

Velocity Growth

Week 1: Finding your initial customers

Craig Zingerline

Today's agenda

- Quick overview of program
- How I got here
- Why startups fail
- 3 steps to getting customers
- Value proposition
- Persona building

How I got here

Web software engineer → co-founder of failed startup → scaling two agencies → last 10 years focused on product company growth & product

150+ founder conversations on growth past 2 years

2x LAUNCH Accelerator founder

4 exits: e-Dialog, New Signature, Red Tricycle, Bullseye Admissions

1 epic fail, 2 near misses

Quick check on roles & # of customers



Visit [slido.com](https://www.slido.com) and use code #findinginitial-1-1

Or

<https://app.sli.do/event/j6shm5vm>

First, let's start from the top.

Why do startups fail?

2018 CB Insights startup postmortems

Why Startups Fail



1. No market need (42%)
2. Ran out of cash (29%)
3. Not the right team (23%)
4. Got outcompeted (19%)
5. Pricing / cost issues (18%)
6. User unfriendly product (17%)
7. Product without a business model (17%)
8. Poor marketing (14%)
9. Ignore customers (14%)
10. Product mistimed (13%)
11. Lose focus (13%)
12. Disharmony among team / investors (13%)
13. Pivot gone bad (10%)
14. Lack passion (9%)
15. Failed Geographic Expansion (9%)
16. No financing / investor interest (8%)
17. Legal challenges (8%)
18. Didn't use network (8%)
19. Burn out (8%)
20. Failure to pivot (7%)

Paul Graham from YCombinator

18 Mistakes That Kill Startups



1. Single Founder



2. Bad Location



3. Marginal Niche



4. Derivative Idea



5. Obstinacy



6. Hiring Bad Programmers



7. Choosing the Wrong Platform



8. Slowness in Launching



9. Launching Too Early



10. Having No Specific User in Mind



11. Raising Too Little Money



12. Spending Too Much



13. Raising Too Much Money



14. Poor Investor Management



15. Sacrificing Users to (Supposed) Profit



16. Not Wanting to Get Your Hands Dirty



17. Fights Between Founders



18. A Half-Hearted Effort

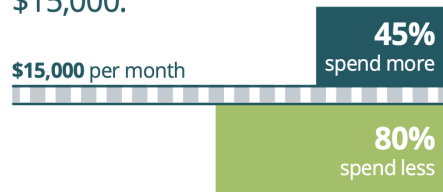
October '06 Essay

<http://paulgraham.com/startupmistakes.html>

More stats from Startup Genome

Customer acquisition

45% of startups that scale prematurely spend more than \$15,000 per month on customer acquisition before optimizing their conversion funnels & acquisition costs. 80% of consistent startups spend less than \$15,000.



Team size

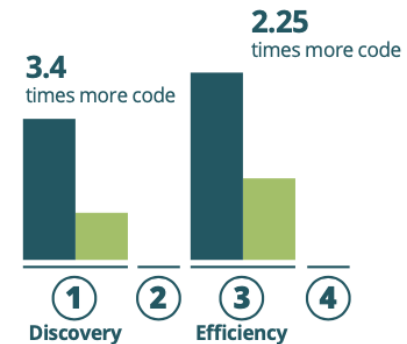
Inconsistent startups have 50% larger teams before scaling and 50% smaller teams after scaling.



A sign of premature scale: Perfectionism

- too much focus on scalability
- building nice-to-have features
- too little user testing

Lines of Code Written



Inconsistent startups write 3.4 times more lines of code in the Discovery stage and 2.25 times more lines of code in the Efficiency stage.

Additionally..



Only 1 in 12 startups make it long term.

Put simply: 75% of failure is market or product market fit related!








































Most startups fail because they don't find customers quick enough, or don't build enough value for consumers to stick around long term.

These are all growth related themes. You **HAVE** to figure out customer acquisition early.

Common misconceptions

What we're led to believe

Acquiring your first 1,000 users

1. Go to your users, offline	       
2. Go to your users, online	    
3. Invite your friends	      
4. Create FOMO	      
5. Leverage influencers	    
6. Get press	    
7. Build a community	 

lennysnewsletter.com

What we're told

Focus on a single channel

Don't focus on a single channel

Go deep

Go wide

Spend money

Don't spend money

Launch early

Launch when things look great

What we hear

You don't need ads, just get good at SEO!

Ads are bad!

Email won't work for you, it's dead!

Do what Clubhouse did - build FOMO!

Hire an agency!

Build a better product!

Product Led Growth all the way!

Build in stealth, do a big launch!

What we think

This is not going to be that hard, my idea is awesome.

My product is great, people will use it.

I'm pretty good in channel [XYZ] - I'll figure this out.

I don't need to launch...yet...I'll get PR & launch on Product Hunt and things will be great!

I'll do what all those people told me to do!

What we see

Craig, It been a while and thought speaking with you.

As you are collaborating with many startup founders, We can work together in solving their problems in technical development phase.

I am pricing at \$20 per hour for our skillset that includes .net, PHP, Native React, Node, Angular and Hybrid Mobile(Xamarin, Flutter and React Native) and \$30 per hour for RPA and Python and DevOps.

