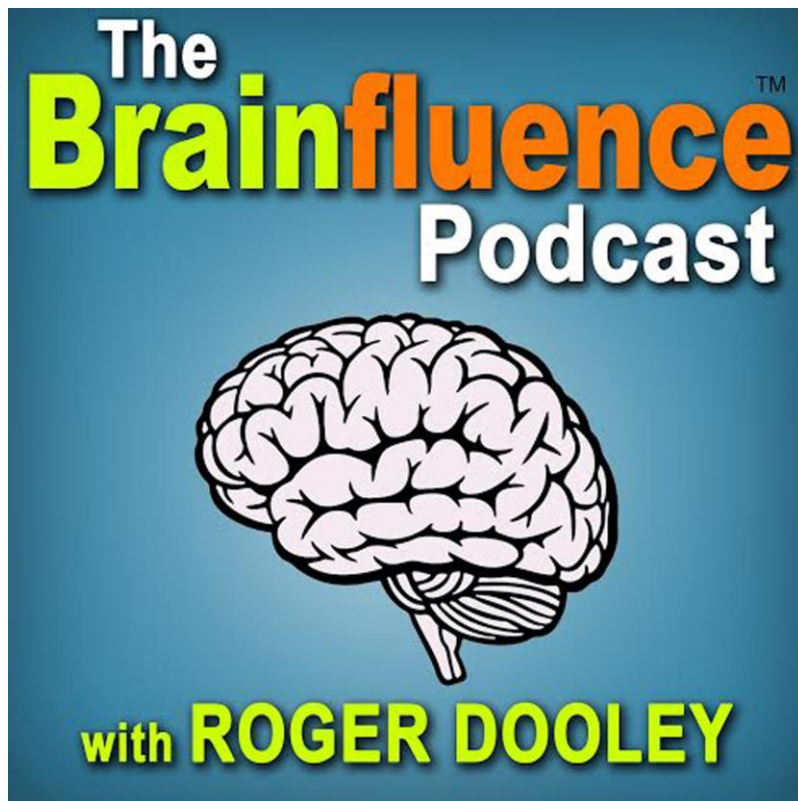


Ep #119: Dominate Your Industry with Mike Michalowicz



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Roger Dooley

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Welcome to the *Brainfluence Podcast* with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger Dooley: Welcome to the *Brainfluence Podcast*. I'm Roger Dooley. Our guest this week is my friend Michael Michalowicz. You probably know Mike as the bestselling author of business books like *The Toilet Paper Entrepreneur*, *Profit First*, and *The Pumpkin Plan*. He was a columnist at *The Wall Street Journal* and launched three multimillion-dollar companies before his 35th birthday—and a million dollars was worth a lot more than too.

I first met Mike a couple of years ago at South by Southwest but as luck would have it, we were seated at the opposite ends of a long table. We really didn't have much time to chat then. Then just a few weeks ago, I had the opportunity to spend an extended amount of time, a few days solid, at an authors retreat that Mike cohosted.

One takeaway from that time was that Mike is a really funny guy in person and another is that he is an amazing growth hacker who's come up with some crazy but wildly creative ways to promote his businesses. Mike's new book is *Surge: Time the Marketplace, Ride the Wave of Consumer Demand, and Become Your Industry's Big Kahuna*. Welcome to the show, Mike.

Mike Michalowicz: Roger, thank you for having me. You know, the one thing you didn't include is I can make—at least I argue

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I can make—a good margarita. And was trying to push that down your throat a little bit.

Roger Dooley: Right, that's true. If you ever get to Austin, we can compare margaritas because I've got my own Margaritaville margarita mixer, industrial strength.

Mike Michalowicz: Okay, I'm up for it.

Roger Dooley: Great. It's good we're finally able to connect. I know we were going to try doing this shortly after we met in Maryland but between your travel schedule and my travel schedule, it's taken quite a while, but better late than never.

Mike Michalowicz: I agree. I'm happy we could put it together.

