

MicroConf 2016 Conference Notes

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Three Foundational Growth Levers

Big Idea

1. World-class churn
2. Revenue expansions from each cohort
3. Accelerating acquisition at the right time
4. If you get these out of order, you'll plateau

Monthly Churn Benchmarks

- 2-3% or less = on target
- 3-5% = not there yet, double down on product and onboarding
- 5-10% = Major P/M fit gap
- 10% and above = business on fire

Popular Churn Reduction Ideas

- Remove self-service cancellation
- Fix product onboarding
- Push annual plans
- Force annual plans

- Reaching out to inactive accounts
- Downsell campaigns
- Prioritize support for large accounts
- Onboarding programs with 30/60/90 day goals

Only a few of these are good options

| Bad | Marginal | Major Wins |
|----------------------------------|-------------------------------|------------------------------|
| Remove self-service cancellation | Push annual plans | Fix product onboarding |
| Contact inactive accounts | Support ticket prioritization | Improve product value |
| | Downsell campaigns | 30/60/90 onboarding programs |

- If there's an established norm of forced annual in your category, use it
- Misapplied, forced annual drops your funnel off a cliff
- Improving P/M fit and onboarding are your most reliable lever for churn

Sean Ellis Product Market Fit Question

- “How would you feel if you could no longer use [product]?”
 - Very disappointed
 - Somewhat disappointed
 - Not disappointed (it isn't really that useful)
- 40% of respondents should say 'very disappointed'
 - Slack: 51%
 - Google Analytics: 72%
 - This question tells us if you're really meeting this benchmark

Cohort Expansion

- As customers grow revenue, so should you
- Your expansion revenue depends on the quality of your pricing metric
 - Do you have a high caliber pricing metric baked into your project?
 - Example: Salesforce's seat metric
- When seat pricing does NOT work
 - Example: Go To Webinar
 - Attendees = makes sense, easy upgrades
 - Organizers = limits are annoying, resist upgrading

- These are the admins that help you run the webinar
- No real connection to revenue
- Match your pricing metric as closely to your product value as you can

Expansion Engine + Low Churn = Negative Churn

- [Magical Place](#)™

Let's Recap

- Focused on Product/Market fit to get super low churn
- We've found the pricing metric that easily convinces customers to pay more
- Low churn + expansion revenue means we're stable or growing without any acquisition
- Now our acquisition is 100% upside

Acquisition

- You should already have steady organic growth by now from P/M fit
- Lots of lead gen strategies can work if you get the execution right. Hurdle the advice: "double down"
- Benchmark: 10% mo/mo lead growth
- What happens if we pursue acquisition too early?
 - Acquisition can't outrun high churn forever
- Funnel also suffers: the alligator sales funnel
 - Leads growing at 10% MOM, new customers constant at 100 per month
 - Top of funnel gets nice growth curve
 - Because you have P/M fit problems, you're having trouble converting
- Marketing can dodge a bad product, sales can't
- Alligator funnel is nasty. Marketing and sales will blame each other.
- Usually a product problem. This is why we focus on churn first.

Your Growth Levers, Step By Step

- Make sure you have P/M fit and low churn
- Get cohort expansion in place with a great pricing metric
- Build your lead gen machine at the right time

Resources and Links

- Lars Lofgren
- [@larslofgren](#)

- bit.ly/3-saas-levers

Notes From Questions

- Ask your customers what their top 3 problems are. Make sure that your product solves one of those problems.
- Free Trial vs Freemium
 - Freemium and Free Trial are two different models
 - Need to make sure that your target market is big enough for freemium
 - If you're going after a category that's pretty large, it freemium makes sense
 - Non-project based also makes sense
- Pricing Per Seat vs Not
 - When considering a 'seat' metric is doable, ask 'are your users able to share a login'
 - If they can, they will.
 - For a seat metric to work, a core piece of your product needs to depend on your users being able to log in under unique accounts
 - CRMs
 - Project Management
 - Google Apps
 - Communication Tool

Teamwork.com —

- Doing over \$12mm in annual sales

Part 1 — The Hamster Years

- 1999 Digital Crew
- Thought that \$3,000 for a website was insane and they'd be able to churn out 4 websites/week
 - Impossible!
- Working like a hamster, but incredibly broke
- Launched CFTagStore.com, selling to a small market
- Spent 4 years struggling on this
 - **Key Lesson:** Target a target market
- Launched Akari Software for a University
 - Building enterprise software sucks
 - Selling enterprise software sucks
- 2007 — Getting Organized
 - Two major problems
 - 1) Weren't making enough money
 - 2) Completely Disorganized
 - Doubled their prices
 - Started charging for feature creep and extras
 - Disorganized
 - Whiteboard just wasn't enough
 - Made a project management tool to scratch their own itch
 - The Idea Was Born
 - "We could make a much, much, much better product"
 - "I've been thinking the exact same thing"
 - Key Takeaways
 - Consultancy sucks (increase your prices)
 - Don't target a small market
 - Don't sell software components to developers
 - Consultancy-ware software is no fun to build or sell
 - Treat your customers with respect

Part 2 — If you build it, they will come. Right?

- Designing The Product
 - Opened the code editor and said 'new product'

- Started hacking it together
 - No design! No planning! No anything!
- Doing it the right way
 - Research
 - Write up specs
 - Agree on MCP
 - Dogfooding
- Preparing for Launch
 - Eat Your Own Dog Food
- Picking Your Domain Name
 - Teamwork.com, wanted \$20mm for it
 - Went with TeamworkPM.net
- Worst Product Launch Ever
 - Made no effort to get publicity for the product
 - Didn't feel it was where they wanted it to be
 - Didn't get PR for their product, didn't launch it right
- Real Work
 - Kept going M-Th working on client work, F, working on Teamwork.com
- Marketing — who needs marketing!
 - “If we add just one more feature, that feature will get us loads and loads of business”
- No Unique Positioning
 - “Project Management Made Easy”
- We did 3 things right
 - We built a great product
 - We treated our customers like honored guests
 - We took every suggestion onboard
- 2007 — Riding the long slow SaaS ramp of death
 - Took 3 years to reach their magic number of \$30k MRR (fired their consultancy)
- Web Dev Business for Sale
 - Price: Don't Drop The Ball
- Side note on self-funding
 - It has never been cheaper to make software
- Hell Night — August 2012
 - Everything was down!
 - Panic!
- Mistake #783
 - Not Hiring Deliberately
- Mistake #386
 - No marketing team
- Part 2 takeaways
 - Make the time to build your product
 - Start with research and design

- Launch it right
- Positioning - stand out and be different
- Fire your day job and go 'all in'
- Eat your own dog food

Part 3 — Evolution of The Company

- Hockey Stick Event
 - Acquiring Teamwork.com
 - Bought it for \$675,000
 - Did it make a difference? Hell yeah!
- Be The CEO
 - Went off and developed new products very head down
 - Came back, tons of process problems, tons of issues
- Meetings Suck, but get over it
 - Identify the top 5 issues at the company and what you're going to do to fix them
- Set the vision
 - Put elements in place to fix the company culture, sculpt the company culture
 - "Don't Be A Dick" in the company manual
- Processes
 - It's easy to realize you need processes to put processes in place
 - Marketing, Support, Features meet to define the processes and what needs to happen
- "Nobody has all the answers"
 - Realized that the CEO doesn't have to have all the answers
- Trust Others and Let Go
- Switching to Open Book and Implement [The Great Game](#)
 - All figures are laid bare to all employees
 - Every employee can see what they're earning
 - [The Great Game](#)
 - If they hit their targets, each employee 2x's or 3x's their wages for the year
- Key Takeaways
 - Be the CEO
 - Hold quarterly meetings
 - Set the vision
 - Establish your culture

Notes:

1. Peter Coppinger
2. [@irlTopper](#)

3. peter@teamwork.com
4. <http://tinyurl.com/toppermc16>

Attendee Talks (Day 2)

Talk #1 — Nathan Barry, Convert Kit's Growth

- 2 years ago at MicroConf, was out of dinner with a handful of founders
- Talking with hiten
 - "You should shut down ConvertKit"
- [ConvertKit](#) — Email Marketing for Professional Bloggers
 - Financially, not doing well. ~2k/mo in MRR
 - Had a second business selling books and courses on software design and marketing
 - Between balancing the two, slow, steady decline over time
 - "Shut it down or double down"
 - Waited 6-months to take any action at all
- 6-months later, low point in MRR
 - No longer even covering base server expenses
- Asked two questions
 - 1) Do you still want this as much as the day you started?
 - Yes!
 - 2) Do you still want to run a software company?
 - Yes!
 - "If I still want it as much, why isn't it succeeding?"
 - "Have I given ConvertKit every *chance* to succeed?"
 - Owed it to himself and his existing customers to make it successful
- Double Down
 - Invested \$50,000
 - Hired a team
 - Focused on a niche
 - Started direct sales < this accelerated the growth more than anything else
 - Click To Tweet: [Problem with selling through content marketing is that you get rejected every day without knowing why](#)
 - Someone comes to your site and rejects you
 - Direct sales, find those objections
- Sales Process
 - List Prospects
 - Blogs in a niche
 - Cold Email
 - "Hey is anything frustrating you with MailChimp? I run ConvertKit which is used by bloggers like..."
 - Get On A Call
- Concierge Migrations — The Magic Bullet

- Migrate all of the forms, autoresponders, etc, for people to overcome the objection
 - Got to the end of the sales process and took the entire objection away
- Follow up
 - “I’ve been trying to get you to do that for years” — Ryan Delk
 - Following up is the most important part of the sales process
- Results
 - \$14k/mo in MRR
- Messaging
 - “The power of Infusionsoft, but easier to use than MailChimp”
- Added additional channels
 - Word of Mouth
 - Affiliates
- Scaling
 - Since July, grew from \$15k/mo to \$180k/mo
- **Do things that don’t scale because they enable channels that do scale**

Talk #2 — Creative Twitter Marketing Automation (Ryan Battles)

- Co-founder of Harpoon App for Freelancers
- Does content marketing, has information products for SaaS owners
- Two ways to automate
 - ALL THE THINGS
 - Some of the things
- Twitter
 - 1.3 billion accounts (lots of spammers, fully automating everything)
 - 44% of those have never tweeted
 - 43% tweeted over a year ago
 - 377,000,000 people rip for reaching out to over Twitter
- Traffic for RyanBattles.com
 - 33% of traffic comes from Twitter (google and email are the rest)
- Three Step Approach
 - Notice
 - Follow
 - Convert
- Noticing — Things that bring attention to you on Twitter
 - Favorite
 - Follow
 - Retweet
 - Mention
 - Add to List
 - Direct Message — highly against DM automation. It’s the worst.
 - Tools

- [IFTTT](#) — Automate list building within Twitter
 - [Crowdfire](#)
- **Following**
 - Recommended Book — [Become A Technical Marketer](#)
 - Created a script that would retweet, favorite, follow people after mentioning certain things
 - Required him to log into terminal every morning
 - Python + [Python Anywhere](#)
 - Don't be aggressive.
 - Keep it under 100 touchpoints/day
 - Script for Twitter Automation
 - Unfollow 50 non-followers
 - Follow followers of others
 - Follow keyword tweets
 - Favorite people who mention my username
 - Favorite article sources
 - Content Automation
 - [Buffer](#)
 - [Edgar](#)
 - [Quuu](#)
 - [IFTTT](#)
 - Putting a graphic in with your tweet makes it much more likely to be favorited and liked
- **Convert**
 - Have a pinned tweet at the top of the profile that has a CTA for people
- 15-minutes per week...
 - Buffer up relevant content
 - @mention others
 - "Engage with" list
 - Reply to @mentions
- Link + slides: ryanbattles.com/microconf/
- <https://ryanbattles.com/post/creative-twitter-automation-in-15-minutes-a-week/>

Talk #3 — Lessons learned from manually onboarding our first 50 customers, Ben Orenstein

- Three (true) stories that happened to Ben and the lessons learned because of them
- Story #1:
 - Two months ago created a brand new business with a friend
 - Ruthless about MVP, kept it very simple
 - Getting all set to email the list, give them the sign-up link
 - "What if we just onboarded a couple people manually while they were sharing their screen with us"

- Set up 6 calls in one day
 - 30-minute call
 - 1-hour break
- During that first call, an epiphany
- You are too close to your own product to understand how your onboarding — or your product — works
 - *“ALWAYS PUSH NEW VERSIONS OF YOUR APP RIGHT BEFORE IMPORTANT CALLS”*
- It’s very hard to evaluate progress and if you’re going in the right direction
- Second call, eh
- Third call, ok
- Fourth and fifth calls, good
- **Takeaways**
 - If you haven’t watched a stranger sign up for your app, you don’t know all of the little edge cases and errors and problems
 - “Little things that you won’t have noticed”
- Two pieces of good news
 - 1) Three or four users will give you clarity
 - 2) The things you can do to fix them are pretty simple
 - Page Title (H1)
 - Button Text
 - When a person hits a new page, they will usually read the H1 and the Button
- Story #2 — People do not read much of your copy
 - People asked “Can I change my settings later?”
 - Put MicroCopy on the page!
 - People still asked
 - Put it on the page again!
 - People still asked
 - Made it the default text!
 - People still asked
 - Challenging for people to name something, they aren’t ready to name at this point
 - Setup defaults! Get to success quickly!
 - Name? “Mary Smith’s Podcast!”
 - Cover art? Template!
- **Takeaways**
 - 1) Defaults are great!
 - 2) People skim!
- You are writing copy on your page and people are skimming *aggressively*. They want to read as few words as possible to get the job done
- Story #3

