*Welcome to the PublicBeta podcast. My name is Jack Kaufman and I’m interviewing successful entrepreneurs about how they found their first customers for their businesses. Check out our book at yourfirstcustomers.com to reserve your launch discount.*

*Today’s episode of the PublicBeta podcast is with Patrick McKenzie, founder of Appointment Reminder. Appointment Reminder is a SaaS application that helps businesses fix their no-show problems and appointments by reminding clients and customers when they have appointments. In this episode, Patrick shares stories about how he found the first customers for Appointment Reminder and gives some good tips that will help you find your businesses’ first customers. Here we go.*

Jack: Hi everyone! I’m really excited to be interviewing Patrick McKenzie for PublicBeta today. Patrick, thanks 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 Appointment Reminder.

Patrick: Thanks much for having me, Jack.

Jack: No worries, no worries. So could you tell us the story of how you found your first customers for Appointment Reminder?

Patrick: Sure. Appointment Reminder is for appointment-reminding emails, phone calls and SMS to the customers, professional services, businesses. That’s a little bit of mouthful that I have memorized by these days. Prior to making it, I wasn’t sure that anyone would actually buy it if I made it. And because it’s a fairly involved product relative to sort of stuff that I usually do, it was going to require a bit of investment and time to get it out the door. I knew that because I had started using the tool API and had done little itty-bitty projects and I thought that this was going to be a pretty substantial one if I wanted to do it right. So I wanted to figure out whether there was actually demand for this, in particular demands that actually had money willing to spend on it. Before I was modeling about six weeks that it would take to build.

Jack: Okay.

Patrick: So what I did was I made a two-page mock-up of the core interaction which is just click on a calendar, setting appointments and somebody gets a phone call as a result of that. And it stripped out everything that actually requires work of that. We couldn’t take somebody’s name for the appointment. We can only take their phone number. There was no way to actually set the time for the appointment. It was all faked on the calendar. No matter like where you clicked on the calendar, it was always going to start five minutes from now. Yada, yada.

Jack: Okay.

Patrick: And it stripped out all the options for actually controlling the phone calls such that the only reminder that somebody could possibly get was a young lady recorded a script that I had written for her on Fiverr which is $5 for anything placed. Best place to access talent by the way. So I took this two-page mock-up. Thought, “Okay, this demonstrates the shape of things to come. I’m going to see if I can get anybody interested.” So my family happens to live in Chicago even though I’m in Japan. For a variety of reasons I don’t sell products to the Japanese market. One time when I was returning to Chicago, I went down to an ATM in the Magnificent Mile area in the city which is kind of a Tony shopping district. Like many Tony shopping districts, it has a high-density underground of hair salons and massage therapists. And when I was thinking of Appointment Reminder, I thought, my core sort of customer segment is going to be appointments that their customers come to like you would come to a hair salon or you would come to a massage therapist.

Jack: Yeah.

Patrick: I just started going into every salon that I could find on Magnificent Mile/the Gold Coast and say, “Excuse me,” to the lady manning the counter, “do you run this business?” And if she said yes, I would say, “Do you take walk-ins?” And if she said yes, I would say, “I would like to take the 30 minute option for a shoulder massage or a haircut or whatever. But I’m kind of quirky. In lieu of getting the shoulder massage, I would like to talk to you about the industry of massage therapy for just 30 minutes because I’m interested in the industry and I’m happy to pay you for your time. Is that okay?” It’s almost surprising to me. Almost everybody was okay with this. And it turned out that of the 15 or so I talked to, only one actually took money for it.

Jack: Oh, wow.

Patrick: And I would ask questions like I was totally happy to rut up $400 bills for a shoulder massage that day but that didn’t actually happen.

Jack: Yep.

Patrick: But it would have been a cheaper price relative to spending six weeks of my time doing engineering work for a product that might not have eventually sold.

Jack: Yep.

