

FUTALEUFU MUSINGS

SEARCH FUND INVESTING. OLD SCHOOL.

The Foot in the Door



The foot-in-the-door (FITD) technique is a compliance tactic that assumes that agreeing to a small request increases the likelihood of agreeing to a second, larger request. It has meaningful application to your search and running your company in that it can be applied to the due diligence process, to recruiting talent, and to selling your product or service.

Why It Works

One explanation is that the foot-in-the-door technique, by making gradually more demanding requests, creates an initial relationship between the requester and the subject that the latter then feels bound to honor.

Another is the “self-perception theory,” whereby once a person has originally agreed to something, they will come to believe that the decision that it was truly their desire and nothing else influenced the answer.

This suggests the third theory, that the FITD technique works on the principle of consistency. People prefer not to contradict themselves in both actions and beliefs. This means that as long as the request is consistent with or similar in nature to the original small request, the technique will work.

FITD as a Search Fund Entrepreneur

Imagine instead of asking someone to fill out a 10-page diligence request, you ask a seller if they would be willing to discuss how they have driven revenues for the last year—an easy request. In that conversation, you ask them what the percentage increase was from last year to this year...which leads to the question: “What were your sales those years?” They might not have been willing to give you actual numbers initially, but by getting your foot in the door you eventually work your way there.

This may seem as if it takes more time and is less efficient, but we know from years of doing this that going back and forth with iterations of email diligence requests that are somewhat responded to often takes longer than an FITD conversation, where along the way data is collected.

FITD as a CEO

The foot-in-the-door technique is not only about working with sellers. It can play an enormous role in running your company. For example, Building a Team is one of the Five Skills of effective managers, and that begins with recruiting talent. Rather than only consider candidates looking for a new job, consider an FITD conversation with your archrival’s chief revenue officer—which

might begin with a small FITD request at a trade show, where you merely suggest they compare notes on where the industry is headed.

Then of course there is the day-to-day work of selling your product or service. It may be too much to ask a potential client to agree to a sales presentation when they are already reasonably happy with their existing vendor, or to buy your whole product offering. Using the FITD technique, you might instead ask if they'd be interested in hearing the results of a nationwide survey you conducted that applies to their business, or give them a slice of your product offering for free or at a reduced price.

Alternately, with your web marketing strategy you may ask for someone's email address in return for sending them information of value. That email address is the foot in the customer's door.

FITD Works

This is not a notion or theory. University research has shown over and over again that once you get a "little yes," the individual seeks consistency and confirmation in their later decisions.

If you can get someone to say yes to a free sample of chocolate outside your confectionary, then it's much easier to get them to agree to step inside and look around, all of which increases the chances they confirm their earlier decisions to try a sample and enter the store by buying something.

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