

THE FOUNDATION

Starting from Nothing – The Foundation Podcast

Guest Name Interview – Josh Pigford

Introduction: Welcome to Starting from Nothing – The Foundation Podcast, the place where incredible entrepreneur show you how they built their business entirely from scratch, before they knew what the heck they were doing.

Now, here's your host, Andy Drish.

Andy: Welcome everyone to another episode of Starting from Nothing, the Foundation podcast. Andy Drish, your host with you right now. Today I've got Josh Pigford, the founder of baremetrics.io on the show with me.

Baremetrics is a analytics platform for people who are using stripe.com. It is the perfect example of a business that was built quickly, that was bootstrapped, that you're charging a fair amount of money for solving a very, very -- kind of a simple problem that has a lot of value to businesses and I love it.

Josh, thanks for coming on the show, man.

Josh: Thanks for having me.

Andy: If you guys were listening, in the past month we've been going down the rabbit hole. We've been talking a lot about energy, and manifestation, and creation in the world. Very different topics than what we've done over the past year. This is going to be a little bit of a throwback to diving really deep into the strategies and tactics that Josh went through to build Baremetrics from scratch to -- he's doing about \$13,000 a month or so in revenue and I think you launched it in November, is that right?

Josh: That's correct.

Andy: Six, seven months old for a business doing that much, you're doing a lot of things right. I'm stoked to dive in to it with you.

Before we get in to the Baremetrics stuff, can you give us a little bit of background of, like, who you are, what some of the stuff that you've worked on in the past?

Josh: Sure.

I've been making stuff for the internet for 10 years or so. So even back in high school, doing stuff on [GO 00:01:52] cities, building like arcade, flash arcade sites. From there kind of moved into -- I think my first sort of bigger thing -- [unclear 00:02:04].

So, the arcade sites were doing really well for a high school/college age kid. I think at my best I was doing like \$5,000 a month from just ad revenue.

Andy: For a college kid?

Josh: Yeah.

Andy: Super bomb.

Josh: I'm, like, "I should just make flash arcades for the rest of my life."

Then from there I built a site called The Apple Blog. It got pretty popular; got acquired by another type of publication called Gigaom. Did that for a couple of years.

Andy: Was the blog just user-based or what did they acquire with it? Like just users and ad revenue, is that how you're making money from it or --

Josh: Yeah, it was just ad revenue was the only source of income for that and I had a staff of like a dozen writers or contract writers. So I was kind of playing this like editor-in-chief role.

Andy: Nice.

Josh: And then just growing it as a business.

After that, I started building like actual software products. First, kind of bigger one was the thing called Track the Pack which is a way for people to track all their packages at one place. So if you got a bunch of stuff from Amazon, you could forge your Amazon email to Track the Pack and it would parse out the number, all that junk.

But it was a pretty awful business so -- It's a consumer-focused business and consumers don't pay it for anything. I was charging like \$2 a month. I could have hundreds of thousands of people paying me to be even remotely relevant. So, I shut that down a year or two ago, I can't remember. But it was --

Andy: How long did you work on it?

Josh: Oh, I forgot. I had a toy store too. So that's actually what I built Track the Pack for was -- My wife and I ran an urban vinyl collectible toy store. So, that was back in 2005, 2006, 2007 and I had start Track the Pack at the same time as an internal tool to -- and this is actually placing the Baremetrics in a minute. I build an internal tool [unclear 00:04:07] to track all these packages of product we were ordering from out of the country, turned it into a tool for other people to use.

In the middle of all that, I also launched two products called Pop Survey and Temper which are both surveying kind of tools. Started that in 2010. And then Baremetrics came about in October of this past year as a way -- again, scratching my own itch for Pop Survey and Temper. Both of those use Stripe and I needed to track all that stuff. So, I built a tool for myself and sort of monetize it.

Andy: Do you have any background in developing software? Are you a cooker?

Josh: Yeah. Well, I went to school for graphic design in college and then in the middle of all that just picked up, taught myself how to develop stuff out of necessity; just needing to build stuff for myself. Baremetrics initially was all -- I did 100% design development, front-end back, the whole thing.

Andy: Nice. Nice, nice. So, are you running four companies right now, for the most part?