- Would it be possible so we could change pricing that when someone says “We’re willing to pay X” we can change it before they get to the pricing page
- Set Stripe plan names and dollar amounts with Heroku Environment Variables
- “How long would it take me to change my prices if I wanted to right now?”
 - Guesses the median would be about two days
 - **Get to the point where you’re able to change your prices without deploying code**

Talk #4 — [Podcast Outreach](#), Kai Davis

Sorry folks, I can’t live-blog my own talk — Notes will come after the fact! :-)<3 (LIES! J.S. Leonard took over -- www.bleedingink.fm :)

- 3 High Level Concepts
 - Who your best buyers are
 - Increase in Podcast Listeners
 - Power of influencer recommendations
- Best buyers are buyers who buy more, more often, at a higher price
 - Optimize reaching your best buyers
- Podcast listening has almost doubled from 2008-2015 (9->7%)
 - Still a lot of room to grow, not completely dominated
- Influencers are considered “most trustworthy”
- The calculation of your social value defines your first impression (good for influencers)
- “Star Power” is the authority you’ve built up as a podcast host -- they will listen to your recommendations. This is transferable magic stuff--context is king.
- Putting it all together: best buyers + growth of podcasts + star power gained = audience and influencer growth
 - You get direct person contact with your buys by guesting on podcasts
- Podcast funneled subscribers are far more engaged than other sources (90% open rate)
- Podcast Tours
 - Identify Podcasts you target market listens to
 - Pitch topics that your audience cares about
- Search in iTunes to find potential shows to guest on
- Stalk your colleagues for podcasts they’ve appeared on
- Google search: “Kurt Elster” (intext:podcast...)
- Super target list building by finding podcasts
- How to pitch
 - Teach something new
 - Solve a small problem
 - Share an unconventional opinion
- When you pitch, discuss topics that might help their audience
- Kai has a book called Podcast Outreach -- BUY IT FOR 50% OFF!
Podcastoutreach.com

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[Talk #3 — Moderated Questions & Answers — Steli & Hiten](#)

[Question: What suggestions do you have for engaging and nurturing the onboarding process?](#)

[Have you seen patterns around 3rd party service integrations and when it would be most useful? \(Acquisitions, other metrics, etc\)](#)

[We can always practice by selling our own products or services. What are some strategies for introverts, techies, and geeks to get better at selling products. Is something like sandler sale's training worth training?](#)

[What are some strategies you've seen work for repairing burnout?](#)

[Is there a time of day that's best to do cold outreach?](#)

[What are strategies I can use to identify competitors \(and customers\) and do something to reach and talk to people in that space?](#)

[It turns out in Canada, we can't send cold emails anymore and I'm turning to cold calling. I'm wondering if it makes sense to turn to a VA to setup demos for my products in B2B leadership. Concern is that the VA might not have the technical knowledge to set up those appointments.](#)

[Channel Discovery](#)

[Steli, you've spoken about outsourcing the content on close.io. Marketing person?](#)

[Writer? Who was that? How do I find someone to take what I say to customers and turn it into long lasting materials?](#)

[As an engineer, I have a bias against interruption marketing — but I want to try cold calling. This is coming across as a lack of confidence / lack of confidence on the call. I struggle with going up the tree, making changes, coming down, and leaving it alone. Do you have a strategy for staying productive when you're making changes?](#)

[How do you grow your business when you have customers in a very specific vertical?](#)

[What advice do you have to do on doing enterprise deals without getting pushed on price and caving?](#)

[How do you think about scaling a marketing strategy to 100, 200+ customers?](#)

[Most Recent Talk — Lessons from the SaaS Metrics of 2k Companies](#)

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[Chris Gimmer, how we generate 1,000+ signups a week for our business](#)

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[We Grew from \\$5k MRR to \\$25k MRR in 12 months \(and how you can too\)](#)

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[Game Changers, Rob Walling](#)

Conference Welcome

- Your MicroConf Goals
 - Identify three actions you can take away from the conference
 - Identify three relationships to build with people at the conference

Talk #1 — Building & Scaling Products (Lessons Learned from 4 Years and 8,000 Customers)



Des Traynor, Co-Founder, Intercom

<https://destraynor.com/>,

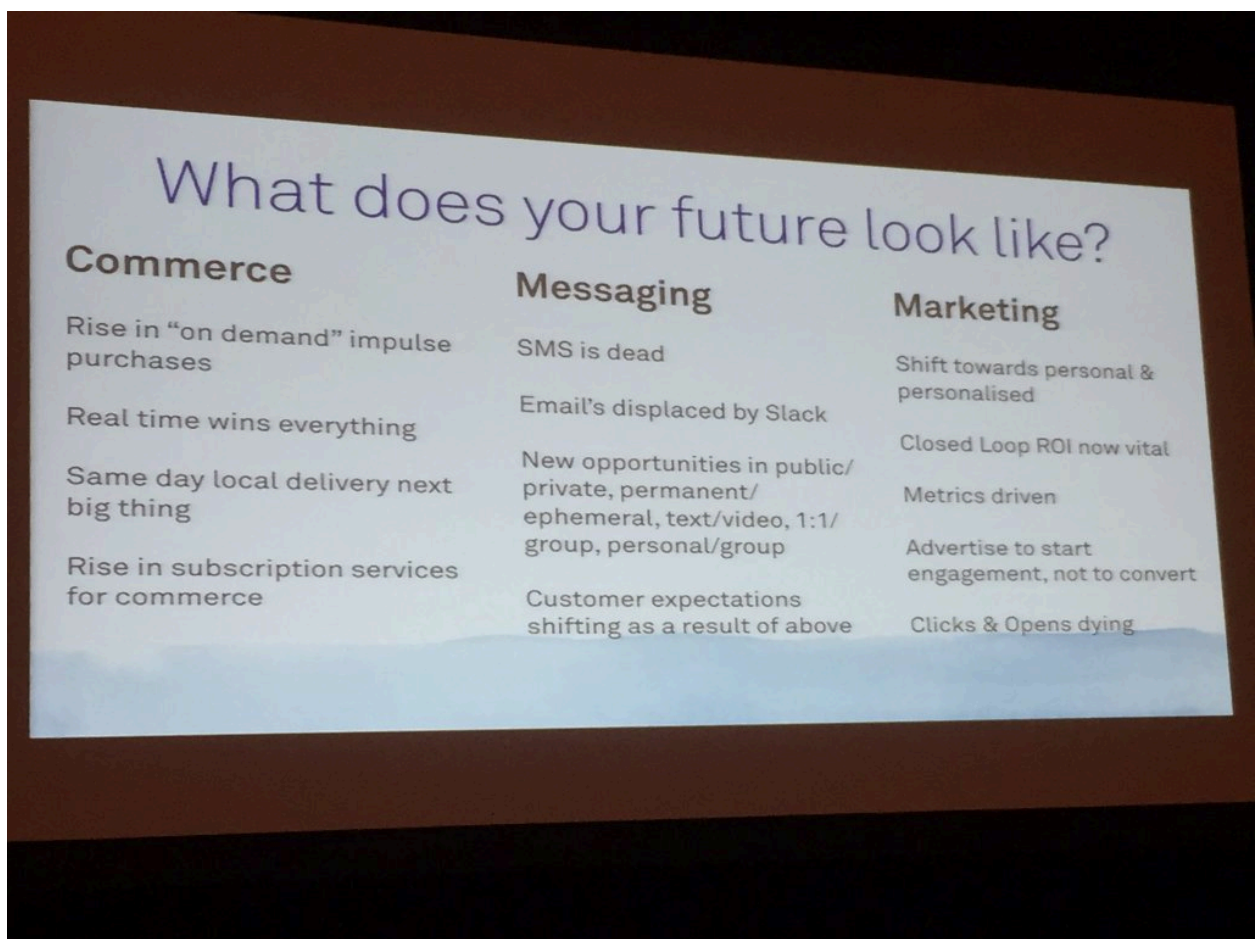
Talk Summary

- 10 Lessons Learned Launching intercom
- 800,000 customers, significant growth, two offices (Dublin, San Francisco)
- Approaching the talk from 'What I know now that I didn't know then'

Lesson #1 — You Need A Strong Vision

- Clear idea of the problem they're trying to solve
- Talking to customers

- Old way: go to paypal, export paypal, email folks
- Get tons of replies to personal email
- Personal nightmare!
- Hence, Intercom.io
- Why does vision matter?
 - Without vision, you're not set on what the future looks like
 - Unless you have a vision, you don't know what it is you're trying to do
 - Every decision will paralyze you because you don't have a guiding light
- What makes a vision?
 - An opinion about what the future looks like
 - *PLUS*
 - The technology trends you want to bet on
 - *PLUS*
 - Idea of change you want to make in the world
- What does your future look like?



| What does your future look like? | | |
|--|---|---|
| Commerce | Messaging | Marketing |
| Rise in "on demand" impulse purchases | SMS is dead | Shift towards personal & personalised |
| Real time wins everything | Email's displaced by Slack | Closed Loop ROI now vital |
| Same day local delivery next big thing | New opportunities in public/private, permanent/ephemeral, text/video, 1:1/group, personal/group | Metrics driven |
| Rise in subscription services for commerce | Customer expectations shifting as a result of above | Advertise to start engagement, not to convert |
| | | Clicks & Opens dying |

- Examples
 - Commerce — Rise in "ondemand" impulse purchases

- Messaging — SMS is dead
 - Marketing — Shift towards personal & personalized
- 6-6-6 Roadmap
 - Your first 6-weeks should be task driven
 - 6-months should be significant body of work
 - 6-years is what the future will look like
- What technology trends should you bet on?
 - Identify the trends that matter and focus on them
 - Biggest trend that impacts businesses at MicroConf
 - **Reduced costs to do things online.**
 - Cheaper now than ever to set up anything online
- What change do you want to make?
 - Are you copy-catting something that you saw work?
 - Are you saying “Oh, my competitor did X, I’ll do that too”
 - **Key Question: Why do you exist other than to make money?**
 - It’s not about being #1 or top #10 or ‘leading provider’
 - It’s your goal is XXX MRR, what do you do once that happens?
 - What are you *really* shooting for?
 - **Quite an inspiring thing for you, your teammates, to have a sense of the bigger picture**
 - Stripe — Increase the GDP of the
 - Instacart — best way to get food
 - Uber — transportation as reliable as running water
 - This will help you recruit, inspire your customers, etc
 - If you come out on your blog and say “My goal is to hit \$20k MRR,” don’t expect that to

Lesson #2 — Start Small

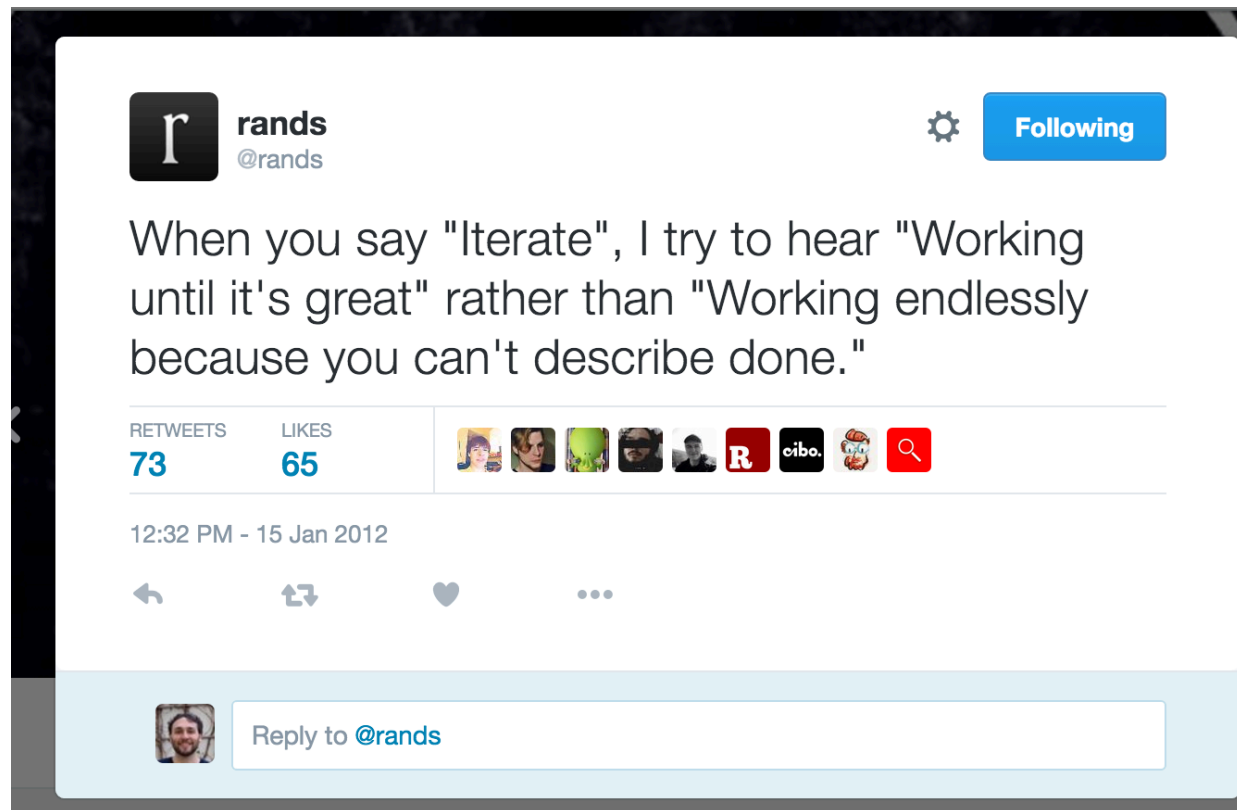
- Gall’s Law
 - Any complex system that works has evolved from a simple system that works.
 - i. “If you want to build a complex piece of shit, you gotta start small”
 - ii. If you start big, you’re broken from day 1.
 - Everything we look at, has started small.
 - i. **Salesforce** — Large suite of products, but they started super small
 - ii. **Word** — Poster boy for being the ‘most bloated software ever,’ but they started super simple
 - Starting small with a simple thing is incredibly important
- Knowing Your Problem
 - You’re ready to start when you know your problem so well you can distill the solution down to workflow(s) which you build features to enable
 - “Building software for people who Do X is hard if you don’t have experience doing X”