Patrick: What I started to do, rather than immediately whipping out the demo, was ask, “Okay, so can you tell me a little bit about how you do appointments here? Do you track them by computer? Do you track them on a piece of paper?” Most customers were tracking them on pen and paper often because they didn’t have a computer in the back of the room where they had appointments done. I asked about how important appointments were to their company, and I got a spectra of responses on this from “We do substantially all our business appointments” to “We do substantially no business appointments and most people are walk-ins like you.” But the kind of Magnificent Mile Tony section overall, most of them got a fair chunk of their business come through scheduled appointments and asked them about did they have a no-show problem. These people who had substantial personal or business appointments they had lots of no shows. I said, “Okay, what have you done to decrease the no show problem? The typical answers were number one, we charge people in the event of a no show. Number two, we try to give people a phone call prior to their appointment to remind them about it. Like okay, these are attracting the answers that I was looking here because if people had not figured out yet that appointment reminding phone calls were something that they actually want, Appointment Reminder was probably going to be tough to sell.

Jack: Yeah, definitely.

Patrick: I said, okay. So let’s dig into appointment reminding phone calls. Who actually does those calls? And it was typically the business owner, their office manager/receptionist or no one. Do they do those calls really consistently and are you happy with that process? And nobody was happy with the level of consistency they were getting with appointment reminding phone calls.

Jack: Okay.

Patrick: A very memorable line that I heard from my customer about it was I asked her why she had given me appointment reminding phone call to the last person that had no-showed for her. She said, “I’m a massage therapist. My hands are on the telephone. They’re not on someone’s back, and if they’re not on someone’s back, I’m not getting paid.”

Jack: Aha.

Patrick: I liked that line a lot.

Jack: Yeah, definitely.

Patrick: So alright. Broke up ad at this point. Said, “I just want to tell you I have nothing to sell to you right now. But I’m a software developer. I’m interested in getting into this business of reminding people about their appointments. And with a quick five-minute demo I want to show you. Do you have your cell phone on you?” So everybody breaks up their cell phone. I said, “Okay, I’m going to go over the screen on my iPad which has a calendar on it, similar to the calendar that you might be tracking your appointments on right now. Can you tap on that calendar?” They tap on the calendar. I said, “Okay, this is going to make a new fake appointment for you. Let’s put in your cell phone number here.” They put in their cell phone number and hit Enter. I said, “Okay, in about five seconds, you’re going to get a phone call reminding you about the appointment.” And sure enough, five seconds later, they get a phone call that lights up everybody’s eyes. The interaction of a phone call and a computer device is magical to most people. They got on the phone and my voice started giving them a pretty tightly scripted one minute sales pitch for Appointment Reminder. “This is your fake appointment reminding phone call.” Yada, yada, yada. “If you actually had an appointment, you can press 1 right now to confirm that appointment, and then we would tell the service provider that you have confirmed your appointment. Try that by hitting 1 on your cell phone right now.”

Jack: Yep.

Patrick: And so they hit 1 and the application, two-page application on my iPad would immediately light up with a light box that said “Thank you for confirming your appointment. If you had accidentally cancelled your appointment, we could have told your service provider about that right now so they can rebook the slot and save the replica.” As soon as people figured out that Appointment Reminder was aspirationally going to be bidirectional, I said, “Alright, so this application does not actually exist yet in the state that you can use. But I think six months from now, it is going to exist in a state that you can use. When it exists, would you mind if I get in touch with you about possibly buying?” I think I did about 15 interviews that day. I got to the demo on somewhere between 10 and 12 of them. I don’t keep really great stats in this. and then of the 10 or 12 people I got to, I got eight email addresses from people who wanted to hear when it launched.

Jack: Wow.

Patrick: So eight email addresses is not enough to build a business on, but the purpose of the exercise for me wasn’t buying email addresses at the cost of like a full day of my time to get eight of them.

Jack: Yep.