Josh: I'm, technically, running two. Baremetrics and then Pop Survey and Temper are one company, two different products but -- I'm in talks of selling both of those. I'm 100% focused on Baremetrics at this point.

Andy: Got it. I was going to say that seems really hard to do.

Josh: Yeah. It's kind of a mess. I've traditionally juggled a ton of stuff because in the middle Pop Survey and Temper didn't make enough money for me to not do consulting work on the side.

Andy: Yeah.

Josh: So, I would be juggling. At one point I have three separate products and doing consulting work which is like a -- that's a bad idea. Don't do that.

Andy: Tell us where the idea came from. You said Pop Survey and Temper use Stripe.

Josh: Yeah. So in October 2013, I was trying to get all these different business metrics for Pop Survey and Temper and there's a ton of other tools out there that will give you some of that type of data but it requires a ton of backend dev work to hook everything up which -- I could do that but I never trusted that I hooked it up correctly.

Andy: Yeah.

Josh: So it's like if I'm this one thing here, if I had one line of code messes up, like the whole thing, all of the numbers were off. And getting historical data and there's a pain. So I started looking I was like, "Well, Stripe got all the numbers in there already. They've got a great API. Let me just build something myself." So that was mid-October then I launched it mid-November.

So it was four weeks later but in the middle of this, I'm still running two SaaS products and consulting. I was out of the country for like 10 days. It ultimately amount to about eight days of development work in that month.

Andy: So you built it just for yourself.

Josh: Just for myself. I came really close. I mean a day or two before I launched it I was almost like, "What am I doing launching a third product? This is insane." So I was pretty close to not even launching it and just keeping it internal for myself.

Andy: When you say launch, what does that entail or consist of?

Josh: A tweet?

Andy: (Laughs)

Josh: I wasn't collecting email addresses, I wasn't doing like a newsletter, I have no audience built in as far -- Pop Survey and Temper customers are no way -- they're not the kind of people who would be using this. So, I didn't have any other than -- I think I had like a thousand Twitter followers at the time and I have a bunch of buddies.

Andy: Did you think about validating it anymore or you just knew that it was something you need and you thought other people would too?

Josh: So I knew it was something I needed and I had talked to a few other friends who also ran SaaS company on Stripe and their instant reaction was this like ...

Andy: "Oh my God!"

Josh: "Please take my money." So, from a validation perspective, I guess the only way I validated it was I took your money, right? That was it.

Andy: That was the exact reaction we had when we discovered it.

Josh: Yeah. So, in the first day, like, day one -- again, all I had done was tweet -- I had a \$250 a month customer sign up like, "Okay. Somebody thinks this is really valuable."

Andy: Wow!

Josh: So that quickly -- I mean within the first month I had a thousand dollars of recurring revenue. A few months in I was like a couple thousand dollars and that's kind of just done the sort of hockey stick thing.

Andy: Mm-hmm. Dude, super badass. And it all came through Twitter.

Josh: Yeah. So, Twitter's -- I wrote a post about -- lots of people ask in the startup world like "How did you get your first hundred customers or first 10 customers?" that kind of stuff. It was all word of mouth. And the primary mode of that word of mouth was Twitter. It wasn't like I was posting a ton as much as I'd bank a post and then anybody else who's using Stripe's like, "Oh my gosh! Check this out." Guys at Stripe were tweeting about it. I mean the word of mouth side of thing went really well.

Andy: Why do you think it worked so well for you when most other companies struggle really bad to get that type of feedback?

Josh: Yeah. I think it comes on the pain. For me -- or at least being able to convey that pain -- So anybody who uses Stripe knows -- and Stripe would say this too -- like their stuff's bad from an analytic standpoint. So, they look at it and they're like, "This is exactly what I want." There's very little sales work I have to do to convince people to use it. The only sales work where it kind of gets difficult is my price point and that's fine. I mean, like, I'd rather be having to do a little bit more work to convert you than to charge \$10 a month than not make any money.

Andy: Mm-hmm.

Josh: I think it just comes down to pain. Some people actually solving a pain, that's the thing. Most businesses aren't -- they're a solution looking for a problem. They've built this thing and they hope they can get it on customers but they haven't ever figured out if anybody actually needs it. So that's why so many people have a hard time. I think that's the primary thing. If you're solving a real pain in a significant way, you won't have a lot of trouble.

