*Welcome to the Entrepreneur's Guide to Finding Your First Customers podcast. My name is Jack Kaufman and I'm interviewing successful entrepreneurs about how they found the first customers for their businesses. Check out our book at yourfirstcustomers.com to reserve your launch discount.*

*Today's episode of the Entrepreneur's Guide to Finding Your First Customers podcast is with Lukas Biewald, co-founder and CEO of CrowdFlower. CrowdFlower is the leading online work management platform with the largest on-demand workforce. In this episode, Lukas shares stories about how he found the first customers for CrowdFlower and gives some good tips that will help you find your business' first customers. Here we go.*

Jack: Hi everyone. I'm really excited to be interviewing Lukas Biewald for the Entrepreneur's Guide to Finding Your First Customers podcast today. Lukas, thanks so much for taking the time to speak with me and help share some of your experiences and advice about how you found the first customers for CrowdFlower. So we can jump right in to the interview and my first question for you is, could you tell us the story of how you found your first customers for CrowdFlower?

Lukas: Sure. So when I started the company, I had worked at Yahoo for a couple of years. And Yahoo wasn't doing super well so a lot of people had left. And so the way that I found my first customers, I thought that because I was an engineer, I didn't have a strong network of potential customers. But then when I really got aggressive about reaching out and asking people, “Hey, do you have a need for what I'm doing?” People started introducing me to people that they knew that might want to use our stuff. And then, I remember the first customer we had was actually a startup. At the time they were like three people. Now they've grown really big. They're a startup called Scribd.

Jack: Oh yeah, wow.

Lukas: Yeah so they were like three guys and I was one guy. I remember we had no way to make a contract. We didn't even have a fax machine. And back then, actually fax machines kind of mattered but it was fun. I remember going like riding my bike down to Best Buy to get a fax machine. Because you know, we had to e-fax the signatures and we had no way to send the contract back to them. And I mean I think the first couple customers I think it's really important to use your network. I think a lot of people don't think they have a network. I really wouldn't have thought at the time I had any kind of network. But I think when you start asking your friends and then, if you ask them, “Hey maybe you don't want this but do you have a friend that might want this?” People start making introductions and I've been amazed how helpful people are, when you really ask them sincerely for help.

Jack: Definitely, yeah. Yeah people all tend to be very generous. And were you funded or bootstrapping at the time you were looking for your first customers?

Lukas: We were definitely bootstrapping. We bootstrapped for the first year.

Jack: Okay. And do you think that helped your or hindered you early on?

Lukas: Well I think if we could have magically had investors, it probably would have helped us. But I think it was a good experience for us to really focus on being profitable from the start and really finding scrappy ways to get customers. I mean, yeah I think with the money came more pressure, and that kind of focus is good. But I think it's also good to have some space to really experiment before you have bunch of guys breathing down your neck.

Jack: Definitely. And so the first customer as you mentioned, kind of Scribd was one of the first customers. Were they paying you immediately or were they kind of just users kind of beta testing the product? And what was your business model at the time?

Lukas: They were paying us. I think this is actually pretty common with a lot of startups. So, you know what they really wanted was a model to categorize all of their content. And so our business model was we sell data, and so I have a background in data modeling. So what I did was I made a model for them. So I used kind of my own skills for what they wanted and also packaged in the data collection. And so I think you kind of get your first customers any way you can. I think it's not a deal right? Because it doesn't totally validate what we were doing. The fact that they paid for the data plus some consulting on top of it. But yeah it's typical bootstrap start-up, so that's kind of how we operated for the first year until our product was really ready.

Jack: Yeah. And were there any kind of specific techniques or strategies you use besides reaching out to people in your network to find sort of the initial customers for CrowdFlower?

Lukas: Yeah. I mean the other thing, so I write about this on my blog actually but I think one thing startups can do, or like bootstrapped, like really early stage startups can do that no one else can do quite as well, is have a really authentic social media presence. So we had this blog that was kind of it was like a brand dump of everything that I thought was interesting. And so it's like this very authentic blog that kind of talked about I really love their products so I'll talk about that. I'd also talk about kind of anything that goes on my mind. And what was cool was actually that didn't work at first. It took months before we had a customer come in through that and it was like always a trickle. But the customers that came in through that were always, you know, really excellent. In fact, that’s how we met our first venture investor. So we weren't super connected into the venture scene despite being, you know, I went to Stanford, I lived in San Francisco, I probably should have had more connections, to mention, but I just didn't. And so we actually had a couple customers come in that had enough money to be angel investors. And I never would have had the skills to put together a pitch stack and convince them about our business model. I wouldn't have understood like what a business model was at the time. The people that came in that really loved our product, ended up being awesome investors because they could see the potential. And they actually came in because I had this blog that people found really honest and authentic and cool.

Jack: Interesting, interesting. And you kind of mentioned that initially the product was a little bit of a culmination of high touch consulting, setting up the data, the data modeling for Scribd and the other initial customers. How did you guys kind of expand the product and expand the market it was available for? While at the same time, finding your first customers.

Lukas: We never really worried about expanding the market available for it. I think a really narrow market's fine because you can make something really perfect for your initial customers. I think having like a really clear idea of who your customers are is really helpful in terms of targeting them. I think too many companies worry too soon about having a big market. I think if you want to make a venture-backed business, you have to have a path to a huge market. But you don't have to start there. Amazon sold books first and then expanded from there. Rails is a great example of a company that started with basically like performance analytics only for rails which was new when they started. I mean we sold basically data collection for data scientists and that was a really small market five years ago, I mean not many people are calling themselves data scientists. But that focus served us really well.

Jack: Okay great. And I have just one more main question. I might have another follow-up question. But the last main question is, what's your number one tip out there to prospective entrepreneurs about how they can find the first customers for their businesses?

Lukas: I just have two. I think one is to really push on your network. I think asking for help is like a really entrepreneurial skill that I think a lot of people need to learn.

Jack: Definitely.

Lukas: I think like really aggressively asking for help is one. And then the second thing I think is being really honest and direct with everyone that you deal with because if you have a really clear idea of what you want, and you can communicate it clearly, I think people come out of the woodwork to help you. So I think it's super important to be able to have like a succinct pitch that people understand. I think a lot of people, like what they say they are doing is confusing. And then that means like potential people that would want to help can understand what they're saying.

Jack: Those are two really great, fantastic last tips. And those are all the questions I have for the interview today. So thank you again Lukas for taking the time to do this interview, really appreciate it

Lukas: Sure.

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