Patrick: It was just to verify that there were enough people in the world who are resonating with this pain point that it made sense going forward with Appointment Reminder because if I had a really sucky day and talked to people and they had said, “We don’t call anybody. Why would we do that? That doesn’t seem like an obvious win for us.” Or “We’re perfectly happy with the way we call people already. It’s very cheap. All you have to do is pick up your phone and call. We always get people on the first ring and never get frustrated by this process.” Then these would have been the kind of answers that would have killed Appointment Reminder prior to me investing the time to actually make it. Now since I got the positive signal on this, I went off and did other things for the next couple of months because I was focusing on the different aspect of the business rather than Appointment Reminder and then productized it in about six months later and launched it right after that. I think my first paying customer for Appointment Reminder signed up maybe two or three days after it launched and let’s see. That would have been December 2010. I can tell you because I looked at my stats yesterday. That person is still paying for Appointment Reminder.

Jack: Wow, okay. Do you remember if any of the kind of people who you spoke with in Chicago ended up signing up or…?

Patrick: So I actually lost the notebook that I had with me prior to launching. So I literally didn’t have their emails to contact them about it. But again, eight emails are not going to make or break.

Jack: Yeah, definitely.

Patrick: I will tell you there was one minus about doing it this way. So I didn’t kind of convince myself prior to Appointment Reminder launching that massage therapists and salons were going to be like the… What’s the word?

Jack: Kind of core customer?

Patrick: The core consumer group for Appointment Reminder. And so when I was looking for customers to interview, I automatically thought of massage therapists and salons. I had constructed my sample in such a way that I would only be talking to massage therapists and salons. And when I was doing the marketing, it worked for Appointment Reminder like writing copy for the web site figuring out what advertising channels to explore, I was thinking massage therapists and salons. I turns out the massage therapists and salons are a very, very small portion of the actual market for Appointment Reminder. Other customer segments have a much more burning need for Appointment Reminder and they’re much more willing to pay more money for it. They’re happy to dig into that if you want to hear it, but don’t get tunnel vision about any one thing to be your market.

Jack: Okay, interesting, interesting. I guess my next question is were you funded or bootstrapping at the time you found your first customers?

Patrick: So I get asked this question and the value a lot, and my typical answer is we raised around from Bingo Card Creator. The less jokey answer is Appointment Reminder took about six weeks of my time and about $2000 of upfront costs to bring the market. $2000 is something that a lot of employed professionals could probably pay out of their pocket. I paid it out of my pocket from revenues from my previous products being Bingo Card Creator.

Jack: Great, great. So were your first customers paying you immediately or were they just users? And what was your business model at the time?

Patrick: So Appointment Reminder is and always has been SaaS which has a one month free trial option for it. I signed up folks immediately, captured their credit card and them signing up, that’s not a decision I might make 100 percent of the time but it’s required for Appointment Reminder because I provision phone numbers for people. So I used the credit card as a way to keep the hordes off of using it to harass folks. Anyhow, so I captured the credit card upfront and then you get a third day of free trial. At the end of the third day of free trial, if you haven’t cancelled, I charge your credit card and then I charge on a recurring basis every month after that.

Jack: Great. So kind of besides speaking directly with people in Chicago, what were some specific techniques or strategies you used to find your first customers and acquire your first customers for Appointment Reminder?

Patrick: Sure. So since I ran Bingo Card Creator for many years, I got fairly decent two customer acquisition strategies. One of them is Adwords which I haven’t really put into place all that much for Appointment reminder yet. The other is organic SEO. So if you only got a hammer, every problem looks like a nail. So I was hammering the SEO like something fierce. And that is to this day still the main acquisition channel for Appointment Reminder. The specific strategy I used within SEO is called… I don’t even know if I can dignify this with the word strategy. But let me say that Appointment Reminder, the product existed before it had that name. And I thought, what can I possibly call it? I was thinking about the name Notiphone. I can notify someone by phone. Notiphone. There was three reasons I didn’t go with that name. One reason is that there was a YC company started by an internet buddy of mine which had the name Notifo and I didn’t want to be seen as kind of squatting on their name, which was funny because they launched like literally within days of me registering this domain name notiphone.com. One reason was I was afraid from getting a letter from Steve Jobs’ lawyers for registering notiphone.com.