Andy: Oh yeah. When we saw this we're like, "Oh my God!" and your headline describes it perfectly, SaaS analytics for Stripe. Simple, direct to the point.

Josh: Yeah. And that's what people are literally searching for analytics for Stripe like in Google. So that's a thing that people instantly kind of relate to.

Andy: So, let me ask you this. How did you come up with pricing for it?

Josh: I made up some numbers. Totally just guessing.

And I say that I mean like I knew kind of a rough price point that I wanted to chart, like want to build a business around. So I knew this \$50 to \$100 a month range would be ideal. So, that means I could only have to get 100 or 200 customers and I'm making \$5,000 to \$10,000 a month. So it was going to be much harder to do that on, like, a \$20 or a \$9 kind of plan. A lot of SaaS companies do that.

So, I knew that and then I kind of priced around it. I had a \$29 plan, I dropped it a week ago, and then it kind of just went out from there.

Andy: So pricing, it's awesome. I think it's so fascinating because people generally think like they charge a lot of money, you have to build some crazy, bloated piece of software that's going to take hundreds of people to run the company and that's not the case at all. Like you're solving a very, very clear pain point, you're charging a fair price for it for that. Like people are signing up or going to sign up at some point. It only took eight days to build. I think that's phenomenal.

Josh: Yeah. One important part of that whole eight-day thing is that was the first version that I built so what's in existence now was not -- it was a fresh code base. The first version existed for about two months and then I scrapped everything and rebuilt it from scratch after I learned what I needed to build based on people who are giving me money.

Andy: Got it.

Josh: You know?

Andy: Yeah.

Josh: The current version was built up for some two weeks, 10 days. I mean it was still really fast turnaround but I was building more to solve the specific pain point and I was able to kind of figure out after I launched that first raw version.

Andy: Are you still doing all the development yourself?

Josh: Actually about a month ago brought on another dev and he's now kind of focused on it full-time handling all that stuff.

Andy: Walk me through the first two months. When you went from that first tweet and you got your first \$250 a month user to two months later when you decide to just scrap everything and rebuild from scratch. What happened during those two months and what did you do?

Josh: So, tons of just talking -- I mean I had a phone call -- I still have a phone call with every new customer to figure out what it is that they're after, like what are they trying to use Baremetrics to solve. So talking to them, like the first version

[unclear 00:14:15] and it's like after talking over and over again with a bunch of paying customers, you figure out like they're at a point where like, "Okay, this stuff's great but if I want to keep using this, there's got to be more value I got at this." Especially that price point.

So, that's kind of where -- just literally having phone conversations with people and narrowing down what it is that they wanted.

Andy: How do you distinguish what -- because sometimes people, they know but they don't really know and so how do you sort through if you have 10 people and they're all telling you different things. There might be some similar patterns or whatnot but how are you sorting through that?

Josh: So there actually are a surprising number of sort of similar patterns but at the same time the focus -- It's really important to keep this focus on why your software exists. So, Baremetrics, for instance, exists because any other analytics software out there is like mind-numbingly complex. It's trying to do everything and it's really hard to set up. It ends up being so complex that most people just don't use it because it's like it's just too frustrating to understand it.

So, with that in mind, that drives any new feature or me deciding to not ship a feature at all. There's tons of stuff that people ask for but that might not be what is [audio cuts 00:15:42] like that might throw Baremetrics' course off because it's too complex. Or I think a lot of times people just look at features as just a functionality to throw in there, but if you get to the root of why somebody wants that feature, you might learn like, "Oh, they're actually trying to do this." They say they want the ability to export data but they're trying to do something on their end that I could actually put into Baremetrics.

So, I think it's important just to learn the root cause of that stuff.

Andy: Did any of those root causes surprise you? Or did anything surprise you the first two months when you're talking with customers?

Josh: I think what surprised me was actually how -- that people were actually pretty happy with really basic stuff. Like I kind of assumed early on that I'm going to have to build up this really complex software if I want to hang around for a while. But reality, people didn't want that. Certainly there were people who want that but at the same time there's a lot more people who are just like, "I don't want to spend the hours every day digging in the numbers. Just tell me what I need to know." That was actually pretty surprising.