Roger Dooley: Mike, I really enjoyed *Surge*. One thing that I liked about it was at least one key concept is that timing is everything in business. You know, it really drives me crazy when I read *Inc.* magazine or *Entrepreneur* magazine or something like that and they interview a successful founder.

They always attribute the success of their business to some amazing management strategy. They empowered their employees to make just about all the decisions or they meet with their top 50 customers at least once a year. There's always something that they do that the article sort of suggests that if we only emulate it we would be that successful.

But in fact, when you read the article often you realize that a key part of their success was being in the right place at the right time. Now obviously it took skill to

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turn that into an opportunity but timing rarely gets the credit that it deserves.

Mike Michalowicz: Yeah, I think it's kind of like baseball. You can put the best batter in the world up in the batting box but if he swings that bat every time before the pitcher even releases the baseball, of course he'll never hit. But conversely, when that baseball player, the pitcher, throws the pitch if you have an inferior batter up, he's going to strike out.

So all those elements they talk about, I agree they're important, but they aren't as significant as timing. Because if that ball isn't pitched and right in front of the plate when the bat is swung, it will never make contact. There's different statistics, and quite frankly I am a little bit hesitant to believe in any specific statistic. The numbers I hear are 30 to 40 percent of business success is solely attributed to timing. My hunch is yeah, it probably is somewhere around there.

Roger Dooley: You open with a story about finding money. I would think that most of our listeners would probably say that finding money on the street is just a matter of pure luck. Finding that quarter, that five dollar bill, is something that happens very rarely and it just is pure luck. But you would actually take issue with that.

Mike Michalowicz: I do. It's the first story I sought out because I asked readers of my book saying, "What's the luckiest things you've experienced?" Consistently it was found money, won a lottery of some size—usually not significant but some money—found money blowing around the street. Everyone attributed it exclusively to luck. So then I thought this would be the first thing I challenged.

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I knew a person who unfortunately or maybe actually now looking back in her life, maybe it was a fortunate period, was homeless. What is fascinating is her paradigm around finding money changed. Before being homeless, if money was flying down the street and she found it, she was grateful and surprised and felt herself lucky.

When she was homeless, her name is Becky Blanton, Becky needed money to survive and didn't have a source of income. So she started seeking money. What was funny is she was able to find five, ten, twenty bucks a day consistently by looking in certain spots which she calls the catch and hold spots. Some of the examples I share, she'd walk down the street and she knew if there were milk crates stored on the side, it acts like a fishnet for money and there's often money that blows around is there.

Common spots like a bus stop where people are pulling out change and stuff out of their pocket, there's noise around, they don't hear the change dropping. It's there. The restroom. When people are using the bathroom, change often falls on the ground and no one hears it or is even willing to look around down there. So you can be very deliberate in putting yourself in the right place at the right time. You will start seeing results.

Roger Dooley: It's like the old axiom about the harder I work the luckier I get.

Mike Michalowicz: That's exactly what it is. But the funny thing is it's not just hard effort, it's not that you have to be seeking money for 12 hours a day. What Becky was doing and a lesson that played out throughout the entire book, it

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was going to the right coves, the right spots, the right fishing nets if you will.

She looked in specific spots which were consistently more likely to yield money. It's what businesses do too. They go to the spot where they're going to consistently see opportunity. They're not working harder. They're definitely working on a more focused, smarter way.

Roger Dooley: So Mike, there's a persistent surfing metaphor throughout the book. Are you actually a surfer yourself?

Mike Michalowicz: No, no. I was actually just in California right before we did this interview. I flew back yesterday from San Diego. First time out there on a board. It is hard to do. But I studied these surfers, learned a lot from them. I don't know if it's a vocation for myself though.

Roger Dooley: Yeah, it looks pretty challenging. Although I suppose you can start smaller than riding these 70-foot waves and so on.

Mike Michalowicz: Yeah.

Roger Dooley: Why don't you walk us through the concept of *Surge*?

Mike Michalowicz: Sure. It is based upon a surfing analogy. What I find what happens in our natural environment often plays out in our business environment too. *Surge* is more than just the concept of a moving trend or opportunity. It's also an acronym. So SURGE is the five steps to catching the wave.