We are well versed in working in the Fixed bid and Dedicated Engagement models.

Looking forward to meeting with you.

Hi Craig, making an effort to actually stay CONNECTED in these unusual times....
Hope you're staying well & sane?

Hi Craig,

Thank you for connection. I'm Pradeep Kumar,

A Business Development Manager in Reputed Digital Marketing Company.

We provide following services across the Globe:

SEO Services

Local SEO Services

Guest Blogging Sevices

Link Building Services

Website Designing & Development Services (PHP, Wordpress, .Net, E-commerce etc..)

Application Development Services

Please let me know what can I do for you?

Do you need any of our services?
please let me know...
Don't worry about budget our prices are really affordable.

Also you can check our website here:-



The truth is, **nobody** knows what will or will not work.

In my experience, you're going to need to grind it out for a while.

To find customers, you need a problem big enough that people will pay for a solution.

You then need to get your product in front of potential users or buyers.

(Very) simplistic view of getting initial customers

Step 1: Understand the value your product delivers

Step 2: Understand if customers know they have a problem

Step 3: Get something in front of those customers

Sendscore - my example product

\$49

Increase email campaign opens and CTR's with 3+ custom actionable insights

By  [Craig Zingerline](#)

The difference between companies that send "meh" emails versus those that send amazing emails is huge. Quite often, the growth of the company itself stems from how well they do email.

Unfortunately, most emails written are not great. It's time we change that.

I've sent millions of emails to consumers across all sorts of industries, and commonly see 40%+ open rates consistently. Now I'd like to bring my strategy to you.

Sign up for my email review, and I'll send you at least 3 actionable insights on anything from your subject line, messaging, design, deliverability, and more. I'll also rate your email from 1-10 (10 being awesome) and help you increase your rating with each iteration.

Buy this

I'll send you 3 actionable insights

Ideas

At least 3

Email rating

1-10

Nothing to lose?

Check!

Step 1: Understand the value your product delivers



Before you can find customers, you need to understand the value your product brings to the customer.

Start with thinking about your value proposition.

Example value props

“Practical ways to find & acquire your initial customers.” -- This program

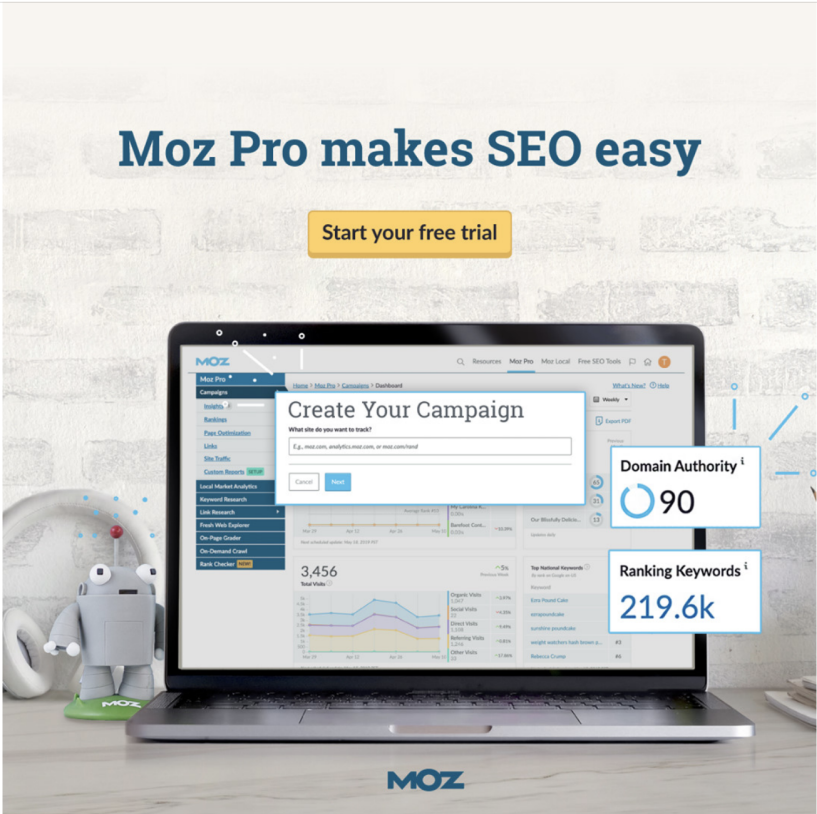
“Improve email campaigns with 3+ actionable insights” -- Sendscore

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Quick take

We're **often wrong** with initial value props as they assume we know what the customer wants or needs.

But we have to start somewhere.

What's your current value proposition?