Andy: So, two months, do you remember what you're at in terms of monthly recurring revenue?

Josh: I have to go back and look for sure but I think it was probably around \$2,000 I think. Yeah, it was about \$2,000.

Andy: Rad, rad. How is doing this compared to any of your other businesses? Like going through this process versus the other ones?

Josh: It's sort of the speed of growth side of things is what's been really different from previous stuff. I mean I've surpassed in about three or four months with Baremetrics what took like, I don't know, two or three years with previous stuff.

Andy: It's pretty neat. It's pretty ...

Josh: You know?

Andy: Yeah.

Josh: That's not to say like the previous products were bad so much as they just weren't solving like that pain point thing. They weren't things that people actually really wanted or needed and so Baremetrics took off so fast that it's like I'm having to move things along much faster than I had to in the past and kind of deal with scaling issues or something I haven't really had before. That kind of stuff but it's not that different.

Andy: What kind of scaling issues?

Josh: So, were on Heroku right now and the plus and minus of Heroku is you can just like slide a little bar and you could get more powerful servers. So, instead of -- I'm a developer but I never had to deal with gigabytes or terabytes of data and processing all that.

So, instead of, like, coating stuff the right way, I would just slide the little thing up on Heroku. I end up having to pay like \$3,000 or \$4,000 a month for servers. So bringing on this other developer in the past month, he instantly cut my hosting bill in half because he's good. He's really good [unclear 00:18:51].

Andy: How did you find him?

Josh: I met him at Microcomp two years ago.

Andy: Nice.

Josh: Yeah.

Andy: Nice. Nice, nice.

Two months in you're like \$2,000 a month or so in revenue, you decide to rebuild it all. This would have been January, February of this year.

Josh: Mid- January.

Andy: Mid-January. What happened over the next three or four months to bring us to now?

Josh: So, after that it was just -- I mean when I launched the new version that as I had hoped would offer a lot more value, people who previously had not been willing to sign up started signing up. So it's like that was a big point of new growth and then -- So that was mid-January. I was kind of trucking along.

And in April, April's like the biggest -- the single biggest month for me where I started doing a lot -- Oh no, no. I take it back, take it back. February I launched the demo for Baremetrics, I decided to make Baremetrics' numbers public through that demo. So I said, "I need a demo." And this is more actually out of laziness than anything. I was like, "If I could generate a bunch of fake data and like just ..." but that's just too much trouble. It could be so much easier for me just to like, "Here's my dashboard" and everybody can see, I've got a demo, two birds one stone, and so that's what I did.

But that turned out to be really good move because people start to like -- nobody shares their numbers and everybody's like -- Especially things like lifetime value [unclear 00:20:27].

Andy: Oh yeah.

Josh: Most people kind of keep that stuff super private because if your competition does it, yaddi, yaddi-yadda, whatever.

So, I [unclear 00:20:36] public and it made the rounds, like there's a big increase in revenue after that. So that was February. Then in April, I started doing a big push on what would be considered content marketing. It was just me writing blog posts about building Baremetrics ultimately. I wasn't writing like 10 tips on how to make your business better. It was like stuff that I was experiencing with Baremetrics. I think that honesty hit a chord.

There's one post in April that made Hacker News and I got \$1500 additional recurring revenue from Hacker News which is insanity, right?

Andy: Yeah.

Josh: Hacker News people don't buy -- or don't buy anything.

Andy: (Laughs)

Josh: That was a onetime thing. I've attempted to replicate that, it doesn't work.

That was beginning of April but then -- let's see. Oh, mid-April I go to Microcomp. I was speaking at Microcomp this year. I meet up with my buddy Hiten Shah who runs KISSmetrics and he's an adviser to Buffer. Hiten and I start chatting. He's like "Man, it would be sweet. I like your public dashboard thing. What if Buffer made their stuff public through Baremetrics?" I was like, "Alright. That sounds cool."

In the middle of April that deal happens. Buffer makes all their stuff public through Baremetrics and that permanently alter the angle of my growth chart. So, that was a big one. I think [audio cuts 00:22:15] increase grew like 80% in revenue that month.

Andy: Damn!

Josh: That's good month. Yeah.

Andy: Great month.

You've been kind of across the gamut it seems, like from building a handful of smaller companies and now hitting one that's hitting a really fast growth curve, especially with where you're at right now. What do you think gets in the way of most people who are getting started from scratch?

