

URL: <https://stvp.stanford.edu/clips/when-nobody-buys>

David Friedberg urges entrepreneurs to embrace cold calling to truly understand the needs of customers. Friedberg explains how consultative discussions with customers revealed WeatherBill (now The Climate Corporation) didn't yet have a product, but rather just a proof of technology.



Transcript

In that first year, after no one came to the website to buy coverage, I was sort of along with the rest of our early team of endeavourers, pioneers, cold calling businesses in all these different industries, like why aren't you buying, so, hey, Mr.. Construction Company, doesn't it cause delays in your operations when it rains or hey, Mr.. Farmer like if there is a freeze, you're going to lose your entire citrus crop, right? And you start to end up in these consultative dialogs with these potential customers.. And cold calling was something that I would say is sort of a critical, something you shouldn't be afraid to do if you're dealing with customers because you're going to have to do it to understand what your customers want.. So, through this process we realized, well, there are people that want this and we're able to close some sales, but every single one of them we're having to say, well, tell me the weather that affects you, and then they'll give you whole story, then you do an analysis for them and then you run the price.. So, we were using our own website to sell products to people that wouldn't go to our website because there was a whole bunch of handholding and positioning and the technology work, but at the end of the day we hadn't productized yet.. We clearly just had a proof-of-technology.. So, the next year we ended up being - what was the guy, that Yahoo! Peanut Butter - we were like spread very thin.. So, we were trying to sell into all these different markets, travel companies, energy companies, how do we make this thing work, like can we get travel companies to give rain free guarantees to all their customers you know, negotiations getting on planes flying back and forth, meeting with all the online travel agencies.. We almost got a deal..

We're almost there.. That's not really going to work.. So, we've got to back off of that market.. Ski resorts, you know, can we get all those ski resorts to buy, well, we make snow and people will show up, we'll make money other way as well.. So, we learnt a lot about customers in different markets, but we didn't get deep enough to provide a solution to a customer at any given market..