- You know you know a problem well when you can distill it down to specific workflows and build features that help those workflows happen
- Your first release
 - Smallest piece of software that solves the problem
- If that fails...
 - Either the problem isn't real...
 - Or you don't understand it
 - Or your execution of it sucked
- A product we almost launched...
 - "Have you ever taken a photo of a whiteboard?"
 - Build a whiteboarder tool — iPhone app + web app, lets you take a photo of a web app and share it
 - Got it to an 'execution death spiral'
 - i. No one is using your product
 - ii. Ask users what features they need
 - iii. Build those features
 - iv. See #1 (no one is using your product)

Lesson #3: Manage Your Beta Deliberately

- Be careful who you ask for feedback
- Betas Are Hard
- It's easy to put a shit beta page live
 - Put up page
 - Ask for email
 - Mail people
 - Bounce off
 - They're Done
- Small list of "target users" betas a big list of non-customers
- Be deliberate about how you grow sign-ups
 - Give away an apple watch, you'll get people who want an apple watch — not people who want an invoicing solution
 - Have resonance between what you're giving away and what you're offering as a solution
- If you make a big, value pitch about your pitch, you get a big, wide range of users
 - Get a lot of feedback that *isn't valuable on building your product*.
 - *(Be. Freaking. Specific. — KD)*
 - If you take this general feedback, it will feed your feature bias
 - You'll build a Big Beautiful Mess
 - You get a dozen features with 5 people caring about each feature
- Don't rely on your customers to tell you when to launch
 - Very rarely do your customers tell you to charge them
 - Sitting back and waiting to hear that feedback *will not happen*

- You'll never feel ready



- Get clarity on your product. That's how you know it's ready
 - "Ready? The show doesn't go on because it's ready; it goes on because it's 11:30 on a Saturday night"
- You can exit by feature set or deadline — but you have to exist

Lesson #4 — Beta periods are lossy

- From Beta Sign Up To Actual Sign Up
 - Signed up 7 months ago
 - Now they launch!
 - "Are you ready!?" Ready for *what?*!
- From your beta periods, you're best off keeping quiet while in beta
- Easy to let your month (and your ego) run your process
- Why?
 - First impressions count
 - The press only cover new material
 - The less you say, the more people listen

Lesson #5 — Obsess About Onboarding

- Literally the most important thing you can get after getting your product right
 - “We’re Dogfooding”
 - Difference between dogfooding product as it’ll actually be used *and* dogfooding signups
 - Signing up for your app is the one thing *every* user is guaranteed to go through
 - **Single highest leverage thing you can do**
- Ricks!
 - Your tour is out of date (as you build out features)
 - Your docs are out of date (you’re pitching features that are no longer important)
 - Your welcome email is out of date (asking for the wrong first step)
 - Your video is out of date
 - **All of your marketing material goes out of date!!!**
- What people who aren’t engineers often have are...
 - Credentials for 3rd party apps
 - CSVs for customers
 - Intercom built a CSV importer that increased conversion by ~50%
 - Compared against people who A/B test green/red buttons
 - Wouldn’t have got this without obsessing about what that first experience is like
- Real dogfooding means opening a new tin every day.
 - **Never stop signing up for your product.**
 - Intercom has a team that does this *every day*.

Lesson #6 — Know the real competitors

- Rarely the case that your competitors are directly there
 - More *orthogonal* than direct
 - When does twitter compete with games?
 - You’re bored on your commute to work
 - Simple for Twitter to think that their competition is facebook, but real competitor is anything that gives a hit of information
- Think about it this way
 - You have **direct competitors** addressing the same market with the same marketing and product
 - Secondary competitors
 - Tertiary competitors — Not actual competitors. “If you believe in one, you don’t believe in the other”
 - Every task manager has lost to ‘putting post-it notes on my monitor’
 - “Always easier to write a post-it
 - What is that?
 - Direct, real-world notification

- Email is a ferocious competitor
 - Example: Emailing yourself ideas for blog posts
 - Important to work out what makes email so strong for these things

Lesson #7 — Know Why People Switch

- Weird moment where a customer goes along and sees your product or marketing and makes a decision to 'change my world so I can use your software'
- **Switching Moment!**
 - Every time a customer adopts your product, they're changing something about their life
- Nature of the switching moment
 - Jobs To Be Done: What makes somebody switch?
 - Current Life — You're not going to switch. People don't regularly change products.
 - "I drink X coffee"
 - "I use Y product"
 - Forces in play
 - "What is shit about what you're currently doing?"
 - "What is exciting and attractive about the new offering?"
 - Stagnant Forces:
 - Existing habits and allegiances
 - Anxiety and uncertainty
- You want to maximize the top forces and minimize the bottom ones
 - "I'm a Mac, I'm a PC"
 - So strong on this idea of PCs have viruses, slow, change them every X years
 - Macs have no viruses, fast, beautiful
- The 9x Effect
 - This is why switching is hard and how your product needs to be 10x better
 - Most of us overvalue our product by 3x
 - You think your stuff is amazing
 - Customers overvalue what they have by 3x
 - They think their existing solution is amazing

Lesson #8 — Product Roadmaps

- When you start playing out your roadmap, it's really easy to justify visit new work (interesting!) and hard to visit old work (legacy code! boring!)
 - Not thinking about it in terms of your *customers* point of view
 - "What's a fun workflow to add?"
- It's important to be able to answer this
 - Matrix of how often people use it (Y Axis) and how many people use it (X Axis)

- Think about your features, ask yourself if you're working on the most important things for your customers
- **Hazard Signs**
 - Small, niche features for customers that are 'promising' to pay
 - If it's just them, ignore them. You'll build 'consulting work'
 - You have a solution, but you've turned into a freelancer with 80 customers and each has a different app
 - **Dangerous place to be!**
- Good way to think about roadmap
 - Improving features you already have
 - Getting more people to use it
 - Get more people to use features you've already built (more frequency)
 - A new feature to support a new workflow (more customers, more revenue)
- Understand the quality, importance, satisfaction, and frequency
 - Quality — How well executed is it?
 - Importance — How important is it in the workflow?
 - Satisfaction — How happy are users with it currently?
 - Frequency — How often do they use it?
- Anthony Ulwick's Framework
 - Score features by how important they are and how satisfying they are to customers
 - <http://maaw.info/ArticleSummaries/ArtSumAnthony64.htm>
- Doubling Your Users
 - Target feature is X
 - Customers use that feature one time a week
 - If you're invoicing, you can't get people to invoice *more*
 - Ask yourself "How do you trigger more usage?"
 - Habits
 - Triggers
 - Rewards
 - Defaults
 - More contexts
 - More ways
 - When you want to increase adoption, ask yourself 'what's stopping people from using it today?'
 - Think about it from the 'five why' method to understand the real why
 - I don't need it → Why → I don't get any value → why? → It doesn't present well in my meetings → Why? → I sent around a doc and it didn't work → Why? → The data is hidden behind all the UI controls?
 - The real why? Impressing your boss. UI sucks. Makes it hard.
 - Do this, you'll get to a point where you understand why people are — and are not — using your features (and how to overcome barriers to adoption)

- Get your barriers to adoption
 - Rank them and resolve them
 - **Solution doesn't always lie in the code**
 - Sometimes you just need better education, slightly simpler UI, better communication, etc
 - **It's a good test to try and optimize communication before you do programming work.**
 - Great way to validate your hypothesis.
- Easy to figure out what to improve and throw people at it
 - But this ignores what customers *actually want*
 - New approach:
 - Brought in 100 users
 - Here are some fake dollars
 - Put fake dollars into the cups of the features you want
 - All the money? Bold / italic / underlining.
 - Google didn't understand the difference between features to build and what your users care about
 - Easy to lose priority in an ordered list

Lesson #9 — Market New Features Well

- Most new features flop
 - Microsoft noted that everything users were asking for in the next version of Office *already existed in the current version*
 - Issue:
 - Microsoft is rolling features out, but not selling what the feature does (just what it's composed of)
 - "You can now achieve X for your business"
 - Selling the capability your product provides is much better than selling the ingredients
- Announce it when and where they're likely to use it
 - If it's in the product, there's a right way to pitch it
 - Have a plan for how next week's customers hear about this week's launch
 - Be passionate about chasing down feedback
 - If people aren't using your product or a feature, find out why
 - **Follow up with users and non-users to learn what worked/didn't**
 - **"We're going to be working on this soon, but noticed you weren't using it. What went wrong? What could we do better?"**
- At different points, your roadmap and priorities will shift
 - New Features
 - Chasing Adoption
 - Chasing Frequency

- Improving

Lesson #10 — Reset Your Opinions

- It's true that startups move fast
- Every decision is you going down a certain path
 - Over time, you make decisions, impacting your options
 - When people tell you the story of the company, they tell you the path they took, but not the decision they made
 - A → Z linear story, vs a series of decision
 - Relevant XOXO talk: https://www.youtube.com/watch?v=I_F9jxsfGCw
 - When we rehash our stories, we think they're a linear path to progress, so we plan out a linear path to the future
 - THIS IS A BAD IDEA
 - You get a bias where you forget about the decisions you made along the way
 - You're getting smarter as you move along
 - You know more as you move along
 - Some of those decisions you made way back, those aren't the right decision any more
- When you get new information, you can change your opinion
 - **Always act on that change.**
- Weird pressure to always present yourself as this always cast in stone person
 - Changing your opinion is a really valuable thing
- "If you knew then what you know now, would you still have..."
 - Built that feature
 - Chose that architecture
- The mistakes you know about, but aren't correcting, are the ones you're re-making every single day
 - True in business, product, roadmap, and *life*

Questions

- "You shouldn't listen to the customer and let them drive development, but you should be listening to what they want. When does this switch?"
 - In a beta, you're working on a speculative idea.
 - Let people using the product in the way you expect it to be used give you feedback
 - Make sure the people you're seeking feedback from are grounded in reality, usage, etc
- "Can you talk a bit about changing plans, pricing as a product evolves and managing user expectations"

