*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 John Sheehan, co-founder and CEO of Runscope. Runscope is a SaaS application that provides automated testing for APIs and back-end services. In this episode, John shares stories about how he found the first customers for Runscope and give 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 John Sheehan for the Entrepreneur’s Guide to Finding Your First Customers podcast. John, thanks for taking the time this week with me and help share some of your experiences and insights about how you found the first customers for Runscope.

John: Thanks for having me.

Jack: Yeah. No worries, no worries. It’s great to have you. So our first question is, could you tell me the story of how you found your first customers for Runscope?

John: Yeah sure. I think, let me describe a little bit what Runscope is because I think plays a big part in that story. Runscope is a set of tools for people who use APIs, for developers who consumer APIs in their applications. And what we’re trying to do is bring visibility to errors that you run into or just to other general integration issues that developers tend to run into when they start depending on an API for their application. So the reason we started Runscope is because we were really big into building tools but also into APIs. So my co-founder and I met at Twilio. We were both really early employees there. We were drawn to Twilio because we were sort of toolmakers already that we really liked the idea of working for a developer tools company and sort of that developer enablement angle that Twilio has. We also sort of, in our spare time, had built up communities around other tools that we had built. So I had built RestSharp which is a popular .NET API client, and then, once Frank was at Twilio he built Flask-RESTful. We’d also had some sort of existing community experience with building tools that were out there and available for everybody. And that’s what really ended up leading to Runscope was we saw there was a lack of tools out there for solving the kinds of problems we kept running into. And we thought, maybe we should try to tackle this ourselves. So a lot of that initial attention that we got and initial community that we built really came from our existing networks, from having been involved with Twilio, having been involved with IFTTT where I was in between the two, having done open source around APIs, and being at API conferences.

So when we launched, we already sort of had a built-in community around APIs and tooling, just in general. And so that’s really where our first signups came from. Our first paid customer was somebody I met only at the time only virtually. So we had both written for an API website called APIUX.com and we started talking through trying to come up with articles for that site. And so that’s how we met and by the time we launched, he jumped on it right away during the private beta and signed up the day before we went public for the first paid account. That was again mostly from like having that existing presence within the community that really gave us a good installed base to start from with the community, at least.

Jack: Interesting. And I know you guys have raised some venture-funding since you were founded. But when you were first looking for your first customers, were you funded or bootstrapping at the time?

John: We closed our first seed around in February of 2013, so we had been at it for a couple of months prior to that. And we had some private beta users but we barely had a product. I mean we didn’t really start in earnest, building the product until just before we got the seed around. So we definitely had some funding in place before we went for our full-on launch.

Jack: Okay. And when you were in private beta, did you decide to charge people who were in the beta or not charge them? And kind of what influenced that decision?

John: So a big part of our emphasis during the beta was not necessarily around charging people right away. It was more of a learning thing of exactly what tools did people want, and what were they going to get the most value out of. We did, however, have plans almost as soon as we launched available and posted mostly because what we wanted to do was set the expectation that it was going to be something that you paid for. And so we never wanted to have that moment where somebody was using it and depending on it, and then suddenly a bill comes and they’re like, oh dang it, now I have to decide if this is worth it for me or not. Sort of that delayed value judgment only seems to end up in problems for companies. So we were very clear from the very beginning that there were going to be paid plans and that as you grew and as you use more of the service that you would be sort of graduating into a paid plan.

Jack: Great. Yeah that seems like a good way to do it, being upfront about the expectations. So besides kind of reaching out to your network and the community that you and your co-founder had kind of been in and built up around APIs. What were some other kind of specific techniques or strategies you used to find your first customers for Runscope?

John: One of the things we did in July that sort of ended up becoming more important in history than we expected at the time, in our history not just history in general, but we were inspired when we created Runscope. There were some open source existing websites out there. One of them was called RequestBin. Another one was called Hurl.it. These are sites that we had used for a long time. And that we had contributed to the projects and that we really sort of like the direction that they hinted at tooling going for APIs. So RequestBin allows you to capture any HP request, so it’s good for inspecting what your client is sending or what a web provider is sending you, that sort of thing. In July or August of last year, I think it was July, we reached out to Jeff Lindsay who created RequestBin and said, “Hey you’ve sort of moved on to other things. We really want to maintain this and take it over and make it sort of a Runscope-sponsored community project and see what we can do with it.” And so he agreed to it and we brought him on as an adviser so that he could continue to help us evolve it over time. But we re-branded it, we re-designed it. It’s still up at RequestBin and what happened is that after we made that community site, we started getting a lot of click-throughs from it, which was again sort of part of the goal. It’s like if you come to RequestBin, then you understand how Runscope works. And that was probably like the first really significant thing that we did that started driving additional sign-ups outside of just our community. The first time we saw the graph sort of significantly change its angle on sign-ups.