Roger Dooley: Every good business book needs an acronym.

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Mike Michalowicz: I know, I know. It makes it so easy. What I watched as I was observing the behavior of surfers and what they do translates into catching a trend. First, let me explain why you want to do this. If you put your business in the right place at the right time, you can have actually an inferior product or service but because you're the one supplying it at the right place, the right time, the opportunity will still come to you.

It's kind of like if you and I are walking through the desert thirsting for water and someone happens to be there with muddy water, we'll still take the water. So an inferior product actually still can be wildly successful if you time the marketplace.

What I found with surfers is they follow these five steps S-U-R-G-E. The first step stands for separate. What they're doing, as surfers when you're out in the ocean, you're not looking for waves that are out randomly, in the ocean there's billions of waves at any given time. You don't look at all of them. Instead they look in a very specific area. Specifically, they look for imminent waves. What's the next two or three waves that are immediately approaching them? Are any of them adequate to ride? If not, then they ignore it and they watch the next wave come in. If there is a good one, they grab it.

The analogy or the parallel for business is too many businesses I found are just looking for the next trend. Literally they're saying, "What's the next big thing?" They're looking at the entire ocean. They can get distracted by any wave that's coming through. They definitely can't calculate or determine which one is the most appropriate wave for them. Nor are they in the

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right position to ride the wave. The wave could be miles out and they're looking at it and saying, "This is a great opportunity." But there not in position for it.

What we need to do in our business as the first step is to pick the area we're going to surf, the cove if you will. What we do in our business is we've got to pick a niche, a specific industry or a very specific demographic. Because if we pick a specific industry or demographic, then we can start investigating what are the changes and shifts going on? And what are imminently upon us? Is there an opportunity to grab something that's changing imminently and have our business leverage it?

The nice thing is when we pick a niche, there's always movement. There's always something happening. But now we're focused on a certain area. We can actually see those waves.

Roger Dooley:

I guess the one key thing is that the wave itself may affect different areas. For example, the growth of mobile and iPhones, and mobile phones in general, is a megatrend. That doesn't mean that you have to be making the phones to profit from it but rather you need to find those niche opportunities which could be small or it could be large. Uber for example revolutionizing the taxi industry but doing it because—they could not have done it without the growth in mobile devices.

Mike Michalowicz:

Yeah, and that is the lesson. No one rode the entire mobile trend, the mobile industry. I wrote about this in the book. People say they did, but no. We have to pick a category in it. You can't do all things mobile but you can do elements. I wrote a story about this guy Tony Lillios, he's the founder of Speck. They simply

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innovated in covers for mobile technology, phone covers and cases, and exploded. Uber is a good example.

There's a company, I didn't write about them in the book but I interviewed them, a company called Hurdlr who noticed as Uber is exploding that all these drivers were independent contractors, entrepreneurs effectively. They had an opportunity to take deductions for mileage and other expenses but weren't attuned to how to do it.

So this company, Hurdlr, made a simple app specifically for Uber drivers on how to get a tax savings from their mileage. They're growing explosively. These tidal waves if you will cause a lot of individual rideable waves to break free of those and that's the ones we want to grab onto.

Roger Dooley: Yeah, in that case, a wave within a wave.

Mike Michalowicz: Yes, that's effectively what it is. Just doesn't play out sexy on the analogy with the surfers so I say residual breaking waves but, yeah, you're right.

Roger Dooley: Yeah, imagine there was this little surfer...

Mike Michalowicz: Right, Tiny Tim.

Roger Dooley: Okay, so you've got the wave that you think is going to change things.

Mike Michalowicz: Yeah, that's the separate phase. Then you have to do the next stage which is unify. What unify is is when a wave is imminently upon you, you must produce an offering or a service, a product, that serves their imminent need, the imminent shift.

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Going back to the surfing analogy, a surfer when a wave is approaching them, that's when they paddle the hardest. They exert a tremendous amount of energy to get in front of the wave because the goal is to no longer exert energy but have the wave provide the energy and capture it. That's what happens during this unify stage is we need to start the aggressive paddling in front of it. What's the need that this trend is triggering? Where are customers trying to find their own solutions? Can you modify your offering or can you deliver an offering that matches that need?

