Chapter 1

The Digital Mask

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You've been lied to. Not intentionally and not maliciously, but even so. The truth has been distorted, and countless startup founders like you have made critical business decisions based on flawed information. For too long, the Business-to-Business (B2B) playbook has been written to be a programmatic, technology-dependent series of steps, that when executed with precision, will yield predictable results. That's simply not true.

The story has gone like this. As the internet and the rise of everything digital exploded, buyer behavior changed. Buyers have started living, breathing, and eating online. They're immersed in a world composed of bits and bytes, so much so that they've begun to accomplish much of what used to be conducted in face-to-face (or at least verbal) conversations, absent such interaction.

The Technological Paradigm Shift

In B2B transactions, this is a fundamental shift that flips everything you traditionally think of in the realm of "selling" on its head. Completely upending decades of approach, process, and thinking, this paradigm shift is encapsulated in a single statistic that launched thousands of software companies and consultancies alike: the fact that, in 2023, the modern B2B buyer was said to spend 67% of their buying journey with their chosen brands online. Further bolstering the digital push is the prediction that the figure will increase as much as 80%.[1]

What's more, they were doing so largely unknown to you. About 60% were said to be poking around your website, 55% attending your webinar, 52% researching you and similar solutions, and 50% evaluating you on peer review sites before they'd accept an actual "sales meeting."

Marketers everywhere have read these statistics over and over and over again, and it transformed an entire business model. Since the early 2010s, stats like this have permeated the headspace of CEOs, product teams, marketers, and sellers alike – and they've responded in kind, working tirelessly to transform digitally and accommodate what is seen as the new normal.

If you speak to any Go-to-Market (GTM) leader today, it's rare that you can get beyond the first couple minutes of the conversation without hearing how they are prioritizing digital strategies and tactics. These conversations almost always reveal their own personal innovations for how they intend to stand out in what has become a very noisy crowd.

Over the last couple of decades, startups and global enterprises alike have fundamentally shifted their budgets to ensure they had a big enough slice of the digital pie, fearing the repercussions of being branded as digital laggards. Almost every trend and tactic in the last 20 years reflects this.

Note: In 2010, digital marketing accounted for 24% of overall marketing spend, and now, just a little over a decade later, it's not uncommon for companies to spend three quarters of their marketing budgets on digital marketing.[2] The pandemic only amplified this trend further and, in 2023, 82% of organizations reprioritized offline investments toward digital channels.

Companies have, ubiquitously, placed their hope in digital advertising, social media advertising, search engine optimization, content marketing, and beyond. Of course they did. It's what all the research firms, savvy business leaders, surveys, reports, and statistics told them to do.

But what if these trends and bold declarations were ultimately lies? Or, more accurately, what if they were short-sighted and even self-serving? What if they failed to paint the full picture of what's really going on in the business landscape today?

Speculate no further, because this is exactly what has happened. As practitioners who have helped thousands of organizations navigate the waters of B2B digital marketing and sales since the new millennium, we think it's even more important to understand why fickle, yet pervasive shifts like this take place.

Fundamentally, the inbound and outbound demand strategies on which the growth plans of many modern companies are based are built not to serve the successful growth of the adopter, but instead to serve the success of vendors that facilitate those strategies. These are modern maxims literally created on the misleading idea that digital channels are everything.

Because vendor content and sponsored research told them to do so, they created their approach based on the idea that people don't *want* to talk to vendors. Although there's some truth to this, it's again an incomplete snapshot of what's really going on.

Trust Has Always Been Paramount

The more complete picture is that people don't want to talk to sources they don't trust. People have always sought out relationships they trust, and this remains as true today as it ever has been.

So, although buyers still seek out trusted sources for recommendations and information, the digital channels initially positioned as the de facto forum for credible information exchange are suddenly and rapidly decreasing in effectiveness. They're just not generating ready-to-buy leads any longer – and arguably, they never were.

When these tactics were at their most effective, they were new. From roughly 2005 to 2012, digital approaches had novelty working in their favor, coupled with a lack of saturation. But most important, trust was granted by proxy. If someone publishes information online, that information must be trustworthy, right? The statement sounds comical today, and it is indeed dripping with naivete – but we all flocked to these "too-good-to-be-true" channels.

Everything was new and exciting, from digital ads to email marketing, content in every form and beyond. No longer did the size of your office building or expensive presence at industry events reflect the tenure and success of your organization. Instead, your web presence told that tale, a billboard with a much lower cost and fewer barriers to creation. We could all suddenly be positioned as who we wanted to be, with a few strokes of the keyboard.

