

URL: <https://stvp.stanford.edu/clips/focus-on-your-customers-first>

Ernestine Fu, managing general partner of Brave Capital, advises founders to talk to their customers at every stage of their startup. She shares models for customer development and stories from the early days of DoorDash and Gusto that illustrate how important it is to put customers first.



Transcript

- The next thing I wish I knew 00:00:06,150 before coming to Silicon Valley is this notion of customers first and products follow.. So don't build in a vacuum.. Talk to your customers even before you start your company.. And really at every stage of your company, you should start talking to customers.. The d.school here on campus has this incredible design thinking process that you can see here focused on really empathizing with customers, defining the product set, ideating, prototyping, testing.. Another way to think about it is there's a faculty member on campus, Steve Blank, who's developed this customer development model that you can see here, which is really focused on initially customer discovery and validation.. So discovery is really the focus on understanding your customers.. And then the validation piece is really trying to figure out how to develop that repeatable sales process that you can actually grow and scale.. So the first two steps are really an iterative step where you really focus on iterating these two steps before bringing it to market.. And then really the focus is on customer creation and company building..

So just to go to that DoorDash story, since I mentioned the founder was in this class and program I started several years ago, actually just hosted him a few weeks ago for the same program where he initially, prior to DoorDash, it was a company called PaloAltoDelivery.com This is back in 2013.. And how the company got started in the first place was the founders of PaloAltoDelivery.com, now DoorDash, ended up walking into a macaroon store in downtown Palo Alto.. They met with the manager.. The meeting was interrupted because the manager had to take a phone call for an office order delivery of macaroons and actually turn down the order, because she just didn't have the capacity to deliver that.. So they wanted to figure out really what the customer demand was for this.. So the founders ended up finding the menus of the eight most popular restaurants in downtown Palo Alto that didn't offer delivery.. They ended up PDFing that menu, threw it on a static webpage, and just wrote, call this number if you want to order food.. And they never told anyone about it.. They never posted about it.. They never spent marketing dollars..

And then just out of the blue, someone called to order Thai food, and it turned out that the name PaloAltoDelivery.com was actually great for SEO.. So that's how the person found it in the first place.. And the way they tell it is they just didn't have the heart and courage to tell the hungry person that this was a fake website.. So they said, screw it, it's just one delivery.. And then that turned into more deliveries.. And then today, DoorDash is this \$40 billion business right now.. Just to share another example of really focusing on the customer first.. So Gusto popular HR payroll solutions platform ended up actually just

speaking with one of their founders earlier this weekend.. The way that he went about identifying that need is his mom's small business was actually one of the first customers of Gusto that was exactly a problem that she faced, really figuring out more easy, streamlined payroll, HR solutions.. So knew that that was a pain point that needed to be solved...