One of the examples I used and is a persistent story throughout my book is I interviewed Brian Smith, the founder of UGG. He used this technique in building UGG. Ironically or coincidentally I should say, he was targeting the surfing market and once he separated out his niche, the surfing market, he looked at their unifying need.

What's fascinating, he started his company in 1979, was that in 1979 neoprene, the material we use to go into the water but keep body heat retention, neoprene was improving radically during this period of time. That meant that thinner material could be used to retain the same amount of heat, offering more mobility to surfers which therefore allowed surfers to start surfing year round.

You could surf in the winter now where you never could before. But, you're still barehanded and barefooted because you need to grip on the board with your feet and you want your hands exposed so you can paddle.

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So when they're coming out of the water, their feet were freezing cold. They were wrapping them in towels trying to heat them next to the campfire on the beach. Brian said, "Wow, this is the opportunity." You see, neoprene triggered year-round surfing, this was the wave rolling in was year-round surfing. Now he said, "What's the need they have?" It was very clear they were trying to make their feet warm and he had an opportunity to offer a product here.

What I'm getting to is we have the same thing, once you pick a separate market, that wave, look where it's moving. What's the need they have? Interview clients or prospects or anyone in that market. Go on the internet and research trends. Then modify or do what it takes, tweak your offering to satisfy that need.

Going back to the book *Lean Startup*, *Lean Startup* talks about minimum viable product. This is where the minimum viable product works. You don't have to have the perfect offering, but you have to have that muddy water if you will that caters to the customer's important, imminent thirsting need. Overtime we're going to have to improve it but for now, we just want to get in front of the wave and unify with the need or the speed of the wave.

Roger Dooley: That makes a lot of sense. To use the water analogy, at some point in the market, any water is acceptable but then clearly don't necessarily want to stick with that to grow.

Mike Michalowicz: Right, it becomes blinding, right? Because if you're the guy offering the muddy water and thirsty customer after thirsty customer comes to you and buys it, we think, "Wow, it must be something about our amazing

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water.” No. The customer has a need that can't be satisfied elsewhere. You're in the right place at the right time. So they're consuming from you.

If some other vendor walks up there with clean water, now they're going to supplant you because they're offering a better offering in the right place at the right time. So it can be kind of hypnotic when you're positioned well that you think you have everything right. This is working because customers are flooding to you. The answer is no. It's not right. It's just the best solution for them. Over time we're going to have to, and sometimes timing happens very quickly, improve our offering to continue to cater to that community.

Roger Dooley: Also, you're vulnerable to competition at that point too because as soon as you achieve some success there's going to be other people looking at it and saying, “Oh, we could do a better job than that.”

Mike Michalowicz: Yeah, it's a little bit risky because you're to some degree the first mover, the first to offer something. And that's exactly what we need to do now is we need to modify, improve our offering because competition will set in. We've blazed the path for them.

You mentioned Uber earlier, while Lyft has been riding the coattails so to speak. Uber is the one who's getting lawsuit after lawsuit and fight after fight with all these different municipalities they're trying to move into which makes the opportunity actually easier for Lyft because they can ride the coattails to some degree.

That may happen but when you're in a micro niche, and that's what I'm suggesting, is go into these very narrow categories. It's many times that you'll be the

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only provider and for an extended period of time, no one will compete with you because they see it as too small to have potential. Surely the big companies avoid micro niches. It's a great opportunity for the smaller businesses to step in.

Roger Dooley: Okay, so then your next phase is the R phase.

Mike Michalowicz: R, yeah. R stands for rally. This is the moment in the surfing analogy where surfers have been paddling hard, the unify stage, to match the speed of the wave, to unify with it. There's a certain point where there's a transfer of energy. The exertion of upper body strength now switches to balance. You hop up on the wave. The wave is delivering the energy.