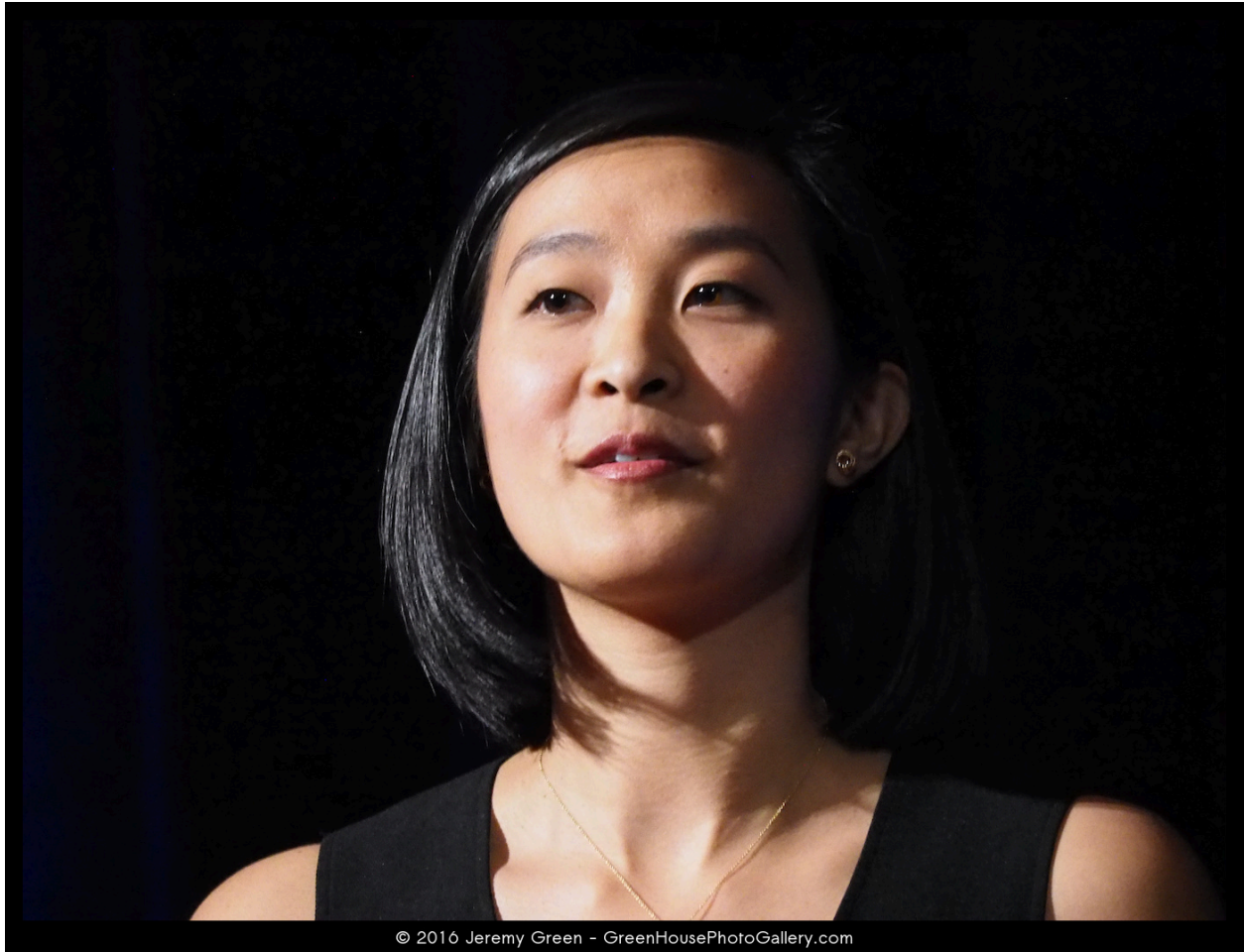
- There are a few core beliefs that [I] have about pricing
 - 1) Product will get better over time
 - Better is defined as *more valuable*
 - 2) Reconsider your pricing (just like you should reconsider everything about your product)
 - If you find yourself moving up-market, you should raise your prices. You need to capture more value.
 - Most dangerous thing you can do? Unlimited, uncapped enterprise plans
 - Absolutely plan on changing your pricing. Not set in stone. (Keep in mind grandfathering, etc)
 - Plan that your pricing will change
 - You don't know everything when you set out your first set of pricing
 - 3) Charge more than you think you should
 - [Please see Patrick McKenzie's twitter for this :-\)](#)
 - People spend \$XXXX on water/month. You're charging \$19/month
 - People believe being cheap drives adoption. That's incorrect.
 - 4) When Intercom started, they had one monolithic 'you could buy intercom'
 - They found themselves trying to capture all the value they built for just a sliver of the customers
 - Redefined their plans to let people pick the features they want
 - Intercom didn't feel the pressure of the people who might be competitors
 - Mindset: "Let people buy the piece of the product they want to buy"
 - Make sure you aren't capturing value that your customers don't experience, but make sure you're capturing value that your customers *do* experience
 - If your product is unique in the world, it's a genuine solution
 - Not smart to necessarily adopt the same pricing everyone does
 - Different routes to adopt different pieces of your product
 - Metered pricing
 - Etc
 - If you're looking to revenue up front, you need good ways to capture them
- "Common mistake to launch a feature, do a simple email, and then never tell new people about it"
 - Checklist of features to do
 - Is it in the docs?
 - Is it in the marketing?
 - Did we reach out to customers asking about this?
 - How core is this feature to the delight of someone using Intercom?

- How important is this feature in terms of what you want your customers to do?
 - P-Numbers
 - P0: EVERYONE NEEDS TO KNOW ABOUT THIS FOREVER
 - P3: People will go look for this (partner integration)
 - TACTIC
 - When you know how important it is vs other things you want people to do, you'll understand when this will be important for your customers
 - Then you'll have a message that pitches the *benefit* of the feature
 - Then it's a question of 'where does this lie in our priority system'
 - Who should know about this? When should they know about it? How often are people using it? How do we communicate it? What will make this feature better?
- Onboarding: "How do you re-onboard dormant / inactive users who you want to re-engage"
 - Hard tactic.
 - People who have used your product and quit your product are harder than people who have never used your product
 - Once someone quits, it's important to know the context. Follow up with answers to *why* they quit or why they didn't use your product at all.
 - When you follow up, make sure you have something *new* to say. You're better off swinging big or doing something new.

Links, Notes, and Resources

- Slides — <https://www.dropbox.com/s/6n3vfgqsjds0iqh/DesTraynor-Micorconf.pdf?dl=0>
- Follow — [@destraynor](#), [@intercom](#)

Talk #2 — An Unconventional Business



Claire Lew, Owner, [Know Your Company](#)
[@cjlew23](#)

- Felt she couldn't give feedback to her CEO
 - Felt this pain of a lack of feedback first-hand
 - Committed to making this the problem she wanted to solve
- Became an expert on this topic
 - Did a case study on a company, came in, interviewed every employee, presented recommendations
 - It worked! Environment improved!
- Basecamp
 - Connected with the CEO at Basecamp, they were working on a similar product, pitched Clare on this idea of taking over Know Your Company, spinning it out, and putting Clare in charge as a CEO, grow her own team, build it out from scratch

- Did everything herself, hired a programmer, doubled her size. Her and her programmer.
- Her and her other employee (Matt) have been really deliberate about how they do certain things

Lesson #1 — Don't show their product on their website

- Website shows value, customer testimonials, benefits
- Need to fill out a form and get a 30-min in-person demo with Clare
- Why this why? Beauty of software is scalability
 - Good Outcomes
 - They know the best way that Know Your Company can be used
 - Filter for high commitment
 - Make sure that the person is committed
 - Willing to take 30-minutes out of their day to focus on the problem and the tool
 - (This can't be something the customer wants to check the box on)
 - Entire company needs to be using the software, CEO needs to be bought into the idea
 - Filtering for that high commitment
 - Because of that, their entire demo is about that as well
- Optimize for trust, not efficiency

Optimize for *trust*, not *efficiency*.

Claire Lew



- “Tell us the problems you’re facing, I’ll tell you how our software can help”
- When they’re in the demos, they can provide the demos of the best practices
 - “Oh the majority of your company is remote but you have an in person office, do X”
- The perfect market research
 - Let’s you translate into marketing site, messaging, etc
 - Perfect. Market. Research.
 - Continual customer development.
- High Retention
 - 98% of customers stick with them
 - Really, really, really low churn. Customers get a *ton* out of the product.
 - 15% referrals (very high for SaaS)

- Downside
 - Number of people reaching out, to begin with
 - Average 26 demo requests/months
- Takeaway for your business
 - Focusing on the fit and the outcome of what you're able to do, you'd be surprised on what the results can lead to

Lesson #2 — Turn Away Potential Customers

- Know the software works best if you have 25-75 employees
 - Lower bound is 10
 - Upper bound is 100
 - If you're not between 10 and 100 people, we won't sell the software to you
- Just because someone is willing to buy it, doesn't mean you should sell it
 - Responsible vs Greedy
 - Important to focus on the people they know the product will work for
 - Only work directly with the CEO or someone who is the manager in the company
 - Need to make sure you have their buy-in to make the software work
 - Because these people are so committed, you naturally get to work with the early adopters
- Result? High close rate.
 - 30%!
- Takeaway
 - Always remember that they have a *very specific target* in terms of who the product helps
 - Who the product helps
 - **Pick a narrow niche ← (I cannot emphasize the importance of this enough — KD)**

Lesson #3 — Never say “We’re employee survey software”

- Why?
 - That's not what they're selling!
 - They're not selling employee engagement software
 - That's not the job to be done
 - That's not the value they're providing
- Product!
 - Say it's a hammer
 - You go to the store to buy a hammer
 - Are you looking to buy a hammer — or hang a picture?
- Story
 - Often, people say “We sell a hammer”
 - You're selling a job to be done

- Not ‘employee survey software,’ you’re selling ‘helping you overcome losing a key employee’ or ‘overcoming growing pains’ or ‘feeling connected across the world’
 - “Is This You” on their homepage
- What We Learned
 - Reaction they get?
 - “Wow, I’m on this demo because this copy resonated exactly with what we’re going through”
- Takeaway
 - Sell to the situations that you’re solving

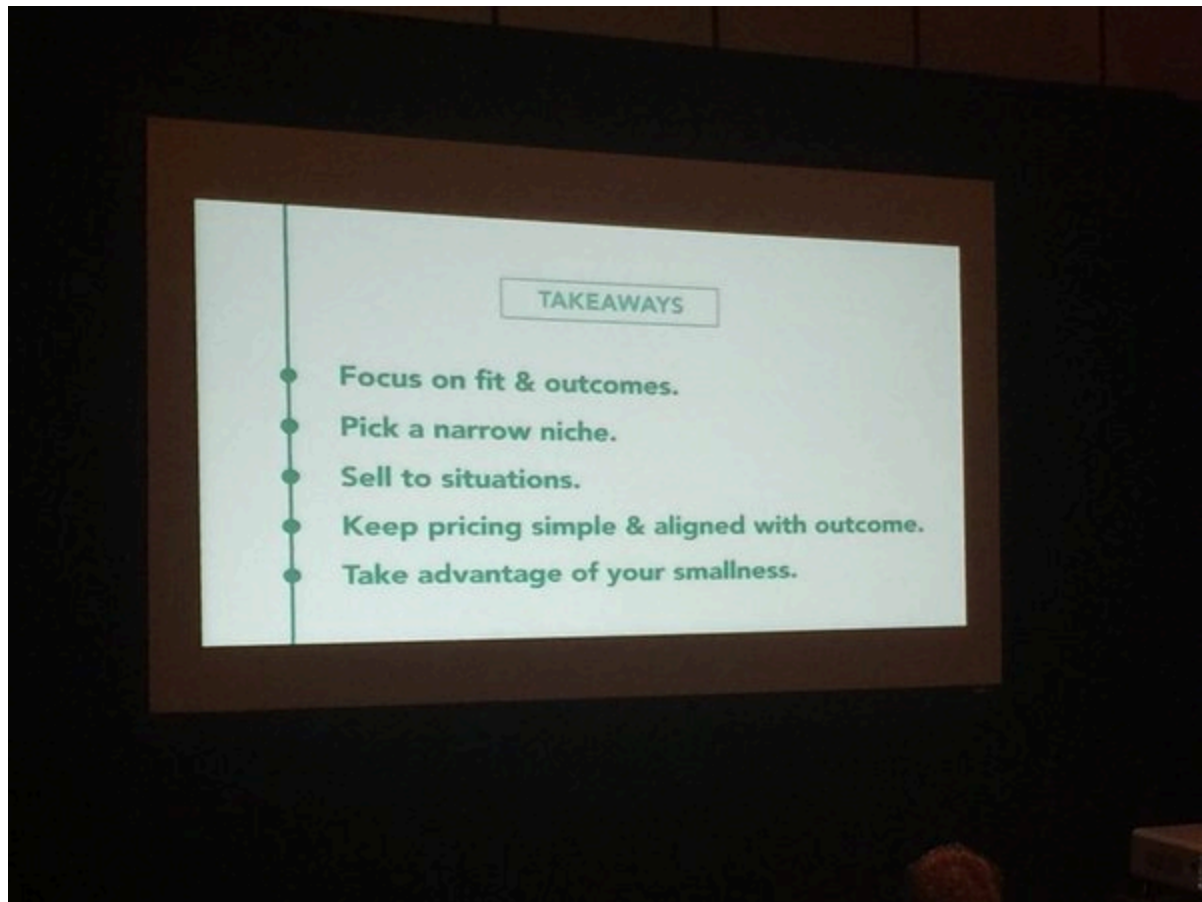
Lesson #4 — Charge Only Once

- \$100 per employee. Once.
- 90-day money back guarantee.
- Why?
 - Aligns with the value they want to create as a company.
 - When you’re getting feedback from your employees, you shouldn’t just get feedback from 3, 6, or 9 months — you need feedback for *life*
 - When you offer a subscription model, it’s super easy for someone in month 2 to go ‘Eh, I don’t like this, I’m going to turn this off’
- If up-front you had to pay \$100/person — invested in this *single person* as long as they’re with you at the company, you aren’t incentivized to turn off the software
 - Charging once aligns with the outcome they’re trying to create
- Encourages high commitment
 - That’s what’s necessary for their product to work
 - Also simple — \$100/person
 - Simple
 - Easy to remember
 - Different
 - (People ask about it)
- Results!
 - Recurring revenue?
 - 70% of revenue was recurring!
 - Every time a customer added someone new, it was \$100
 - Helped. Their. Customers. Grow.
 - Thinking about how their outcome aligns with the outcomes their customers are looking for.
- Takeaway for your business
 - Is one-time pricing right? Maybe. Maybe not.
 - Think about pricing simple and aligned with your outcome.

