

URL: <https://stvp.stanford.edu/clips/getting-a-few-customers>

So you've landed accelerator funding, and you're off to the races, right? Not so fast, says LanchDarkly co-founder and CEO Edith Harbaugh. She explains that, after getting their first funding, it took the company more than a year to lure in just five paying customers. In the early stages of a startup, she advises, it's crucial to focus on flickers of hope, like the positive experiences of individual customers and even individual signups.



Transcript

- Okay so we'd started this company, we had some money from Accelerator everything is just magic then right? No, now came the really hard part of going out and getting customers.. John would go build, John was my cofounder and I would go out try to get customers.. It took us about a year to get nine people using it.. And that was with a lot of hard work, that was with if somebody said they were remotely interested like John and I would go show up at their office and say okay you're gonna install it now and we're not gonna leave until it's installed.. Sometimes this took a couple days.. So the first year was incredibly hard, we were this new product in the new market that nobody had heard of and if they had heard of it they built it in house.. The one thing that really kept us going was that the people who did use it seemed to like it.. So after the first year we had nine customers.. In the second year we started charging.. And this is a different metric..

So I say nine customers the first year, what I really mean is users.. So when I asked people to start paying, two of them said we were actually only using this as a favor to you and John and I said well can you pay like \$5.. So I could claim that we have customers.. (audience laughs) And they said no.. (audience laughs) But they had used it, so this is the hard line that you have to learn if you're gonna start a company between users and customers.. It's sometimes better to ask for money 'cause then you quickly figure out whether somebody's using it for a favor or for real.. However we did have five customers this made me really happy, one of them was a company called auction.com, we'd put up a lot of content a landing page and they were the first person that I didn't know who we got to use us like they signed up for more information, I gave the Director of Engineering a phone call.. He said he wanted a system like he'd used at LinkedIn that would help him with releases, that had some sort of AB testing, and segmentation I said we have exactly that.. He said great.. So one customer that we didn't know that was willing to pay us five figures at the time gave me a ton of hope..

Like start-ups are sometimes a slow slog of just like you just look for these little tiny sparks of hope and like one person will pay us some money, cool.. Another customer I was really happy about was, so that happened in April.. In September we had about seven customers paying us and I know it's seven because every month I had my spreadsheet where we'd put down what customers started paying us and every month I'm like there better be another name or I'm gonna be very unhappy.. And what made me extremely happy was that somebody signed up and paid that I never met, like I just got this automated email, somebody had put down their credit card and paid for it, cool.. So like if you're starting a start-up and it's really hard just always look for some flicker or cadence of stuff that's happening and it's starting to move...