Your job as a surfer is to capture and control that energy. To direct it to your board and surf. This is what happens in business. As we start delivering during the unify stage a unique offering that caters to the market, the wave of early consumers will often get resistance.

Think about the first surfer who bought the UGG boot. The very first surfer, by the way, they never wore boots before, it was always flip flops and sandals, walking down the beach with these boots. I strongly suspect that they were attacked by their friends and acquaintances saying, "What are these ridiculous looking boots you're wearing?"

You need to defend and protect your client from the inevitable attack from the people around them. The first person that drove the Uber, took an Uber ride, I'm sure was attacked by other people saying, "Are you crazy? You had someone you don't know just pick you up in their private car and drive you? They could have

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killed you.” The first person that bought Tesla, I strongly suspect their friends said, “You’re getting an electric car? That’s called a golf cart. What are you doing?”

People that are the early adopters get attacked. We as the provider very early on in a SURGE need to offer some kind of defense mechanism. That’s what this is, it’s a rally cry. Basically, you want a concise message to arm your early adopters to A) protect themselves and B) further market you. It’s somewhat like a mission statement but it’s really a buyer’s defense mechanism.

An example is with Brian Smith, coming back to UGG, his rally cry was real simple: No more cold feet. That was it. When someone would go, “Oh my god, those boots are ridiculous.” They’d say, “Hey, dude, no more cold feet, man. I can go surfing year round.” That was the whole defense. The justification for why doing something so radical and different was put in place in advance.

Tesla, one of the rally cries is environmental responsibility, you know. You can bust my chops all day long about driving around in a golf cart, you’re the one polluting the air, not me. I own a business, a membership organization for accountants and bookkeepers and our rally cry is “eradicate entrepreneurial poverty.”

When a bookkeeper or an accountant takes on our process, we call it Profit First, when they take it on and are using it, other accountants and bookkeepers who follow the traditional markets say, “What are you doing? Profit comes last. Profit doesn’t come first.” And they rally around, “This is the way to eradicate

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entrepreneurial poverty.” So their rally cry is that message that your members, your clients can use to defend themselves and actually even convert over the aggressors as well.

Roger Dooley: Right. This is presupposing that your solution is different than what’s already in the marketplace. So you both need that differentiation to be successful but then you also need to justify that differentiation.

Mike Michalowicz: Exactly right. That’s why we have the first stages of separate and unify. You’ve got to pick that category. You’ve got to see their need that isn't being satisfied. That’s the movement of the market. They're trying to get a solution, can't find it. You’ve got to offer it and now you’ve got to find a justification to protect them.

Roger Dooley: Okay, so now you’ve armed them with their rally cry, what’s next?

Mike Michalowicz: You're gathering, that’s the G phase of SURGE.

Roger Dooley: I bet our listeners thought it was going to be “grow.”

Mike Michalowicz: I suspect many do. Many want to jump to that stage right off.

Roger Dooley: Got to wait for the E for that one. So go ahead.

Mike Michalowicz: Yes, that’s the E, yeah. So here’s where we do in the gather stage. Your product likely—when I say product, I mean your service, offering, or product—is likely inferior but getting superior demand because you're early to market. You're positioned well in front of your niche. Customers are coming to you, muddy water or anything because they just need water.

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It's during this stage where competition will set in very quickly often. Or, the client just becomes more educated and is willing to find alternatives or revert back to their own solutions. So we need to improve the offering.

One example, back to UGG, I like to use their story because it's such a recognized brand, UGG as you know, the calf-high boot. Well it didn't start off that way. What Brian, the founder observed, as surfers were starting to wear his boot and try it out, when they were walking down the beach, their feet were warm now but the boot was too low. Sand would kick up and get into the boot and then scratch their feet and it would be uncomfortable. It would be kind of grating feeling. So he raised the height of the boot so when you walk down to the beach, the sand doesn't kick in.

What we need to do in the gather stage is once we have our inaugural clientele coming on board is to observe their behavior. Listen to them to some degree but people like to say socially appropriate things, rarely do they say the truth, whether they're even aware of it. But watch their behavior.