Lesson #5 — Two-people on purpose

- Bootstrapped company. Growing by adding people is difficult.
 - Forces focus
 - If you only have two people, you can only work on certain things
- Working with hundreds of companies struggling with growth, focus feels like the #1 thing they lack
- Beauty of having just two people is that it forces them to focus
 - They *have to focus*
- Forces quality
 - If we're going to choose to work on *this one thing* it better *be really good*.
 - Pushed them as a company to focus on everything they put out the door being high quality
- One month, one focus
 - Working on an email drip campaign
 - New onboarding feature
 - Etc
 - **One month, one focus**
 - Stopped working on things that just... don't matter!
 - Neat ideas? Stopped working on them.
- Takeaway?
 - Take advantage of that smallness. See that as something you can use to *hone in* on picking the 1, 2, or 3 things you're doing really well

Takeaways



- Focus on fit and outcomes
- Pick a narrow niche
- Sell to situations
- Keep pricing simple
- Take advantage of your smallness

What's Next

[\[REDACTED\]](#) ([Sign up for the after-conference notes for this info!](#))

Links, Notes, and Resources

- How can I be more helpful to you?
 - claire@knowyourcompany.com

Question

- What was your decision making process for the pricing model?
 - Jason, when they built 'Know Your Company,' picked the pricing

- For them, their intentions were very different — when they launched KYC, it was an experiment for Basecamp, they wanted to try one-time pricing to see if it would work
- Felt like something that would be interesting to experiment with and continue with
- As companies continue to grow, they continue to add employees (50 employees added to KYC every single week)
 - They have recurring revenue *while* charging one-time fees
 - Helping companies hiring that quickly manage that growth
- Making a bet — if KYC does a good job, they'll help their client hire more employees
- Qualifying Leads — You do 27 demos/month, how do you qualify them?
 - Evolved over the last year
 - Originally, didn't even have a form on the site
 - Original marketing page was a letter "Dear Business Owner With Growing Pains"
 - Email me and tell me about your growing pains
 - Sometimes people would write a few paragraphs, sometimes a few sentences
 - "Are they suffering from the right pains?"
 - "Are they the right size?"
 - "What position are you in the company?"
 - Her responding to the inbound emails.
 - Super manual, super high-touch
 - Very manual. Learned a *ton* from these interactions with customers.
 - If it is an employee reaching out, they'll learn why
 - If a CEO, they'll learn why
- "Research around psychology of how you're getting employees to understand their fit and engagement?"
 - Big part is having information around how to best use the software
 - Basecamp project that they add all their customers on, so they can email and post and engage with their customers
 - Been on the phone with *every single one* of their customers at some point
 - Techniques around building trust are based around the early research they've done *and* on-going research they're doing
- "In your case, you're turning away the up-market. Has that been a difficult decision?"
 - Feels like she can relate to the small companies and help them the first
 - The problem of knowing your employees is the most painful
 - For now, because she has such a strong passion for helping small business owners, this is what they want to stay focused on
 - Eventually, they want to help more people. There is a future version of the product that could help them.

Talk #3 — Moderated Questions & Answers — Steli & Hiten

A moderated question and answer session between Steli and Hiten. Formatting these slightly differently:



Question: What suggestions do you have for engaging and nurturing the onboarding process?

- **Steli:** It depends heavily on who the customer is, what the company is, who you want.
 - If you're early in the process, do anything and everything possible, don't worry about it's scalable.
 - Drive to their office

- Call them
- Talk to them
- Find out how or why they signed up
- Build a relationship and help them succeed with whatever it takes
- Then, go after the different steps that aren't as personal, but scale well.
- Whatever you're assuming your customers need to successful, you're probably wrong.
 - Spending time with your customers or getting them on the phone will teach you more.
 - Tons of things you can do to onboard. Spend more times to think about what it takes for them to be successful.
- **Mike:** So it's more important to go through that onboarding process? Don't just assume that throwing a video out there will do it?
 - **Steli:**
 - That's one thing, but you think that everyone that [DOES X] might be more successful — but they may or they may not.
 - Your business change, your customers change, your products change.
 - You need to go back and revisit your assumptions.
 - **Hiten:**
 - Concierge onboarding. Doing something where you're holding their hand helps a lot.
 - <http://try.allaboard.io/concierge-grasshopperherder.html> — KD

Have you seen patterns around 3rd party service integrations and when it would be most useful? (Acquisitions, other metrics, etc)

- **Hiten:**
 - With integrations, you're looking to improve a metric.
 - Think about integrations for retention or engagement.
 - You want to look at integrations if getting that integration data will increase retention or engagement.
 - Will this attract new customers?
 - What's the business problem? How does this solve a business problem?
- **Mike:**
 - Are there situations where integrations work better?
- **Hiten:**
 - Dependent on audience and what's popular right now. Lots of Slack integrations at the moment.
 - Risky to integrate without understanding your user base or your own metrics.
 - You could waste effort on it, but it won't be valuable for that audience.

We can always practice by selling our own products or services. What are some strategies for introverts, techies, and geeks to get better at selling products. Is something like sandler sale's training worth training?

- Steli:
 - Let's say that you're a technical person.
 - If you fail at sailing, you don't know if it's you or the product.
 - The question is 'what is the optimum use of your time'
 - If you had infinite time, read all the books.
 - If you already have a product, invest time into selling the product.
 - Sales is something that happens every day. Practice on selling the product.
 - Set a goal: have 10 conversations with people every day.
 - Learn how to ask questions and dig really deep, asking questions around the issues and challenges they're looking to solve with your product.
 - You need to understand how to ask some really good questions to understand the problem from the other side, come to a conclusion if your product can solve it, explain what the next step is.
 - Ask questions about *why* people say no. Ask for feedback to improve.
 - Is it that the product isn't doing what you want it to do?
 - Think about it as a learning experience rather than a good/bad process on sales.
 - Email Steli@close.io on how to get better at sales
- **Mike:** Seems that there's an underlying theme at how to get better at doing sales and overcome The Fear. Can you talk more about the psychological fear rather than meeting the sales numbers or meeting a specific metric?
 - Steli:
 - Don't focus on *success* in sales (make 3 sales today), focus on *activity* (10 calls) or focus on *failure* (get rejected 7 times)
 - If you make 10 calls and you don't get 7 rejections, you aren't done. You need to make calls *until* you get to that number of rejections.
 - **Sales, just like entrepreneurship, is about dealing with uncomfortable moments.**
 - Train that muscle to become more comfortable with doing uncomfortable things.
 - Because people are so uncomfortable, they try to avoid it — read a book, watch a talk, or something else — you need to get comfortable with the idea that you will feel a certain level of discomfort consistently.

What are some strategies you've seen work for repairing burnout?

- Hiten
 - I'm assuming this is "I've started the business and I'm burned out"
 - This goes into contextual like:
 - Why are you burned out?
 - Are you making progress?
 - If you feel burned out, it's probably because you aren't making progress in your business.
 - First step, step back, and ask why you feel burned out.
 - It's just an evaluation of the things you're doing.
 - If you're working the 100 hours/week and feel burnt out, there's probably an underlying root cause that's less to do with progress and more to do with underlying cause.
- Mike:
 - Are there questions you can ask to pinpoint the underlying cause?
- Hiten:
 - It might be that you don't have a framework.
 - Deceptively simple
 - Do you have a product?
 - If not, you need a product. That means finding a problem that someone has.
 - If you're an engineer, that's ultimately that
 - Two things that matter in a business
 - Product
 - Distribution
 - Is it that you have a product and you can't market it — or you don't have enough information to assess if your product sucks?
 - Framework: take a step back, look at the business

Is there a time of day that's best to do cold outreach?

- Steli:
 - Totally depends on who that person is, who you're trying to reach, how they're organizing their day.
 - Experiment!
 - There's typical truths:
 - Monday's and Friday's are busier days in a corporate setting.
 - Breaking that rule can be profitable if you don't have customers who have stressful M/F
 - No universal truth, experiment, see what gives you an outside return.
 - Often there is a day and a time that works better for others.

- Hiten:
 - If you have any kind of analytics on some website where you know it's the audience, look at the hours / time of day / day of week that people are visiting your website.
 - That can inform you on what time or day and day of week to test.
- Steli:
 - If you have a landing page where people take an action, trying to call people within 5-minutes of them taking that action online will have significant returns on your reach rate.
 - The ROI is huge.
 - If you're calling people after an inbound action, test out what the results are once you've taken that action.

What are strategies I can use to identify competitors (and customers) and do something to reach and talk to people in that space?

- Hiten
 - Often looking at competitors' businesses and websites, it's hard to determine how they're getting customers
 - The approach that you should take is go talk to people who could use your product or talk to people who are using that competitor product and discover how they're discovering and using the product
 - **Everything starts with the customer**
 - Do as much as you can to identify those potential customers
 - The customer will tell you where they find the competitor
 - Find out who they are, where they are, what conferences they go to, if they find ad, etc
 - Sell to the situation
 - Think about it that way — what situation is someone in when they're in this situation of needing my product
 - **Biggest piece of advice:**
 - Find potential customers and talk to them
- Steli
 - You can always sign up for a competitors site
 - Some junior sales person will be willing to give you all that information
 - Who is your ideal customer?
 - How big is your team?
 - Etc

It turns out in Canada, we can't send cold emails anymore and I'm turning to cold calling. I'm wondering if it makes sense to turn to a VA to setup demos for my products in B2B leadership. Concern is that the VA might not have the technical knowledge to set up those appointments.

- **Steli**
 - You don't want to outsource something you don't understand or haven't done yourself
 - Before you outsource sales, it's important to do the sales yourself and understand the problem and the audience
 - Can someone without domain expertise set up calls?
 - They need to be able to talk in a way on a call to build trust and get the prospect to jump onto another call
 - If the VA hasn't done cold calling before, then it's a challenge. You need someone with that experience.

Channel Discovery

- **Hiten**
 - Spend \$500 to test a channel. Always be willing to invest in testing.
 - All channels are getting expensive when it's paid marketing.
 - "How do I spend the least amount of effort to see if this thing will work for me?"
 - Framework:
 - Get Traffic — Can you get traffic from that channel
 - Convert Traffic — Can you convert traffic from that channel
 - Tactics
 - Look at Google AdWords, see if a competitor is using a channel to get traffic
 - Then, see if they're converting that traffic
 - Finally, test to see if it will work for you
 - To get more growth, you'll need more channels
- **Steli**
 - Don't worry about future success so much
 - You can always change what you're doing

Steli, you've spoken about outsourcing the content on close.io. Marketing person? Writer? Who was that? How do I find someone to take what I say to customers and turn it into long lasting materials?

- Steli:
 - Episode of The Startup Chat on scalable content marketing
 - Fastest way for Steli to generate content is video
 - Take the video, turn into a blog post
 - Take the blog post, turn them into books
 - Remix
 - Raw material is video. That's a video Steli can create high quantity / high quality content
- Hiten:
 - If you have the budget, you can hire people. 4-5 of them. To do the thing you want them to do.
 - Record a call
 - Turn into marketing material
 - Repeat until you find 1+ people who can do this for you
 - Really inexpensive

As an engineer, I have a bias against interruption marketing — but I want to try cold calling. This is coming across as a lack of confidence / lack of confidence on the call.

- Hiten:
 - Don't consider outbound marketing. Consider it purely sales. Tactics used are sales tactics, not marketing tactics.
- Steli:
 - You're identifying a really important part. If you're not sold, you can't sell.
 - If you're not sold on what you do, you won't be able to sell me on that.
 - You have to ask yourself the hard question
 - Is there a way I can love this and make my call the *best* interruption for someone's day?
 - Or, do I find a new business / new way of doing things?

I struggle with going up the tree, making changes, coming down, and leaving it alone. Do you have a strategy for staying productive when you're making changes?

- **Hiten:**
 - Use your calendar
 - You're in this messed up process where you make a bunch of bets and now you're seeing if they worked.
 - Use your calendar to determine when you make campaigns, set up new campaigns, work on things
 - Set a schedule and stick to it

How do you grow your business when you have customers in a very specific vertical?

- **Hiten:**
 - Focus on what helped you get your initial customers
- **Steli:**
 - There's no one thing that works for everyone.
 - You've acquired some customers that have let you grow, but what else can you do that will help you get faster, better, more results
 - Spend more time with your customers
 - Where do they spend most of their time?
 - How are they buying?
 - What's the last thing they've bought?
 - You want to focus on things that will help you learn how to grow your company.
 - Spend a lot more time with your customers and ask them that question
 - "I'm so glad that you bought. One question from a founder to a business owner, if you were running this company and had this ambition to go from X to Y and had the ambition to Z, what would you do?"
 - Steli's blog posts and videos on getting customers from Referrals
 - <http://blog.hubspot.com/sales/referral-sales-email-template>
 - <https://doubleyourfreelancing.com/referrals/>
 - <http://blog.close.io/how-to-do-referral-sales>
 -

What advice do you have to do on doing enterprise deals without getting pushed on price and caving?