Jack: Okay.

Patrick: But the third reason was that nobody is searching for a Notiphone. People are searching for other words that I can potentially name the product. And if I name the product something which is exactly the thing they are searching for, I am much more likely to show up for their searches. This is why Bingo Card Creator was Bingo Card Creator and why Appointment Reminder is Appointment Reminder. Beyond just naming the product, I was aware that there is something called the exact match domain bonus. The exact match domain bonus is simply that if we strip it out all the spaces for given query that someone is typing in Google. So for Appointment Reminder, if it’s spelled out in lowercase letters, appointmentreminder and then .com, .net or .org, you get a massive bonus for your domain for ranking for that exact query.

Jack: Okay.

Patrick: The exact query. I would get a massive bonus for ranking for appointment reminders. I don’t get a massive bonus for ranking for appointment reminder software, but I get a massive bonus for ranking for appointment reminder because I won the .org. People ask me sometimes, why do I won the .org rather than owning the .com? There’s a very simple answer for that. I talked to the guy who owned the .com and I said, “I would like to purchase the .com from you.” And he said, “Great. Give me a bid of at least $30,000.” “Okay, I am not willing to purchase the .com from you. Have a nice day.” I then approached the guys who owned appointmentreminders.com and was a bit more savvy about it this time. I said, “Okay, guys. I want to take that domain off your hands. I’m going to give you 1 number. If you say yes, great. We can do this deal today. If not, I never want to hear about it again. $5000 for appointmentreminders.com.” Oh wait now. I didn’t bid $5000. I think I bid $2000 and they countered with 5. I said, “I’m not willing to pay $5000. Have a nice day.” Prior to asking for that, I had checked the available variants in Google and was aware that appointmentreminder.org was available for $8.95 at GoDaddy. I bought it for $8.95 at GoDaddy. Which by the way do the registration prior to talking to domainers about buying their domains otherwise they will do the registration for you because interesting the .com has signals possible interest in the .org. Anyhow.

Jack: Yeah, interesting.

Patrick: So the .org is painful in Google’s eyes to the .com and Google is the only acquisition channel that matters for me at the moment. So I got that. Funny story earlier this year, the domainer that had asked for $30,000 had one of their staff contact me about buying the .com and they were interested in moving it. I said, “You know, three years ago I would have been interested in having this conversation but now I rank number one in Google for that. So why do I care?”

Jack: Yeah, definitely.

Patrick: I’ll buy it from you for $8.95.

Jack: Yeah.

Patrick: Yeah. So that was my pre-launch in the early days acquisition strategy which is still the majority of my customer acquisition. I’ll mention that most people would probably want to have better customer acquisition than Appointment Reminder does. Despite the fact that I’ve been doing this for three years, I’ve never spent one or two sustained months of working just on customer acquisition, which is on top of my things to fix list. But it won’t happen until probably June or so.

Jack: Okay. Interesting, interesting. I have one more main question but just following up a bit on something you were talking about before where you mentioned that kind of initially your target customer, your ideal customer for Appointment Reminder was kind of the salon owner or the massage therapists. How did you kind of figure out that there was a much broader market for Appointment Reminder than just those two specific niches?