What are they still trying to do on their own? What's the frustrations they're still having with our offering? Then constantly gather that knowledge and improve our offering. This is where we'll take our muddy water, make it clean, make it convenient, and deliver the things that that customer needs. You have to constantly gather.

By the way, back to the wave analogy. When a surfer is up on the wave I know you've seen surfers, they don't just stand there. They carve, they go back and

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forth. What they're doing is they're actually looking for what's called the pocket of the wave. It's the greatest energy source. So they're constantly gathering input from the wave, from their feel and from looking, and from sound too, where is the pocket and moving toward it and then using it to explode back out, then moving toward it, and explode back out.

We have to do the same thing. We have to find that pocket of the wave if you will. The only way to do it is through observing your clients, constantly trying to learn so you can improve your offering for their need.

Roger Dooley: Then finally you get to grow in the expansion phase.

Mike Michalowicz: Yeah. The reason this is last is first of all, it has to come last. I found as I've been talking about this, a lot of people say, "Well I'm already in expansion." But they skipped the other four steps. It's a shame because you can't actually achieve expansion effectively if you skip the first four steps. Because what the expansion phase is on a SURGE is that you look for the replicability. You look for things that you've mastered in the first four stages and see where you can replicate out in the market.

Going back to Brian Smith's story, he first targeted surfers. He found two variables. One was cold feet, second I didn't mention yet was that he found semi pro and pro athletes, surfers, were being kind of replicated by the amateurs. They were trying to copy the style. So if they saw a pro or a semi pro wearing UGG boots, they were very highly persuaded to buy the boots themselves, a little bit of brainfluence going on there.

A: Social proof or authority perhaps in that case.

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Mike Michalowicz: Exactly, both social proof and authority. Well Brian Smith notices this thing, who has cold feet and who is influenced by authority? He looked around and he saw this replicating in other markets. Hunters for example going out winter hunting they were trying to stay hip with what the cool pro hunters were doing. Skiers. Hockey players. So he actually emulated this strategy out.

By the way, UGG was doing, I think it was somewhere between 10 and 15 million at this point just in surfers and then started replicating the markets. So he started adding kind of 15 million a pop. He did the same thing for surfers. Find the semi pros, have them wear the boots, and then it will be copied. Same thing for the skiers, the hunters, the hockey players. It replicated out.

It was only after I believe he surpassed 100 million in revenue, then did he go after the teenage girl market. That market is very influenced by authority, very strong word of mouth, very competitive. He got Brooke Shields to demonstrate, or wear I should say, his product on the cover of *US Weekly* and every teenage girl in America bought it.

But a lot of people think of UGG and they say, "They were huge among teenage girls." No, no. No business, as I did this research, not a single business starts in the broad market. They all started very niche specialized, the separate phase. Figured out the needs, caught up to that need, paddled with it, got the rally cry going, gathered what was working, and then started replicating. So you've got to do those first four stages first.

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Roger Dooley: So Mike, what are some of the sort of big waves that you're looking at now and that our listeners should be looking at?

Mike Michalowicz: I've been asked that a lot. It's a very dangerous question because there's literally billions of them. So when you ask, we could talk about the big waves in speakers, is it was Sonos is doing with wireless? We could talk about the big wave in college football or professional football gear. Yarn. We've got to pick the industry.

One that is a hot topic but I just want to put a disclaimer in front of it, if you're not in the automobile industry or have something that complements it, please ignore what I'm about to say. It's great philosophy and intellectual study, but it's not appropriate for you. You have to pick your niche. Remember, separate. You've got to study your niche.

Here's what's happening in the auto industry, one imminent wave is the electric car. Why I like to use this analogy is because a lot of people are also talking about the autonomous car. The autonomous car is not an imminent wave as of today. It's a future trend. It's a possibility. But it's not measurable.

Here's how you distinguish them. An imminent wave inevitably there are consumers that have gotten past that first resistance stage. They've gotten past the rally cry. Meaning you separated them out, you catered to them, you delivered an offering to them and they've been attacked by the people around them. The early adopters, the first person that gets something is always attacked by the other people who "know better," the traditional way.