When I launched one of my companies, a digital marketing consultancy called LeadMD, we ran a general email nurture series that extended for an entire year. Every two weeks, we'd send a piece of content to prospects in our database. You'd be amazed by the number of people who responded to those emails saying we read their thoughts because of how relevant our topics were.

In actuality, we were just putting out our own best practices on how to perform the hottest digital tactics being advertised by software vendors, who coincidentally had created applications necessary to perform the digital tactics they were amplifying. Everyone was reading from the same hymnal, and it was very evident.

So yes, inbound and outbound tactics seemed magical in the beginning. They were akin to arriving early at a party. The only people at the party were the ones you actually wanted to talk to, and you had time to have great conversations and eat and drink all of the good stuff before the unwelcome masses arrived. But just like that party, eventually everyone else shows up, and it's a mess. At some point, all you want to do is go home and watch Netflix.

When Digital Tactics Went Stale

The party got dull about 2015. B2B demand generation continued to evolve, largely driven by the need to accommodate more functionality and more tools, and just like before, this was influenced highly by the content marketing engines of companies who wanted to sell the requisite software. But at this point, digital tactics weren't being used by *some* marketers; they were being heavily adopted by all GTM professionals, marketers, sellers, customer service teams, and product organizations – and buyers had started to become wary, to say the least.

Traditional Tactics Are Alive and Well

The digital touchpoints marketers relied on only told a fragment of the story. In fact, the most important elements of that story were often completely invisible. Although we relied on the same digital best practices we preached day in and day out at my consultancy for our own GTM efforts, we never did so independent from our traditional efforts. They were inseparably threaded. The fundamental relationship motions I had always implemented at my past ventures, and at LeadMD for our best clients, were still there – and what's more, the traditional tactics were often the tactics that really drove results.

When a prospect responded to a digital campaign, they would still communicate that they had spoken to a current client, or one of our partners, or had seen us co-present with one of their vendor relationships. They were engaging with us through a digital channel, but they were informing their decision to do so by actually talking with other humans. There was something else going on that wasn't reflected on the shiny attribution reports marketing would generate.

The pandemic was the big test for what has become known as digital transformation. I think COVID-19 is somewhat of a "JFK" moment for the generations who worked jobs highly affected by the global pandemic. I certainly remember where I was when we made the decision to shut down our offices and send people home.

As a digitally native organization, this in and of itself was not the biggest worry on my mind. Setting aside the culture and operational ramifications, not to mention what became a sidelining of the "in-office" environment, the most significant ramification of the pandemic was its ability to call us on our bullshit.

B2B had spent the better part of two decades claiming the buying and selling process had truly gone digital native – and this was checkmate. Would we be ready? Could we all be effective at the strategies we had been preaching and supposedly practicing with surgical precision? We'll never know. Without fail, and through the entire lockdown aspect of the pandemic and still through today, all every organization tried to do was re-create the energy of face-to-face interactions, predominantly failing at the task.

What we learned was incredibly important, but largely ignored. Since the early heyday of digitally enabled inbound/outbound, the promise of "better" by orders of magnitude hasn't materialized. Those tactics that blazed new trails in the mid-2000s are largely the same today.

Where we had expected a pace of rapid innovation, we got degrees of improvement. And fractions of uptick don't have the same wow factor the digital windfalls did in the beginning. At the center of this slowed innovation resides the buyer. Demand fuels supply and all it takes is a quick conversation with, well anyone, to uncover that people – not just buyers, but people – are digitally overwhelmed. The supply has greatly outpaced demand. We dogpiled on the potential, and we squashed it.

Consumers Are Wiser Now

For their part, buyers (e.g. consumers) are disenfranchised. They've caught on to the fact that the same helpful folks pumping out a never-ending stream of helpful content, best practices, and frameworks are incentivized by the action their content suggests. They don't want to get sucked into sales processes. The whole concept of content marketing has been largely redacted to simply "marketing," exposing the thin covering of leaves disguising the sales deadfall that lurks below – and they all know what's at the bottom of that pit.

So, whether you're trying to push (outbound) or pull (inbound) interest into your product, buyers know that both options equate to interruption. Advertising interrupts someone from what they're actively doing or planning to do. Digital campaigns and events interrupt their work, their attention, and their lives. Because of this, many buyers have reverted to operating like they did before the self-proclaimed "rise of digital." They're turning to trusted individuals who have done it before, with whom they have relationships. Buyers simply can't trust what's online.

The Startup Landscape

The startup landscape has changed just as much. Previously, you had to be super scrappy to get a Series A funding, but now, you can blow the whole war chest on cost per lead. The thinking was that spending a dollar would get you a lead. If you threw more money and bodies and technology at a company, there would be a corresponding yield – which would amplify and take you to unicorn status. Obviously, this was based on a false foundation.