- Hiten:
 - Charge more.
 - The higher your price, the more perceived value.
 - It's a value mis-alignment when you're trying to deal so hard
- Steli
 - They're pushing you on price because they think they can
 - No one is putting a gun to your head. You don't need to sell to them.

How do you think about scaling a marketing strategy to 100, 200+ customers?

- Hiten
 - Do more free work!
- Steli
 - Once you get from 1 to 10 to 100 to 1000 customers, your attention starts to shift from short-term to mid-term and long-term strategies
 - People tend to worry about this way too early
 - "We've got 3 customers, how do we put a strategy together and hire a VP of Marketing"
 - Grow towards a longer-term thinking over time. Don't immediately jump into it now.

Most Recent Talk — Lessons from the SaaS Metrics of 2k Companies

Patrick Cambell, [Price Intelligently](#)

Big Idea

- Building a software business is deceptively simple; we often make it super, super complicated
- Provide tactics and frameworks to get your pricing right

Origin Story

- Background in Econometrics and Math
- Started background in intelligence community
- Career is centered around value modeling
 - Taking data and getting towards output
- What's fascinating is a lot of data we work with inside of SaaS companies, we have data for finding value of features/customers
- Price Intelligently
 - Customer fund a business in general
- Even when calculating MRR, it's easy to screw up
- Have seen inside more subscription businesses than anyone else on the planet
- As they continue to look at the data,

Two Main Camps

- LTV Beasts
 - Focused on Life Time Value
 - Discovered that LTV beasts had a low amount of capital raised to build their business
 - Know their buyer persona and unit economics on who they're selling to, the buyer, the team size, the willingness to pay
- CAC Fiends
 - Customer Acquisition Cost Fiends, focused on growth through CAC
 - Raised more money than god — tons of money relative to size
 - 700 people and 400 are sales people
 - Have no clue who their buyers are

- LTV Beasts are crushing it

Unified Theory of SaaS Growth —

- 3 big trends we're seeing
 - We focus on wrong benchmarks
 - We don't take customer development seriously
 - We focus too much on acquisition
- We focus on the wrong benchmarks
 - "What should gross churn look like?"
 - "5%"
 - LTV to CAC ratio
 - 5% was in the *weakest* set of ratios
 - When you're focusing on your business, you need to focus on the right benchmarks
 - "What % of total sales is expansion revenue?" (Upsells)
 - "10%"
 - Companies doing really well, they're in the 30% ratio
 - How much should you be growing YoY?
 - "As much as possible"
 - You want to make sure you're building the right product for the right customer at the right price
 - Folks at less than \$100k/yr have a high growth rate
 - Folks at a higher revenue have a lower growth rate
 - Understand your metrics, benchmark them as much as possible, and focus on the right problem areas
- We don't do enough customer development
 - We don't do it seriously, in the aggregate.
 - Buyer Personas
 - Valued Features
 - Least value features
 - Willingness To Pay
 - Cost of Acquisition
 - Life Time Value
 - Knowing these, you can align your business around these particular buyers.
- We don't know our buyers that well
 - Which single category best describes your buyers personas?
 - Thought about them
 - Central document (3/10)
 - Quantified buyer personas (1/10)
- We don't send any surveys
 - 0: 75%
 - 1: 20%

- 2: 5%
 - 3+: 1%
- We aren't testing that much
 - 0: 50%
 - 1 to 3: 33%
 - 4 to 10: 10%
 - 11+: 2+

This Should Be Scary

- We have all the tactics around building a business, which makes this deceptively hard
- Every page in your business leads towards a page that asks for a credit card
- If you don't know that customer, you can't understand how to drive people to that pricing page and point of conversion

Arguments Against Customer Development

- Steve Jobs Argument
 - I guarantee you the person who said 'the customer is always right' was, in fact, a customer
- Effort Argument
 - "We'll just test it"
- Talk to your damn customers

We focus way too much on acquisition

- Too many tactics are focused on TOFU — Top Of Funnel
 - While we're focused on acquisition, it's not the most effective lever for growth
 - Looked at 10,432 blog posts
- Built out a model on pricing to see if they improve each pillar of growth, what happens
 - If you improve acquisition by 1% — number of leads or efficiency by 1% — you see a 3.32% increase in bottom line
 - If you improve retention by 1%, you improve bottom line by 7%
 - If you improve monetization by 1%, you improve bottom line by 13%
- What's fascinating isn't the absolute numbers, but the relative impact
 - Focusing on monetization and retention has 2-4x impact of acquisition
 - These deceptively simple things will have the biggest impact on our business
- Impact on efficiency
 - LTV/CAC vs Pricing Commitment
 - No Pricing Function: 1.68 LTV/CAC (put \$1 in, get \$.68 out)
 - Yearly Pricing Review: 3.23 LTV/CAC

- Continual Price Optimization (adjusting packaging, pricing, and positioning every 6-months): 11 LTV/CAC
- We want customers, but don't know what to do when we get them
 - We focus on growth as a sledgehammer

Persona Price Fitting

- Different groups of customers
- Filled out tactically
- Had an essential document that they would iterate on
 - For everything that comes in, you could validate against this grid
- How do you build this?
 - Go to your customer
 - Talk to your customer
 - **GO TALK TO YOUR CUSTOMER RIGHT NOW GO GO GO RIGHT NOW JUST DO IT RIGHT NOW OKAY THANK YOU YES I AM EMOTIONAL ABOUT THIS**
- This is important in the context of pricing
 - Cost-plus pricing in Saas / Info Products makes 0 sense
 - Competitor-based pricing
 - These are simple ways to set pricing, but aren't the best
- Setting prices the Right Way
 - Costs + Competitors → Value (how much your customers are willing to pay for your product/service) → Optimal Price

How Do We Do That

- Your process at a high level
 - Buyer Personas and Design
 - Data Collection and Segmentation
 - Data Consolidation and Analysis
- Two axis on a pricing page
 - X: Price
 - Y: Features
- You can unpack the X/Y and make sure you're aligning that data for a monetization strategy
- What type of info do we want?
 - Demographic information?
 - How often they quit? Age? Income?
 - Feature/Packaging Information?
 - Modern quilter? Traditional quilter? Mechanical items? Patterns?
 - Pricing Information

- How much are they willing to pay? What frequency do they want to pay?
 - Get the survey down to 30-60 seconds
 - Send surveys every 3-4 weeks
 - Use AskYourTargetMarket.com
- Tools for X/Y axis data
 - Relative Preference Analysis
 - Price Sensitivity Analysis
 - Experimental Design
 - Relevant articles
 - <http://www.priceintelligently.com/blog/bid/191076/Feature-Value-Analysis-The-Supreme-Growth-Hack>
 - <http://www.priceintelligently.com/blog/how-to-find-the-best-pricing-strategy-for-a-saas-product>
 - <http://www.priceintelligently.com/blog/bid/190607/Unlock-Price-Sensitivity-s-Profitable-Surprise>
- Don't ask...
 - "Please rank the following features on a scale of..."
- Do ask..
 - Max Dif
 - Out of these 4 things, what is the MOST important and which is the LEAST important
 - This tells you what your customers value the most
 - Impacts the pricing and the modeling
 - Lets you know what you need
 - Let's you know what you don't need
- Your Experimental Design
 - Discover that there are subset of customers that value certain features above another
 - That gives you an opportunity for pricing, for up-selling, for additional tiers, for additional value based pricing
 - With this information, you benefit in sales conversations — leading with the most important feature for that persona
- How much are your customers willing to pay?
 - https://en.wikipedia.org/wiki/Van_Westendorp%27s_Price_Sensitivity_Meter
 - At what (monthly) price point does PRODUCT become too expensive that you'd never consider purchasing it?
 - At what (monthly) price point does PRODUCT start to become expensive, but you'd still consider purchasing it?
 - ...A really good deal
 - ...Do you question the quality of it
 - These intersections inform on which customers are good to pursue, good customers to retain, or bad for your business.

- Click To Tweet: [Pricing: Need to evaluate every 3 months and make changes every 6 months](#) ← Most Important Takeaway.
- Changing Your Pricing
 - Week 1-4
 - Customer / Market Research
 - Week 5-7
 - Communication Plan ← if small change
 - Impact Analysis ← if moderate impact
 - Customer Advisory Panel ← if huge impact (“Are We Crazy?!”)
 - Week 8-9
 - IMplement Changes
- Your Pricing Committee
 - Need a main decision maker

Utilize A Multi-Price Mindset

- Wistia — Value Metric
 - Video Hosting and Analytics
 - Pricing based on # of videos
 - (Bandwidth / fair use limits)
- Value Metric — aligns with users needs
 - What you charge for and should
 - Align to your customer’s needs
 - Grow with your customer
 - Be easy to understand

Notes & Resources

- Slides: [PriceIntelligently.com/MicroConf](https://priceintelligently.com/MicroConf)
- Email: Patrick@priceintelligently.com

Questions

- Figuring out pricing
 - Talk to current customers, prospects, and target customers (who have never heard of you)

Attendee Talks

Anna, GetDrip

- Big Idea
 - Iteration of Drip Demos from V1 to Present
- V1.0 ScreenCasts
- V2.0 MVP
 - Open-Ended questions
 - Tell me about your company
 - How are you currently doing email marketing
 - How soon are you going to make a decision
 - Which other platforms are you considering?
 - How did you hear about Drip?
- V3.0 Systematized, one-on-one Demo
- V4.0 Sept 2015, Custom Demos, education
 - Conversations with those people would drop off during the conversation
 - **Concerning!**
 - Wasn't sure how this sales process was resonating with them
 - Customized the sequence of features during the demo to match with the needs of the customers
 - Education
 - Not 'showing how to use each of Drip's features'
 - Email marketing education
 - Example
 - List Pruning Feature → get people off that feature
 - Show how feature works *and* educate on 'if you aren't doing this, these are the consequences'
- V5.0
 - February, Workflows Announced
 - Not a one-size-fits-all product
 - Needed a deeper Q&A phase, can see how automation would improve their marketing
 - Response was great!
 - Conversations would get longer
- V6.0 — The Missed Opportunity
 - This was valuable enough to be a consulting engagement.
 - Can't have this information locked into the account.
 - Better to have it available to the customer
 - Made it available as a 21-day free trial in ramp
 - Gave them the easiest on-ramp

- Also, increases customer success
 - User has the workflow built for them
 - They can hit the ground running
 - No question marks in their head
- Example Demo
 - See slides:
 - <https://www.dropbox.com/s/dlpi9jd0qu4ftv/Lessons%20Learned%20from%20a%20Year%20of%20Product%20Demos%20at%20Drip.pdf?dl=1>
 - Calendly: Integrates with Drip
- Takeaways
 - If you have a sales process or demo process and aren't using an automated process to schedule, you're missing out
 - If you don't have a demo process, an easy way to get started is with a 10-minute version of the product's features
 - Request Demo → Product Video → "Schedule a time with me if you have questions"

Talk Resources

- Slides:
 - <https://www.dropbox.com/s/dlpi9jd0qu4ftv/Lessons%20Learned%20from%20a%20Year%20of%20Product%20Demos%20at%20Drip.pdf?dl=1>

Brian Casel

- Since last year...
 - Sold Restaurant Engine in 2015 (6-figure exit, huge learning experience)
 - Launched AudienceOps
 - Built AudienceOps to 32k MRR
 - Quickly got to 5-6k MRR (first month)
 - Shut sales down, focused on optimizing the process
 - Opened sales up recently, hit 38k MRR
 - 18 person team
- Lessons Learned This Year
 - Better Fundamentals
 - 1-year ago, thinking long and hard on what to do
 - Not just the things you can tweak, but the things that can only be figured out from the very outset
 - **Picking The Right Market**
 - Previous business, selling website design SaaS service to the restaurant industry
 - Product / Market / Interest mismatch

- Challenge to growing the business when he doesn't have a personal connection to this community
 - Long-term benefits? Let's Brian go long on the benefits
 - Solving problems for his peers that he's had
 - Obviously, really passionate about this
 - **Aspirational Pricing**
 - Go after a problem that let's you charge a higher price point
 - Allowed Brian to open his mind up to tackling a much bigger product
 - At a 4-figure/month price-point, you can tackle a tough problem that people are willing to think about
 - How can you improve the fundamentals in your next business?
- Fire Yourself
 - Spent ~3-months refining his systems to deliver without him
 - Really talented people contributing to the creative process without needing Brian to get involved in the day-to-day of running his business
 - Looking at the things he's been doing all the time, starting to remove himself from the aspects of the business
 - Hired a sales person
 - Hired a marketing person
 - Focus switches to *building*
 - What is one job you're currently doing that you should fire yourself from?
- Focus on Building
 - No matter what type of business you're running, you need to figure out how to give yourself the time to focus on growing the product line
 - With AudienceOps, they started with a Productized Service, releasing WordPress Plugins, creating a Training Course
 - All products come from the same central focus, remaining under the umbrella of being a content marketing company
 - How can we establish a company that's sustainable?
 - Productized Service Model
 - Give the business the time and oxygen it needs to be sustainable
 - What would it take to give your business more time and oxygen to keep building?