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Well, if they had the stick-to-it-ness and they stay with that product or offering and they start converting their friends over, now we have something that's imminent. So Tesla has gotten to the next stage with their electric car and it's had 400,000 order roll in. The most in world history for car order preorder. This is imminent. It's upon us.

Now the question isn't how do you make an electric car. That is an option. There's no question about it. My friend actually started Smith Electric a ways back as Tesla was taking off and he made electric trucks. But you could offer one thing—one challenge that electric cars have is energy consumption for cabin temperature control, heating and cooling.

Maybe you could do windshield design in certain ingredients if you will that prevent or controls temperature, rises and falls. Fueling stations. There's a whole new fueling wave. So as you see this, you approach the Tesla owners and say, "What's the problem you're having now?" That's the opportunity and it's imminent. You probably know someone in your town or neighborhood or you've probably seen a Tesla around.

Now let's compare that to the autonomous car. Chances are you don't know someone that owns an autonomous car.

Roger Dooley: Quite true.

Mike Michalowicz: Yeah, Tesla is kind of trying to get there but it ain't there. You probably haven't been picked up in an autonomous taxi that took you from point A to point B. It's great. It's possibly going to happen. We just don't

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know how it's going to play out. If you try to start creating opportunities for the autonomous market, you may miss the market because it's not imminent.

If you start doing stuff for the electric car and you really investigate it, there's enough market demand moving that the residual waves are clearly starting to form and there's an opportunity there. So that's one major trend and that's kind of how you differentiate imminent from future.

Roger Dooley: So jumping from the automotive industry to food. You cite the cronut as an example. Explain how that fits the SURGE model and is more than just some rather clever baker hitting on something that his customers liked.

Mike Michalowicz: He's probably my favorite story. His name is—oh my god—Anton—it's skipping my mind now. It will come back to me in a minute. But he invented the cronut which is a blend of the croissant and a donut and maybe some of the folks listening in have heard of the cronut.

Roger Dooley: I've only had pale imitations. I've never had a real one yet.

Mike Michalowicz: Oh, wow, it's a must have. It's based out of New York City is his bakery.

Roger Dooley: I presume you did some primary research there?

Mike Michalowicz: He did.

Roger Dooley: No, you did.

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Mike Michalowicz: Oh yeah, of course. Immediately. Immediately. I actually did it five times over. But here's the lesson. What I love about his story is when people hear about SURGE they say, "Oh, this is perfect if I want to go big, if I want to be the next UGG or Uber." The answer is no, you can build any kind of lifestyle business.

What he did with his business, as the cronut was exploding, he had the opportunity, he was approached by investors to replicate this cronut out and do 100 chain stores like this. But he said, "No, I want to stick with just my one location. That's the lifestyle I want." So the right size business can find you and you can stick with it.

But every single day, even today, there's a line of people waiting for the store to open. There's a line of people who travel globally, some of them navigate the globe to in part experience his famous cronut in New York City. So what he does is he's actually using a lot of influence techniques, he limits the availability. He only has the one store. He pays no deference to the imitators because he's always making a superior product.

He's testing the market. He's pursuing his niche, the foodies, particularly desert foodies. He unified with their needs. They want cutting edge and different. They want experiential. Not just flavor, but experience. The texture. Extreme temperatures, using dry ice and different techniques. He has a rally cry. The cronut is not for everyone, and it ain't cheap. But he says this is an experiential dining. This isn't to satisfy your hunger.

So he has a rally. You're going to experience something you will never, ever experience else. He

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constantly pushes that limit. The cronut is not his only invention. He has a little pastry now, it's literally a shot glass shape with a high concentrate of a sweetened milk. It's delicious.

He's constantly gathering. He has introduced many products and found that customers weren't intrigued by anymore and he drops it. He doesn't have that loss aversion where he needs to keep the product around forever. The day the cronut is done, he's done with it.

Then expansion is he's not deciding to expand into different markets and locations. He's looking to expand his products. So he's constantly introducing new products that keeps intrigue going. What was so amazing is you can SURGE and ride that wave and elect to do it just with one location, one store. You don't have to be a goliath.

