*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 Dan Martel, founder of Clarity.fm. Clarity is a marketplace that provides on demand business advice for entrepreneurs. In this episode, Dan shares stories about how he found the first customers for Clarity 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 Dan Martell for PublicBeta today. Dan, 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 Clarity.

Dan: Cool, Jack. Thanks for having me.

Jack: Yeah. No worries, no worries. So we can jump right in to the interview, and my first question is could you tell us the story of how you found your first customers for Clarity?

Dan: Yeah. I mean Clarity is a marketplace for business advice. So we help entrepreneurs connect, find a schedule and connect with other entrepreneurs around the world to kind of move their business and go forward. So our customers initially we decided to focus because of the marketplace, really focus on technical entrepreneurs with marketing insight. Honestly the way I did it is I just tweeted it out. I would just ask people. So the first like with any marketplace like who’s the provider. So I just found three really smart marketing friends that I have met. So those people that I was essentially representing. And I would just tweet out and say, “Does anybody want to talk Neil Patel about SEO? Does anybody want to talk about affiliate marketing with [00:01:53 inaudible] etcetera” and then those people would ask me like go to email and I would tell them how it works. It costs $500 for an hour. And then I would just schedule the call. So I think the money [00:02:03 inaudible] and I would do the call manually, set up a free conference line. That is the 0.01 of Clarity. I tweeted it out. Got some real paying customers in the first day and then just kept doing that for a couple of weeks until I realized that there was an opportunity to build the marketplace a bit more features around helping people self-serve and find those experts.

Jack: Okay. Interesting, interesting. And were you funded or bootstrapping at the time you found your first customers?

Dan: Oh, 100 percent bootstrapped. We had raised money for almost a year after starting the company.

Jack: Interesting, interesting. And do you think that kind of helped you guys get going or hindered you? What do you think kind of the effect of bootstrapping for the first year was?

Dan: You know, I’ve been an entrepreneur for almost 15 years and built 5 companies. So I think personally, bootstrapping versus funding is something that really impacts for so much for more than kind of student entrepreneurs. I bootstrapped my first company for four years with 30 employees and kind of acquired money. So I guess I’ve always had that bootstrapping mentality even though I’ve raised capital now for the last two companies. So I don’t think it would have changed my approach. I’m all about trying to validate customer needs by having them pay me and then trying to figure out what the next option is in the business model and trying to tackle that and just keep doing that approach. You need a single approach when you need to manage a product, the distribution. For me, no, but I think obviously for other entrepreneurs, if you’re starting off and you have capital, you sometimes being wasteful. But I was fortunate enough to bootstrap in the early days. I feel like I learned those lessons before I had to deal with other people’s money.

Jack: Okay. So you mentioned that your first customers were paying you immediately. What was your business model? People were paying kind of entrepreneurs for their time in order to speak with them, and was that a one-time purchase every time someone wanted to talk with an entrepreneur. Can you talk a little bit more about that?

Dan: Yeah. That’s the exact same thing that happens today. I mean, run query you go and search much like you pay for experts and entrepreneurs of different categories and then you can message in the app for their experience or background clarification whatnot, and then you just schedule a call. And we take care of all the booking and infrastructure payment. So you just talk to them and when you hang up, you get charged and they get paid. So in the beginning, I just did it all manually, but fundamentally the Clarity calls work the same way. Since then we’ve been at it now for two years. We launched a new product last week actually called Clarity Live which is a group-based video Q&A so kind of like a virtual kind of Q&A session with seven members and an expert on the topic. We have it running every day now I think like content marketing, fundraising, customer validation. We are doing one next Thursday. So in that subscription model versus the transactional model like the call. So the call is still how we build the business today, but now we’re doing the Clarity Live because we realized a lot of entrepreneurs don’t know what they don’t know. They just know they need answers on a topic. So joining a call in group format with people asking questions is really a great way to learn.

Jack: Okay, interesting. So you mentioned that initially to get first customers, you tweeted out saying, “Does anyone want to talk with Neil Patel?” or with other entrepreneurs who are very successful and have like very specific knowledge with regard to like certain areas like SEO or other marketing strategies. Were there any other specific techniques or strategies you used to find your early customers besides kind of tweeting out and encouraging people to visit the site and to book time with entrepreneurs that way?