Talk Resources

- [CasJam.com/Now](https://casjam.com/now)

Chris Gimmer, how we generate 1,000+ signups a week for our business

- The Skyscraper
 - Two years ago were working on a website called Bootstrap Bay
 - Grew it through SEO and Content Marketing
 - [Brian Dean, Skyscraper Technique](#)
 - Find link-worthy content
 - Make it better
 - Promote it
 - Finding Link-Worthy Content
 - BuzzSumo
 - Ahrefs / Open Site Explorer
 - Community Sites (Reddit, Inbound, Hacker News)
 - Twitter Search
 - Found a post 'stock photos that don't suck'
 - List of links to all of these sites
 - Thought 'Woah, this could be improved upon'
 - Make Something Better
 - Make it longer
 - More up to date
 - Better designed
 - More thorough
 - Promote It Effectively
 - Email Outreach
 - People mentioned in the post
 - People who linked to similar content
 - People who shared similar content
 - Social Amplification
 - Post generated 369,000 shares
 - Lots of luck involved!
 - Takeaway
 - What is already popular that you can make better?
- The Side Project
 - Looking at all the sites he's linking out to
 - Decides, "what if there was a stock photo site you could search"
 - Email outreach to people to promote the content
 - Lots of upvotes, shares, etc
 - Side projects are good where content isn't working as much
 - Takeaway: what can you give away in order to sell something related
- Cross Promotion

- Testing strategies to get people to sign up for the content (interruptor, footer, etc)
- The person is going to be most engaged right after they download a photo
 - Hence, adding a pop-up
 - Once someone downloads a photo, it plays a little gif that showcases Snappa
- Once you have traffic, you need to figure out how to better use and convert that traffic
- Influencer Outreach
 - SEMRush is using the tool to create images for the SEMRush Chat (shout-out at the end)
 - When you have an influencer recommending your product, you have a much better chance of someone using your tool
 - Outreach to Sujan Patel, pitched on the tool, 'the team loves it,' got a testimonial
 - Every time he gets an influencer giving him a shout-out, it makes people more willing to give them a chance

Talk Resources

- Email: Christoper@snappa.io
- Twitter: @cgimmer

We Grew from \$5k MRR to \$25k MRR in 12 months (and how you can too)

- "I'm stuck at 5k MRR, what should I do?"
 - Hiten: "What's working for you? Double down on that"
- Jason Lemken, saastr.com
 - Many hundred-million dollar exits
 - When you're around \$5k MRR, when you're ready to hire sales people, don't hire one, hire two.
 - When you're at the \$5k level (and you've been doing all the selling yourself),
- Big Question
 - How do you compensate?
 - First, look in your market
 - Second, bring them into your office (had to get an office)
 - Looked at sales-people in his town and saw what people were making as a base *and* what they'd want to earn with commission
 - You can actually work out the math (on-target earnings, base, what's the difference)
 - If they add \$1k MRR/Month and pay them X% of an annual contract value of a deal, then you get them from their base to their OTE
 - Payout your salesperson their full commission right away

- Sales People
 - Finding people with 2-4 years of experience who could demo well and close
 - Closing skills far outweigh demo skills
- Hired two Account Executives
 - When you're ready to hire one, hire two
 - One resigned, designed to hire a Growth Hacker
- Revenue grew, hired customer success
- Every time there was a little bit of profit, they hired
 - Even at \$30k MRR, still not profitable

Talk Notes

- Twitter: FlorifyDave

Most Recent Talk — The Four Unfair Advantages for Faster SaaS Growth

Rob Walling

- Why did Drip grow so far?
 - 7-figure ARR
 - Looking at Drip, thinking 'why has drip grown exponentially faster than everything else'
 - Wanted to make it a bit broader: what SaaS apps do we know that are doing really well?
 - Why did these apps grow faster?
- WIIFY
 - The Four Unfair Advantages
 - How they're a requirement for fast, early growth
 - How to improve yours
- What is an unfair advantage?
 - "The only real competitive advantage is that which cannot be copied and cannot be bought"
 - <http://blog.asmartbear.com/unfair-advantages.html>
- Unfair Advantage #1: Be Early
 - Most common!
 - Example: Josh Pigford, BareMetrics
 - First to the 'One Click SaaS Analytics for Stripe' space
 - Temporary. You're only there until you're competitors get there.
 - Feasible in small or emerging markets.
 - Requires swift execution
 - Copied? Bought? Nope!
 - SaaS Apps that grew based on early advantage
 - Basemetrics
 - Balsamiq — did \$500k in his first year
 - Bidsketch — First SaaS Proposal Software
 - WooThemes — Aidi Pianr, first premium theme seller
 - Basecamp — Early SaaS, first Project Management tool
 - Where do you stand on this with either (1) your ideas (2) your current launch
 - Where do you stand from 1 to 10.
- Unfair Advantage #2: Who You Know
 - your Your network
 - People who are willing to endorse, promote, advise, or intro
 - You know people that competitors cannot access

- Examples
 - AppSumo — Grew based on his network and his capability to build a network
 - Clarity
 - WPEngine — “I blogged about WPEngine and it yielded us two customers - but it got us instant investment”
 - CartHook —
- Where do you stand on who you know in terms of your market — and people who will promote or refer?
- **Unfair Advantage #3: Who Knows You**
 - Your audience
 - An existing customer base
 - People who, like, and trust you
 - Very hard to copy or buy an audience who knows, likes, and trusts you
 - Examples
 - SumoMe
 - Edgar
 - KissMetrics
 - LeadFuze
 - Drip
- **Unfair Advantage #4: Growth Experience**
 - Tactics
 - Strategy
 - Experience
 - Examples
 - Qualaroo
 - Buffer
 - CrazyEgg
 - Where do you stand on your growth expertise?
- **Not Unfair Advantages**
 - Great design/UX
 - Technical or design skills
 - Money
 - An uncopyable idea
 - Domain Expertise
- **Unfair Advantages**
 - Be Early
 - **Who You Know**
 - **Who Knows You**

- **Growth Experts**
 - These three are the most important that *come with you* from company to company and are more permanent
- **Stair Step Approach**
 - Step 1: One time sale
 - Step 2: Repeat step 1 until you own your time
 - Step 3: Recurring sale
- **Final Thoughts**
 - Which of these advantages do you want to increase today, tomorrow, or next week?

Talk Notes

- microconf.com/robslides.pdf

Lessons Learned Growing Keynotopia From 0 to 50,000 Customers in 3 Years

- Started with a blog post
- Using Keynote and Powerpoint to create prototypes for their customers
 - Found it did the job they needed really fast
 - Wrote a blog post about this process, asking the question “Would anyone read this?”
 - Spent a few days writing it, made a video
 - Put together a kit with some resources he created in Keynote
 - Asking himself “Will this be useful to anyone?”
- Unexpected Surprise!
 - ...25,000+ views
 - ...500+ downloads
 - ...100+ web mentions
- Launching A Product In Three Hours
 - “Would anyone use this?”
 - Finished the kit, added updates people were asking for, linked with eJunkie so people could buy
 - **Linked the ‘download’ button from the content upgrade, instead linked to the *paid* option** ← (THIS IS SUPER GENIUS — KD)
- Two months later...
 - 20,000 laterers
 - 1,500+ paying customers
 - 750+ links to the website, people started talking about it, it started taking off
- “Maybe I’ll do this as an experiment...”
 - Seemed like a good framework for him to learn
 - Closed the design agency, decided to focus on growing the product
- Influencer Recommendations
 - “Why are people talking about this kit? I want to keep this small!”
- Three years later...
 - 50,000+ customers
 - 1,5000+ mentions/linkbacks
 - 4 products
 - 2 courses
 - Grew from 1 product to 4 products and 2 courses

Year #1

- Had no clue what to do, but didn’t want to be a limit, so he asked lots of questions

- As soon as someone would sign up for the product, he'd ask questions
 - How did you find out about us?
 - Do you think the price is right?
 - What would you like to see?
 - Flooding forums with questions (business forums, Internet marketing forums, etc) and asking questions
 - "What do I do if my competition is hiding in my mailing list?"
 - "How do I do SEM/SEO?"
 - Learning on the fly helped him do better than learning on the fly
- Tell Everyone Who Cares But Don't Spam Anyone
 - Go find people writing about prototyping and ask "You did prototyping with this tool, what did you find interesting?"
 - Once the conversation started, he'd lead them forward at length
- Try Lots Of Things But Only Things You Can Measure
 - Diverge your traffic channels
- Measure Everything You Try
 - Difference between advertising for traffic and advertising for branding
 - Traffic: Do I get a direct response?
 - Brand: Am I putting myself in the head of customers?
- Always Be Testing
 - Recommended Optimizely
- Treat Everything As An Experiment
 - Tried many things that failed, but that's just getting a different result than expected
 - Modify experiment to match results you're getting
- **Start A Mailing List** (OMG YES — KD)
 - 10-20% the conversion rate they're getting on their mailing list than any other channel
 - Mailing list helps you build rapport trust and then sell down the line
- Educate, Don't Sell
 - Here's how you use Keynote to do this
 - Here's how to prototype this app
 - Timely & Relevant Videos
 - Facebook released Oragami, their app
 - Created a video on how to use Keynote to prototype the same thing in 10 minutes (vs 2 hours on Facebook's side())
 - If your product can be used in a timely way with news that people are talking about, make your product relevant
- Pricing
 - Test different prices. Charge from day 1.
 - Increased the price when he realized that his audience was freelancers — who value their time in the hundreds of dollars — so he's charging a fraction of that time (Value Based Pricing — KD)

- Average time saved on each project is 10 hours
 - Charging people 1/10th that. Fair value to pay (COMPLETELY AGREE — KD)
- Ask yourself where the value is in your project
 - Are you helping people make money? Save money?
- Build Relationships
 - Talk to bloggers, podcasters, people at conferences and events
 - Those relationships let you do business development and cross marketing
- Learn Something About Everything
 - Will help you hire the right people when you don't know exactly what you want
 - Knowing how to do it will help you sniff out BS
 - And also communicate to people your requirements in terms they understand
- 20/80 Analysis
 - Doubled down on what worked best of all. Identifying good traffic sources and doubling on those.
 - Create a course, put it up for free, send them the course, follow up to confirm if the course helped
- Improve the product and focus on quality
 - At this time you can afford to hire people and focus on the product
 - People are *actually okay* with it being a half-assed product
 - But quality improvements help.
- Improve And Expand Your Product
 - Going back and fine-tuning / improving the product surprises people — and helps incentivize them to tell people
- Create a companion master class
 - Create a course that makes your audience better at your job
 - If your target audience is accountants, but you also deal with accounting software, teaching a course relating to their expensive problem helps them better trust you
- Share Your Stories
 - Don't be afraid to share your secrets with people
 - Maybe *some* competitors will use your tactics, but you're learning and sharing more — and your audience will appreciate it.
 - Talk to your customers *as real people*, not as a company.
 - Don't talk down to customers. Don't talk down like you have more knowledge of expertise.
 - **Talk to them as a friend sharing something cool with them.**
- Give stuff away, but ask for a favor first
 - (See also, [SmartBribe](#) by Bryan Harris — KD)
 - List the full price (\$50) but then offer it for free with a tweet.
 - Emphasizes the value of the product
 - Once they tweet, button becomes 'add to shopping cart'
 - Emphasizes the value of the product

- After checkout, move them to the mailing list
 - Capture both their word of mouth on Twitter *AND* add them to the newsletter.
- Make Less Mistakes
 - Mistakes start to become more expensive as you progress from one year to another
 - Don't make very expensive mistakes

Year 3 — Scaling and Growth!

- Decide what kind of business you want
 - Is this a lifestyle business? Something else?
 - You need to make this decision so you know how to strategize and what systems to create
- Creating A System
 - A system for your product and your company
 - What pages are people going through
 - How are people going through your website
 - Do they get the free product first? Paid? Something else?
- Hire Carefully And Slowly
 - Assistants, Administrators, Copywriters, etc
 - 3 people working on the company + himself
- Learn To Let Go
 - In the 3rd year, you recognize that you're running a business — and you're no longer working for that business.
 - Even if you're no longer doing the creative stuff, you need to give them the time and space that they need
 - In the beginning, was micromanaging the person and let the person run with it
- Build Stronger Relationships
- Help and Mentor Others
 - The product you create will help you teach and grow with people
 - People will know you through the products you've created
 - It establishes rapport
- Mastermind Groups
 - Create your own — a group of people you trust to keep you committed to your task
 - 3rd year, found he was part of multiple mastermind groups
 - Each group was providing a deep insight into how to grow the business
 - Ask people "Do you want to do a call each week to review our commitments together, talk about things we're doing with our business?"
 - Talking your ideas out loud with someone helps you think much more clearly

- Find Hidden Opportunities
 - After someone joins the mailing list, send them an email asking “Is there another problem you’re dealing with in your business?”
- Avoid Mistakes
 - For new products, make mistakes
 - Once you have an established product or business, make sure to avoid mistakes. People will notice them.
- Learn by doing. Don’t wait until you’re ready.
 - It’s not about the amount of information you can ingest. It’s about the quality of questions you can ask at each step.
 - Lots of successful people want to help other people.
- Be of Service.
 - It’s hard to fail if your goal is to help others.
- Don’t Burn Out
 - By the 3rd year, he could feel himself burning out
 - Decided to grow a lifestyle business because he didn’t want to burn out
 - Scientific American article on BurnOut
 - It’s not the amount of work you do on the product that burns you out, it’s the amount of time you spend thinking about the product.
 - <http://blogs.scientificamerican.com/anthropology-in-practice/why-a-ren-8217-t-we-talking-about-burnout/>
 - <http://www.scientificamerican.com/article/you-can-conquer-burnout/>
 - Scientific American Mind — Science of Burnout: <https://drive.google.com/file/d/0B0xb4crOvCgTYUtMYTFEUGhZeWc/edit> (Page 28)

Links and Notes

- [@AmirKhella](#)

Going From Self-Funded To Funded To Self-Funded

Tracy Osborn

Growth Of The Business

- What happens if you have 'just an okay' business'?