Roger Dooley: Yeah, and it's a nice example too because he's really doing some data-driven marketing there even though he is in an area that most people wouldn't associate with data, with testing, or anything else. They would just say, "A skilled baker" but by being driven by what his customers are actually buying, he can be successful. That enabled him to capitalize on the cronut in the first place because obviously he observed that they were selling out.

Mike Michalowicz: That's exactly right. By the way, his name came back to me, it's chef Dominique Ansel. I was close with it; I was saying Anton. Ansel. Chef Dominique Ansel. Yeah. But you know, it takes courage.

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Roger Dooley: Now we've just created more cronut demand here. Now everybody is saying, "Man, I've got to check that out if I go to New York."

Mike Michalowicz: You have to, right? It's an experience. I really encourage people to do it. Just do it for the intellectual benefit alone, but the food, trust me, you'll enjoy it.

Here's another interesting thing is he didn't cave into the resistance. As we pursue a market, if we start hitting a SURGE, not everyone is going to love us. You know as an author, you get that one star rating and it can cut into your gut. There's people that just won't like even an amazing book, like *Brainfluence*. What he experienced...

Roger Dooley: Hard to believe, but true.

Mike Michalowicz: It's very hard to believe. But he found that there were customers that came there and they go on Yelp and they're saying, "Way too sticky. Way too much filling. Far too sweet." Which ironically is he wants to take it to those extremes.

But he's had the fortitude to realize you can't and should not cater to everyone. You've got to stay with your separated group from the beginning throughout the entire process. If you move off of them, you're selling out. You become a generalist and it compromises your SURGE.

Roger Dooley: Makes a lot of sense. Hey, before we go, Mike, I know you travel a lot, speaking gigs, and the like. Do you have any particular travel hack to share with our listeners or anything that perhaps something that you

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never leave home without when you head out on the road?

Mike Michalowicz: Yes. Here's a couple of travel hacks. One is I just recently found Turo.com. I used to rent cars all the time. It is expensive. Turo facilitates the rental of a private car. I found I get a better quality car at a lower cost point, been very impressed with their service. So Turo is one.

Another one is I'm always typing on the airplane and with my little mini keyboard crunched in my spot. I found these rollable foldout keyboards that can roll up into your backpack and you can roll them out and plug them in so you get a full length keyboard that you can roll out. It actually works on planes but also when I'm in the hotel room and I'm not as crunched, I can roll a full keyboard right out in front of me. So that's pretty cool.

Roger Dooley: Nice. How's the touch on that?

Mike Michalowicz: Not perfect, but I type so much I've been getting I guess carpal tunnel from that cramped keyboard. It alleviates that. Not the best touch but definitely an improvement and manageable.

Roger Dooley: Great. Let me remind our audience that we're speaking with Mike Michalowicz. Mike's new book is *Surge: Time the Marketplace, Ride the Wave of Consumer Demand, and Become Your Industry's Big Kahuna*. Mike, how can our listeners find you and your stuff online?

Mike Michalowicz: The shortcut to me—while I shouldn't say it's a shortcut—but the mecca of me is MikeMichalowicz.com. I got free book samples up

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there. I used to write for *The Wall Street Journal*, my articles are up there.

I'll give you the shortcut. My nickname in high school was Mike Motorbike. So just type in mikemotorbike.com and if you go to mikemotorbike.com it will redirect you to the... Yeah, because my last name is so long and so Polish, I can't even type that thing.

Roger Dooley: Right, we will link both MikeMichalowicz.com and all of Mike's books and any other resource we mentioned during the course of our conversation here on the show notes page at RogerDooley.com/podcast. We'll have a text version of our conversation there too. Mike, thanks for being on the show. I think you got another bestseller on your hands.

Mike Michalowicz: Thank you. Absolute joy to be with you.

Thank you for joining me for this episode of the *Brainfluence Podcast*. To continue the discussion and to find your own path to brainy success, please visit us at RogerDooley.com.