Patrick: Sure. So people were coming to the web site via searching for Appointment Reminder. So you could potentially come to it from any sort of business. And I had the idea, okay, it’s clear to me that medical providers can use Appointment Reminder or could hypothetically use something like Appointment Reminder. But I couldn’t offer that service at the time because that required compliance for some regulations that I wasn’t ready to work with. So I had put them out of scope. and then I thought alright, the rest of the solutions base is massage therapists and salons, etcetera. But I was looking at the kind of folks who were actually signing up for it because I captured the name of some these business and their phone number once starting and I was able to do a Yellow Pages lookup. And it was like Bob’s Exterminator or Jake’s HVAC Installation company, yada, yada. HVAC is heating, ventilation, airconditioning. I thought this is really interesting. And so these were the kind of folks I was talking to on a day to day basis when dealing with customers for request and whatnot. So one day I thought, okay, I don’t understand why these folks keep using my software. So I called up Bob or I called up Jake and I said, “Hey, it’s Patrick. I’m the guy who always answers your questions when you have one about Appointment Reminder. Would you mind if I just took a few minutes to understand how this is working for your business so I can make it better?” And they said, “Oh yeah. We’re fine doing that.” I said, “Okay, I notice you’re running an exterminating company. Can you help me [00:21:32 inaudible] for me. What happens at an exterminating company when you have a no-show for an appointment?” And I was expecting “Oh yeah, it’s really annoying, We have to rebook somebody.” What I instead got was a tirade, infused with vulgarity,

Jack: Oh wow.

Patrick: “Oh, God. I hate no-shows so bad it’s effing awful.” And I don’t actually remember the word he used but it wasn’t no-show because no-show is like something that it’s how people describe that pain when someone fails to show up for an appointment, but how it actually works if you run an exterminator is you put three guys—they might be union members—they’re in a pretty hefty hourly salary into a van with poisonous chemicals. You sit in the van with poisonous chemicals out to somebody’s house which is 30 minutes away from your office. They get to the door, and if the homeowner has forgotten about their appointment, they got locked out at the door. They’re pissed off. They get back in the van. They drive 30 minutes back to your office. They get the next client from you and you paid them for that travel time to and from there without actually getting money from that homeowner. So Bob and Bob’s exterminators was frothing at the mouth about this. I said, “Thank you, Bob. That’s great feedback. If I can ever do anything to make that happen less to you, please tell me how.” And so I started thinking, okay, who has a problem like Bob? All the trades have a problem like Bob. I just dipped my toes into the water a little bit but I started doing like less… For example, when I was doing massage therapy/salon-related appointment reminders, my concession was that the customer was almost invariably going to be female. The folks doing calls for trades are not invariably female. So I started toning down the gender stuff. I was a little bit in my copy and also writing some specific landing pages for the trades like exterminators, repairman, HVAC companies, yada, yada. And only dipped my toes into that but I intend to do more work on it in the future.

Jack: Great. That’s very interesting. I guess I just have one more question which is what’s your number one tip out there to prospective entrepreneurs about how they can find the first customers for their businesses?

Patrick: I guess there’s a lot of things I can say here. I would encourage you to do things that don’t scale prior to doing things that aspirationally try to scale. Prior to working on your organic search strategy, just go out there, bang down doors, go to conferences, go to meetups, go to people on your personal network and try to get them using the software. I think the best way to get them using the software is to actually charge money for it because that keeps the relationship very honest. Claw and scramble your way to ten paying customers prior to trying to do the scalable approaches. If you can’t claw your way to ten paying customers when you are in folks’ face and you have that like maniac founder look in your eye where they want to give you money just to get you to go away, there’s no way you’re going to be able to claw to ten customers when you’re just a web page that someone can hit the back on from anytime.

Jack: Definitely. That’s a great last piece of advice. And with that, that’s my last question. So thank you again, Patrick, for taking the time to do this interview. I really appreciate it.

Patrick: Yeah. Thanks much, Jack. If any of you folks out there in Internet land ever want to talk about this, please drop me an email. My email is [patrick@kalzumeus.com](mailto:patrick@kalzumeus.com). And I guess I’ll put in a little plug for myself. If you aren’t already on the email list, go to [www.kalzumeus.com](http://www.kalzumeus.com). There’s a popup at the top of the screen. Give me your email address. I’ll give you advice on making and selling software about once every two weeks to a month.

Jack: Great. And we’ll be sure to include both of those things in the show news.

Patrick: Alright, thanks a lot.

Jack: Yeah, no worries. Have a good one.

Patrick: You too.

Jack: Thanks, Bye.

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