Dan: Yeah. I mean once we’ve started building the product because we allowed experts to create a profile. The next validation step I wanted to see what would happen was with experts add their Clarity link to their email. They tweet it out themselves. So essentially our supply side promoting their profile to get more calls. And that obviously allowed us to grow. I mean we’ve done no big marketing. It’s all SEO, all kind of supply side distribution by our experts now using us as their filter for inbound requests for their time or promoting it to their email, Twitter, social media. They’ll add to [00:06:47 inaudible] or they’ll put in blog post comments, etcetera. So that was the next kind of validation to get more customers. Then we get the experts or the entrepreneurs themselves to promote their Clarity profile to drive more call volume and it turns out that they absolutely would do it. That’s how it’s gone so far.

Jack: Okay. That’s a great strategy. That’s a great strategy. Kind of I guess another question is since Clarity is kind of a marketplace, how did you build up the initial supply, the initial kind of group of experts that were willing to take calls.

Dan: Manually one-on-ones. First thousand experts I went to probably15-20 events. I went to five cities. I flew out. I would meet people, ask them to sign up and tell them I was doing this Clarity opportunity event. Two weeks after I started recruiting the experts. But, you know, for six months, you really couldn’t be an expert unless I manually recruited you, talked to you about how the product worked, how you’re going to respond to call requests, etcetera. So there was nothing glamorous, no hacking other than I actually went in face to face conversations to try to not only get them to sign up but to really explain to them my vision and my request and what I expected and why I was doing this. I felt like that was invaluable to set the initial supply side of the community because if I would open it up to anybody, I think it would not really have the impact it had and the quality that we have so far.

Jack: Yeah, definitely, definitely. I mean it took you a lot more time and a lot more effort. I mean the quality today is still great, and initially I remember kind of seeing it and it was really fantastic. That’s awesome. I have one more question which is—and I might have 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?

Dan: Number one to get the first ten customers is actually pick up the phone and call. Like that is it. It’s really that simple. If you’re selling to plumbers, you’re selling to VPs or marketing, you’re selling to restaurants, it’s actually opening up the Yellow Pages, calling these people and asking for advice. That’s the trick probably is just don’t try to sell them. Just try to get their advice on the idea. And through that conversation, not only will you learn a lot, you also have qualified potential customers give you their input and maybe even say like “Hey I would be a customer.” And if they say that, then you ask them for their money. Just having a bunch of people say it’s a great idea and then having to go out and build it which takes time to come back later and find out that they didn’t really have the need and they weren’t ever going to buy it is pretty crappy experience. So I would say go in, ask for advice, cold call. If they offer and say it’s a great idea and they want to use the product, take some money, 20 bucks, 100 bucks, it could be $1000. Just keep it. If you end up building it, great. If you don’t, give the money back. No [00:10:01 inaudible]. And that’s probably the best way to get your first customers.

Jack: Great, great. That’s the last great tip especially asking for money even when people say the idea is great because oftentimes people will say an idea is great, but they’ll be lying just because they might be your friend or they might not want to hurt your feelings. But asking for money really I think probably gets a lot more serious feedback. So thanks for that great tip.

Dan: Actually they’re not lying really. The essence of the idea is what they believe in. But what happens is what you communicate, and this is your startup, like what do you think it will do and how it will work is never what it ends up being. It’s easier when they just tell you like “Can it do this? Can it do that and have this feature?” And then when you show it to them three months later, they’re still waiting to possibly build everything and it never really did the thing that you said it would do. So I found out that it’s actually an art as entrepreneurs to not oversell or over-position the product but actually say here’s the problem and here’s the way we’re going to address it and I think that’s all, and if people don’t like it, then that’s okay because we’re getting real feedback but trying to over-indulge to create a process and brainstorm with your customers is really dangerous.

Jack: Yeah. Definitely, definitely. So that was my last question. Thank you so much, Dan, for taking the time to do this interview and share all of this great advice to the people who will be listening.

Dan: No problem, Jack. If they want to get a hold of me, Clarity.fm/danmartell. You can reach me on email at [dan@clarity.fm](mailto:dan@clarity.fm) but just a quick and short email. I don’t [00:11:44 inaudible] email on that. And then you can follow me on Twitter at Clarity, Twitter.com/danmartell.

Jack: Great. Thanks, Dan.

Dan: Thanks, Jack.

Jack: Yep, have a good one.

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