And so it, to this day, almost a year later, continues to be an amazing source of signups for us. One of the things that we realized when we were going through this process is we made some tools that were maybe a little bit more advanced than RequestBin. We went to some API providers and said, “Hey you’re already linking to RequestBin. You’re sending us hundreds of visitors or you’re sending this much traffic to RequestBin every month. Why don’t we partner up and we can help you more directly and get your customers to be more successful faster with your API?” And they were like, “No RequestBin’s free. There’s no sign-up. Let’s just leave that in place.” And so instead of trying to convince everybody to use our new tools and new, better tools, we just took over RequestBin and now we have links from many of the major API providers out there that link to a Runscope project that we run and maintain. And if you want to use and free and never signup, great. I have no problem with that as long as it’s providing to you but if you want to sort of graduate to the more for real edition or get your entire team or you have significantly higher volumes, or you want more log-in. Basically all of these things that businesses and teams then to identify with, then great come on over to Runscope and we’ve got an account for you and you can pick a plan from there. So it’s been a really great source of lead gen for us. And we’re just happy to like keep providing into the community because these are tools that should exist and that help developers be more successful. Since then, we’ve built a couple other community projects. One was API Change Log which we have since transitioned to another owner. We had API Jobs, API Digest. If you search for Runscope community projects, you can find our entire list. We created another one called Embed Curl for embedding curl commands in your blog. A couple others, we acquired another one. We got Hurl.it, we took that over. So these are all just really great channels for us because they’re sort of semi-related to what they do but they don’t replace the core product of what Runscope offers.

Jack: Yeah. Interesting, interesting. And for the kind of free tools that you guys built yourself and didn’t acquire, when you launched those free tools, did you reach out to API providers and companies like Twilio and ask them, tell them what the value would be for their customers and their communities, and ask them to link to those free tools that way? Because for RequestBin and Hurl.it, that sounds like a great driver of traffic to those sites. So did you reach out and ask API companies to link to those new tools as well?

John: Yeah so like the most recent one we built which is Embedcurl.com, we wanted to launch that with somebody having to integrate it into their API docs. And so there’s a project in SendGrid Labs called Loader.io. It’s a load testing tool for APIs. And we reached out to them and said hey we’re working on this new Embed Curl tool. It’s going to make your curl commands you’ve got in your API documentation a lot easier to work with. You can send them right off to Hurl.it, you can copy and paste them. You can do all this stuff more easily. Would you be willing to integrate it in their docs? And they jumped right on it. I mean they had it integrated within just a couple of hours after that. And so when we first launched, then we had a good example of somebody using it for real in their documentation. The Superfeedr docs use Embed Curl as well. So there’s a couple others out there but we definitely reach out to existing providers and said, hey here’s a new free tool that’s going to make your documentation better. And for a lot of them, it was a real no-brainer.

Jack: Definitely. Great. And I just have one more main question. And maybe a couple more follow-up questions 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?

John: I think a big part of our success is maybe too strong a word but like our success with finding customers so far has been really doing what we know. Like we really came in to this Runscope idea and company and start up really trying to attack problems that we understood really well. That we weren’t necessarily going significantly out of our comfort zone in order to build a product that we would have to learn a lot about customers. I mean we use Runscope to build Runscope every single day. We are in our own tool significantly. So we really have built the tool that we want and need to be successful in building our company. I think that really helps us make sure that we are identifying with our developer community strongly enough to continue building product for them and to know how to communicate with them and help them understand the value that we bring to help them be more successful.

Jack: That’s a really great last tip. And with that, that was my last question. So thanks again, John, for taking the time to answer these questions, and help share a lot of great advice and tips about how you found your first customers, and how other entrepreneurs can find their first customers.

John: Yeah thanks a lot for having me. If anybody wants to be my most recent customer, you can go to Runscope.com and sign up for free.

Jack: Great and we’ll be sure to link to that in the show notes.

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