Josh: I think most people make excuses for stuff. I think they run into some kind of problem and they just procrastinate fixing it instead of sucking it up and just doing whatever it takes to make it happen. I think they distract themselves by doing -- convincing themselves "We need investment money. So let me go spend the next six months trying to raise investment when I don't actually need it because ...

Andy: Mm-hmm.

Josh: Finding a real problem.

I got other thing too. Like people aren't honest with -- they built the thing and then they're so condensed that it has to be something they're going to make a bunch of money off of, in reality it's not. They end up sticking with it way longer than they should.

So I think there's just these hurdles and a lot of them are like psychological. They just can't accept the facts or they just get in their own way by not pushing through and doing what needs to be done.

Andy: Did any psychological shifts happen for you in this business compared to other ones?

Josh: I think understanding when you are and when you are not solving a real business pain. Because before I hadn't experienced that so it was kind of new to me. I kind of assume that, okay, this really slow growth of these other companies -- It's technically growing but we're talking like a couple of percentage points a month at that. And so seeing what the growth curve looks like when you are solving a really big pain was like, "Oh, that's how it should be." That's kind of a light bulb moment.

Andy: Everything gets a little bit easier, right? It's like that ...

Josh: Sure. It has its own sets of problems but, I mean, it's still like ...

Andy: But it's much higher quality of problems, you know? High quality problems that pain too much for servers because you have too many people signing up, processing too much data, you know? Versus the problem that -- Most people get stuck in "How do I get leads? How do I get customers?" It's way more fun to have the problems of skill than it is to, like, how do I get people to sign up for my product.

Josh: Questionably, for sure.

Andy: Awesome, dude. Awesome, awesome. Let's get wrapping up. We got a couple of minutes left.

Any last piece of advice for people that are listening? Most of the people listening are probably -- they're getting started, they may have a business doing a grand or two a month. It may be up to like 10 or so, maybe 15 or more. But the most of people are in that early start up phase, any thoughts or ideas for them before we wrap?

Josh: So, I think, like one big skill that a lot of people not necessarily lack but they just avoid because it's awkward especially when you're like an introvert kind of person is sales work. So, like, convincing people that they need to use your product and talking to people on the phone. Even like as a developer or just like an introvert person like myself, the idea of spending a ton of time talking to people initially was kind of scary.

It's like, "Oh, if I could just -- let me just optimize this landing page and that will fix it for me." When in reality, you could really move the needle if you just made some phone calls, you know? And tried to get conversations with people who you think you might not can get conversations with. Like going out there and just

doing what you probably are scared to do. A lot of times if you're scared to do it or have this anxiety about doing it, it's probably the right thing to do.

There's a book called the War of Art that's kind of about how we come up with our own excuses and rational -- totally logical reasons why we should or shouldn't do something because we're just afraid to do it. But in reality, those things are the hardest are the things that we need to do most. If you just, like, accept that and do those things, you'll be a lot better off.

Andy: Beautiful, dude. I love that book. Steven Pressfield. That book was a significant book in my life.

Dude, thank you for coming on.

Josh: Sure, me too.

Andy: Thank you for coming on, thank you for sharing your story. It's so awesome because I think it's really fuel for people when they see somebody who built a business from nothing to \$13,000 a month so quickly, it gives a frame of what's possible for people. I feel, at the same time, like you're barely scratching the surface on what's possible for Baremetrics and for the business you're building. So, thank you, man. Thanks for coming on.

I think it would be fun to have you back in, like, six to 12 months and hear where you're at then and hear some of the issues that you're dealing with them and how they are shifting and whatnot.

Josh: That'd be a ton of fun.

Andy: Awesome, dude.

If people want to get in touch with you, where do they do that at?

Josh: You can shoot me an email josh@joshpigford.com or I'm on Twitter @shpigford.

Andy: Shpigford. We'll have that in the show notes, guys. Josh, thanks again for coming on, man.

Josh: Thanks for having me, Andy.

Closing: Thank you for joining us. We've taken this interview and created a custom action guide so you know exactly what action steps to take to grow your business. Just head over to thefoundationpodcast.com to download it for free. Thanks for listening and we'll see you next week.