As a result, Venture capital (VC) firms have widely started investing in companies more like private equity firms do: at a multiple of revenues, or in some cases the true bottom line, in the form of Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), rather than a "what-if?" valuation. If there's no path to profitability, you haven't embraced the latest trend, which sounds a lot more like something your grandfather might tout: "efficient growth."

What's the first budget line item to be cut? You guessed it. The same line item that was positioned as "the answer" just years prior: marketing. And it's not getting better. All your efforts are getting less and less effective, which is eroding more and more of your bottom line.

It's hard out there. There just seems to be no way out, no way to get to the next stage. A lot of VC money is drying up because they're not confident that these organizations can ultimately reach the public markets. In other words, the outcome everyone has been aiming toward isn't reliable anymore.

No Customer Buys Without Trust

So, with all this in mind, what's left? If digital isn't the magic bullet it was presented to be, what is? You need a window into organizations to understand what they're struggling with and where their acute pain is – and you need someone to bring you into the circle of trust within that organization.

This is where a bit of Josh's and my own personal histories are relevant. Despite our joint desire to ensure this book doesn't devolve into a long and highly detailed résumé, this inclusion is certainly more than relevant.

I've spent the lion's share of my professional life as an entrepreneur. This includes building my own organizations, which I've done five times now, ultimately garnering successful exits by way of acquisition for all five. It also includes the fact that one of my ventures was a services business that assisted in building thousands of businesses by proxy.

In contemplating my next go-around, I looked back at where success and failure diverged. Leveraging those firsthand insights took me back to my strongest realizations, which had come at the height of the digital marketing revolution. I couldn't shake what had become a splinter in my mind for many years. No matter how adept we became at digital demand generation, no one bought without checking a critical box. That box was *trust*.

In mid-June 2023, Josh and I met for breakfast. What was truly on the menu that day was the desire to create a new type of VC firm, which is actually the least relevant point when it comes to this book and topic. I had formulated a concept that we now call *Operator-Immersive Capital*, which for all intents and purposes just means we pay to work really hard. Anytime we make a seed stage investment, our team also steps in to grow and scale the GTM motion.

How we intended to do this is, as they say, where the rub comes in. Josh had been operating on the front lines of our own GTM motion at LeadMD and had seen the same critical relationship between success and trust that I had. This ultimately became the core of our thesis for the capital firm we founded; we would invest only within startups that had the presence or potential to unlock strategic relationships as a fundamental GTM channel. Then, we would help them grow and scale that channel as their primary path to success.

This might include partners, but it can also be advisors or personal relationships. Regardless of type, the goal is to tap into the trust that's already established there. In most cases, this circle will be small. In fact, in the same way that individuals can only manage about five core friendships, most organizations will have one, maybe two, truly strategic partners.

> “A million points of data that show that things that used to work don’t work as well anymore. However, teams keep pumping all this money into these spam cannon software solutions and it doesn’t make sense. I think that the Go-to-Market approach is dying and it has to be replaced by a Go-to-Network approach. I think in the future, the only way you’re gonna be able to open opportunities is because of who you know.”– Scott Leese, CEO and founder, Scott Leese Consulting

To drive efficient and sustainable revenue growth in your business, you need to activate what often lurks in the background, just beyond the line of sight in those glossy marketing dashboards – real, trusted relationships. If trust is the new gold, then relationships are the new prospector. That’s what we had seen consistently in helping to unlock revenues at some of the largest and most recognizable brands on the planet and inside of our own businesses. That was the *x* factor.

> **Tip:** To drive efficient and sustainable revenue growth, you need to understand the buyer explicitly, then find the concentric circles of trust that exist between you and a potential partner. This is the basis for creating a successful relationship ecosystem.

Don’t allow yourself to fall prey to the digital lies that have been built by incomplete statistics and self-serving vendors trying to sell you on the latest fad. The fact is, digital effectiveness continues to decline. Relationships have been here forever: person-to-person recommendations, conversations, insights, and partnerships. They’re the tools we lean on when we make substantive purchases in our own personal lives – and we don’t lose our humanity when we buy on behalf of our businesses.

Despite the false narratives perpetuated across most of this millennium, buyers are humans. Humans don't buy exclusively online, they don't even buy exclusively from people they like, but they do buy from people they trust, every time. This very human desire for authentic relationships and trusted information are the only tools that truly unlock demand and growth.

Relationships are the currency of success, and establishing trust makes all the difference between capturing alpha or falling behind.