This Is Tracy's Story

- Grew up in Lake County, California
 - Grew up in the time of people based websites
 - Loved building websites (Mid-90s)
 - Thought she'd be an entrepreneur way early
 - Got some business cards made
- Went to school, got a degree in Graphic Design
 - Friend had a brother with a startup
 - Started working with them and growing with them from startup > small office > big office
 - Sole designer / frontend developer for the company

Running A Startup

- Lessons learned regarding **cofounders**
 - Non-technical people talking to non-technical people looking for the *one* technical person in the room
 - Wrote a post "Technical co-founder wanted for disrupting the wedding industry"
 - Links
 - <http://www.limedaring.com/articles/technical-co-founder-wanted-for-disrupting-the-wedding-industry>
 - <https://news.ycombinator.com/item?id=1553095>
 - Post went on HackerNews
 - Got tons of emails from people!
- Applied for YCombinator and got an interview!
 - Struggle with co-founder, didn't get in (thankfully!)
- Faced with a choice
 - Find another co-founder
 - Get a design job

- Orrrrrrrrrr learn to code
- On Co-Founders
 - Click To Tweet: ["Co-founders are great, but don't let the lack of a cofounder hold you back"](#)
- Built a directory of wedding invitation designers
 - Built her MVP
 - Features were super simple
 - Launched with 10 profiles
 - Few days later, leaving for a trip to Europe, went to go meet SwissMiss
 - Sent an email saying "hey, I'm coming to NYC, would love to take you to lunch"
 - Told her about what she's building, left, went to the airport, flying to Roam
 - AND THEN THE PHONE BLEW UP
 - "She SwissMiss'd it"
 - "Hey, here's my website for designers"
 - So many people on her website, the business took off
- **Lesson #1: Have an MVP as early as possible**
- **Lesson #2: Always Network**

Growth

- Continued working on her website, trying to onboard as many people as possible
- Heard of the organization "The Designer Fund"
 - Made for designers. Decided to get in!
 - Found that the founder of Designer Fund was posting all of his events on FourSquare
 - Network. Network. Network.
 - Accepted into The Designer Fund, received the \$5,000 grant
- Huge Benefit — head of the designer fund worked at 500 startups
 - Asked if she wanted to be interviewed at 500 startups
 - "When an opportunity hits, might as well do it!"
- **Lesson learned #3: Hustle. Hustle. Hustle.**

Lessons Learned Regarding Writing

- Started writing about building her business
 - Got posts high up on Hacker News
 - Known as the 'hacker news wedding person'
- Writing about the process of building her business and career has been great for her career

500 Startups Interview

- Starts giving the interview at 500 startups
- “Wait, I know you, you’re on HackerNews”
 - “You’re a cockroach, you’ll never die!”

More On Writing

- Whenever she gets busy, she stops writing, and always regrets it
- Lesson learned #4: write as much as possible

Bootstrapping vs Funded Company

- Dedicated to bootstrapping at that point
- Funded company vs bootstrapped company is *completely different*
 - Funded: Grow as fast as possible! You don’t necessarily want revenue.
 - Bootstrapped: You want revenue.
- \$50,000 for 5\$ is hard to turn down

Lessons Learned Writing

- National Stationery Show, perfect fit for her audience
- Tickets cost money, but press passes are free
 - Threw a WordPress blog up, submitted to the show, got a press pass, attended the show
 - Made gift cookie bags with her card in it, gave it to vendors at the show
- Opened up the content on her blog to businesses
 - Businesses come to her and ask to share their content
 - Vendors can get a free account and upgrade to a premium account
- Approach to the vendors, she pitches them on a free account to share their content *then* pitches them on upgrading to a paid account
 - By changing this paid account to ‘you pay, we’ll show-case you on our blog,’ it changes the feelings from quantitative (traffic) to qualitative (how they feel about wedding lovely)

Acquisitions

- Lesson #5: if you get approached by an acquisition early on, establish expectations early on when in talks for acquiring

- Offer came in, very low. They nix'd the deal.
- **Devistating**. Sucked. Had no idea they'd undercut so much.

The Downslide

- Planning on launching a new product, get them attention, but didn't take off
- The Pit opened up
 - Laid off the first person who was working with her (No money to pay her)
- And then!
 - Co-founder came to her, 6-months into working together, quit into a new job.
 - Ultimate vote of no-confidence in her business.
 - Second lowest point of her business
- Lesson #6: never give up, never surrender
 - I don't need to pay anyone, move back to a bootstrapped business, and work on wedding lovely

Plodding Along, Hitting A Stride

- Moved forward building the business
- **Lesson Learned #7**: Have as little expenses as possible so your business can last as long as possible
 - Lower your expenses as much as possible
 - Nathan Barry's post: <http://nathanbarry.com/cash/>

Starting A Side Project

- [Hello Web App](#)
 - Kickstarter campaign about creating a web app
 - Self-published, had two businesses, let her shift her focus to the second business

Investment... Again!

- Received more investment, created multiple websites under the Wedding Lovely brand
 - 11 sites under her brand

The Goal: AirBnB for Weddings

- Having a wedding is stressful, you want one place to get everything you need
- Launched herself into fundraising to grow

- Crickets.
- People aren't looking for a 4-year old company
- Solo, female, non-technical founder isn't something that people are looking for
- Spent 6-months trying to fundraise before she stopped
- Lesson learned #8: Don't waffle back and forth on funding vs bootstrapping
 - November: Decided to just go back to bootstrapping
 - December: A wash

The Last Year

- Took a step-back, let the website continue to grow
- Launched books, recovered from depression
- Lesson #9: Don't be afraid to hire remote workers and virtual assistants
 - ([Kai's article on hiring a part time employee](#))
- Running everything yourself is a recipe for burnout
- Lesson learned #10: Automation! Automate your business as much as possible.
 - Mailchimp automation!
 - Internal forms to connect the systems
 - [Zapier](#)! WordPress!
 - [Briefmetrics](#), emails you simple overviews of your website's Google Analytics
 - (This is amazing. Sign up for this — KD)
- This business has been like juggling 9-different balls, but consistently needing to put 3 down
 - Pick up marketing, put down design

Today

- When you want to be acquired, no one wants to acquire you
- Not even close to being a success, but...
 - You need to take a step back and look at the business and realize what is or is not
- Current company she works with: [DreamFactory](#)

Big Lessons

- **Launch an MVP ASAP**, as you never know what opportunities might arise
- Network, network, network — the people you might meet lead you to the next big thing
- Hustle. If you want something, don't be shy.
- Write about your experience, good and bad, as your writing might lead to more opportunities.

- If you have an acquisition inquiry, make sure you're on the same page to save everyone's time.
- Never give up, never surrender. Or at least, don't give up easily.
- Cut your expenses as much as possible to give your future company as much runway as possible.
- Don't flip flop between bootstrapping and fundraising. Once you change to fundraising, it's really hard to go back to bootstrapping.
- Hire remote workers for easily replicated tasks.
- Automate everything as much as possible. Save yourself time to focus on bigger picture things.
- **Biggest Regret:** No focus on sales early on. Wishes she had focused on revenue and ways to bring revenue to the business early on.

Links and Notes

- [LimeDaring](#)
- [DreamFactory](#)

Strip Q&A w/ Patrick Collison

- **Rob:**
 - “You know the group here, early stage entrepreneurs, in the early days of Stripe, you were going against this monster of the payment card industry — which was more difficult: building the tech or getting past the red tape?”
- **Patrick:**
 - The energy for stripe came from people being in the bootstrap community and trying to use a payment processor.
 - Basically, as painful as awkward to deal with the legacy finance industries as you might think.
 - They knew something about the morass of things that fit together, but not sure how it all fits together.
 - Read the Authorize.net guide, ended up more confused.
 - Went and talked to some banks, got a meeting early on with Wells Fargo, went and met with someone there, described their idea (“Full Stack Payment Solution”) and pitching this nice, well-intentioned person and *the meeting did not go over well*.
 - Built an MVP of stripe fairly quickly on top of an existing payment system.
 - Didn't solve the hard problem, but gave a sense for what the product might be like if they solved the hard problems underneath
 - 15-16 months from 'MVP' to 'Proper Banking Industry Deals Done'
 - Required raising investment

- Lots of technical changes with Stripe, but those came up as scaling issues as they moved into high volume
- Payment industry was hard
- **Rob:**
 - “You built this as a bootstrapped company initially?”
- **Patrick:**
 - Had previously worked at a YCombinator company, were in school, working on side-projects, helped pay for school
 - Sold on the idea of ‘Side Project!’ And especially ‘Profitable Side Project!’
 - Worried about the weird incongruity where you could easily charge for an iPhone app (Apple, it’s \$X) but couldn’t do that on the web
 - In school, decided to work on this, funded from the iPhone app revenue + personal savings
 - Very first user was 280North, worked on the web framework Cappuccino
 - Lean startup methodology, just building the things they needed
 - Ross at 280North asked “How do we see how much money we made?”
 - Built a dashboard!
 - “How do we refund a payment?”
 - Built that!
 - “How do we get our money?”
 - Built that!
 - 8-months into that, changed from a side-project to building something serious
- **Rob:**
 - “This is the type of business where you can’t get away from it without funding. You need the credibility of the money”
- **Patrick:**
 - Initially thought about Stripe as being a tool for friends with bootstrapped businesses
 - Came to think of stripe as more than just a side-project to work on while in school
 - Pitched Peter Thiel on Stripe, raised \$200k
- **Tip:** When you’re asking for feedback, have placeholder text that leads into the question...
 - “I wish this page had...”
 - “This would be better if...”
- **Rob:**
 - Your focus on the product in the UX was a big part of the success
- **Patrick:**
 - Yes, absolutely. I didn’t know about that at the time, but had instincts around that.
 - **Obsessively watching people use the product and fixing the shit that was stupid**
- **Rob:**
 - Take us back to 2011 when you launched. Was growth brisk? Flat? What were your traction channels?

- Patrick:
 - There's two kinds of growth
 - # of businesses on stripe
 - Growth of the businesses on stripe
 - Businesses can grow w/ enormous lag
 - Instacart is on Stripe, but Instacart signed up for Stripe as a random Gmail address and so hard to know how to weigh it — is this a valuable customer or not? What will this become?
 - Had difficulty in the early days measuring growth
 - "More gmail addresses this week than last week!"
 - Tried to go talk to people about what they were building and get a *qualitative* sense to augment the data
 - For the cohort in 2011, they're unsure how valuable that cohort actually is
- Rob
 - What metrics did you monitor in the early days? How does that contrast with what you're monitoring today?
- Patrick
 - We monitor the total dollar flow moving through stripe
 - We can't know a whole lot more (or infer a whole lot more) through that metric
 - If it's growing faster or slower, there's some seasonality at play
 - Maybe the business isn't doing as well
 - (Rob) Aggregate metric, hard to get inside
 - Patrick would often go ask a company what they were using, why they were using something else, and what the feedback is
- Rob
 - Did you ever look at what you were doing in the early days and have doubts / regrets? Low points?
- Patrick
 - Not sure if he has the emotional energy to go through the process of starting a new company all over again
 - World manages to surprise you in how many things go wrong
 - You can internalize the number of ways the world can screw you *or* you can skip along like a pollyanna
 - First, life will be miserable
 - Second, you'll not see any issues
 - Need to bounce between the two
- Rob
 - Regrets over anything that happened over the last few years?
- Patrick
 - Doing things that don't scale. Fought very hard to maintain the notion of 'nothing is anyone else's job' and 'you shouldn't join a startup if you're afraid to be called on to do anything at all at any future point'

- Problem: not being disciplined or rigorous enough about how things need to scale
- Seems tempting fate to believe the curves and believe in a years time we'll still be around — or that you'll be able to 10x by 10xing your number of hours worked in a day
- Put them behind the curve in terms of automating their processes
- To do it again, it feels like tempting fate to invest in terms of where they think they'd need to be — premature optimization — but would have helped because they were growing so quickly.
- Even now, they wish they were doing more of that
- Rob
 - At Drip, we get asked if we're doing 'electronic funds transfer'
- Patrick
 - Just launched ACH support in the US between bank accounts (works with subscription stack, can attach a bank account to a customer like a credit card)
 - Points to where Stripe didn't build out in time
 - Didn't have a good marketing function, but haven't been great at telling people about it