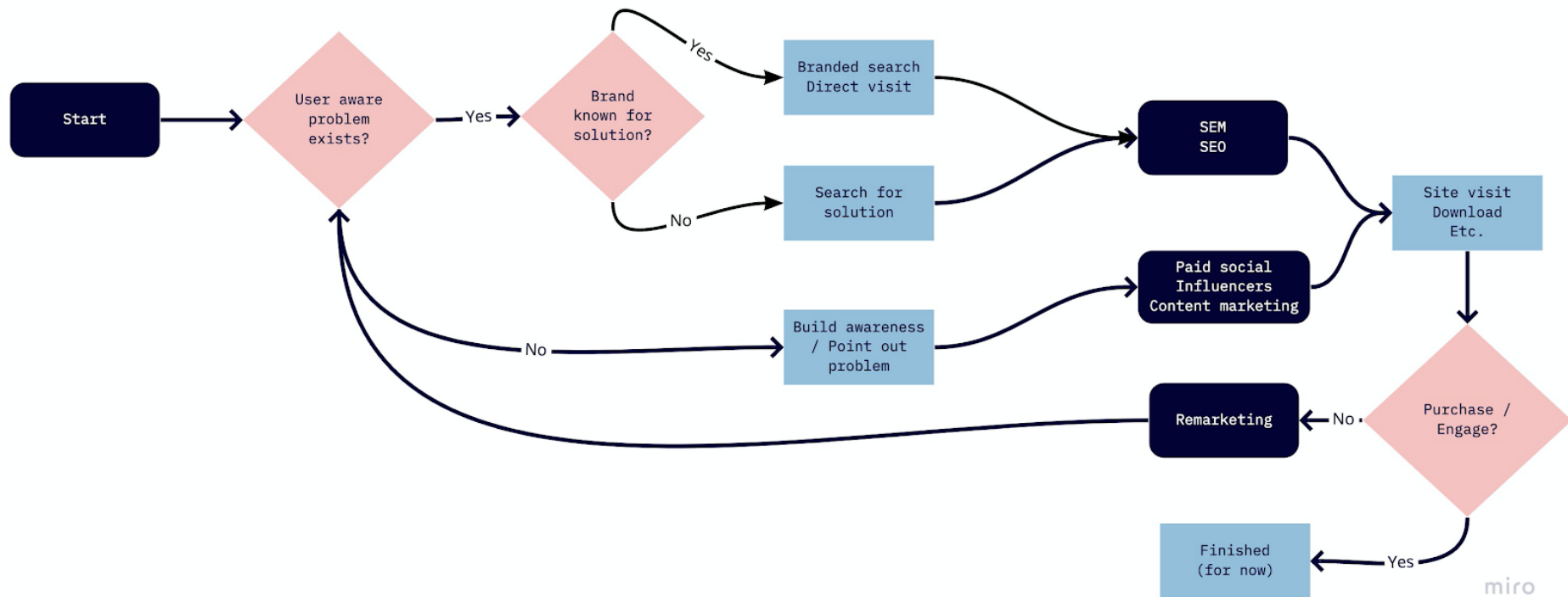
Visit [slido.com](https://www.slido.com) and use code #findinginitial-1-2

Or

<https://app.sli.do/event/lv5zgn1t>

Step 2: Do customers know they have a problem?

Awareness - user flow



Intentionality

At this point we need to understand if our product solves a problem our potential customer knows they have.

Knowing their intentionality will help you understand where initial marketing may make sense.

How do we know?

You may have already figured this out with earlier efforts. If not, you'll learn by:

- Customer discovery & conversations
- Looking at where and how competitors market
- Running experiments in different channels

Customer discovery & marketing.

“At Marketo, not only did we have SEO [Search Engine Optimization] in place even before product development, we also had a blog. We talked about the problems we aimed to solve... Instead of beta testing a product, we beta tested an idea and integrated the feedback we received from our readers early on in our product development process.”

Adobe bought Marketo for \$4.75 billion (2018)
after Marketo went public in 2013.

User persona development

“70% of people make purchasing decisions to solve problems. 30% make decisions to gain something.”

(Impact Communications)

Understand user wants & needs

What does your product or service solve for your potential buyer or user?

What do they gain by using / purchasing / experiencing it?

Understand user wants & needs

Does your product save the person time or money?

Does it make them more productive?

Does it make them look or feel better?

Does it handle some other sort of utility?

Does it save them time, energy, and or entertain them?

Understand user wants & needs

Are they the user or buyer, or are they buying for someone else?

Do they need sign off from someone?

User hypothesis template

“I believe that [key role] wants to [improve something]. Therefore, if I provide [something of value] helping them do that, I [impact something].”

Who / Role

For example:

“I believe that [**every email marketing manager**] wants to [improve something]. Therefore, if I provide [something of value] helping them do that, I [impact something].”

Wants / Needs

For example:

“I believe that [every email marketing manager] wants to [**improve email metrics**]. Therefore, if I provide [something of value] helping them do that, I [impact something].”

Solution

For example:

“I believe that [every email marketing manager] wants to [improve email metrics]. Therefore, if I provide [**a service helping them do that**] helping them do that, I [impact something].”

Value provided

For example:

“I believe that [every email marketing manager] wants to [improve email metrics]. Therefore, if I provide [a service helping them do that] helping them do that, I [**make them better at their job**].”

This is your v1 persona

My v1 persona, slightly expanded:

“I believe that every email marketing manager wants to improve their key email metrics - open rates, CTRs, open to click.

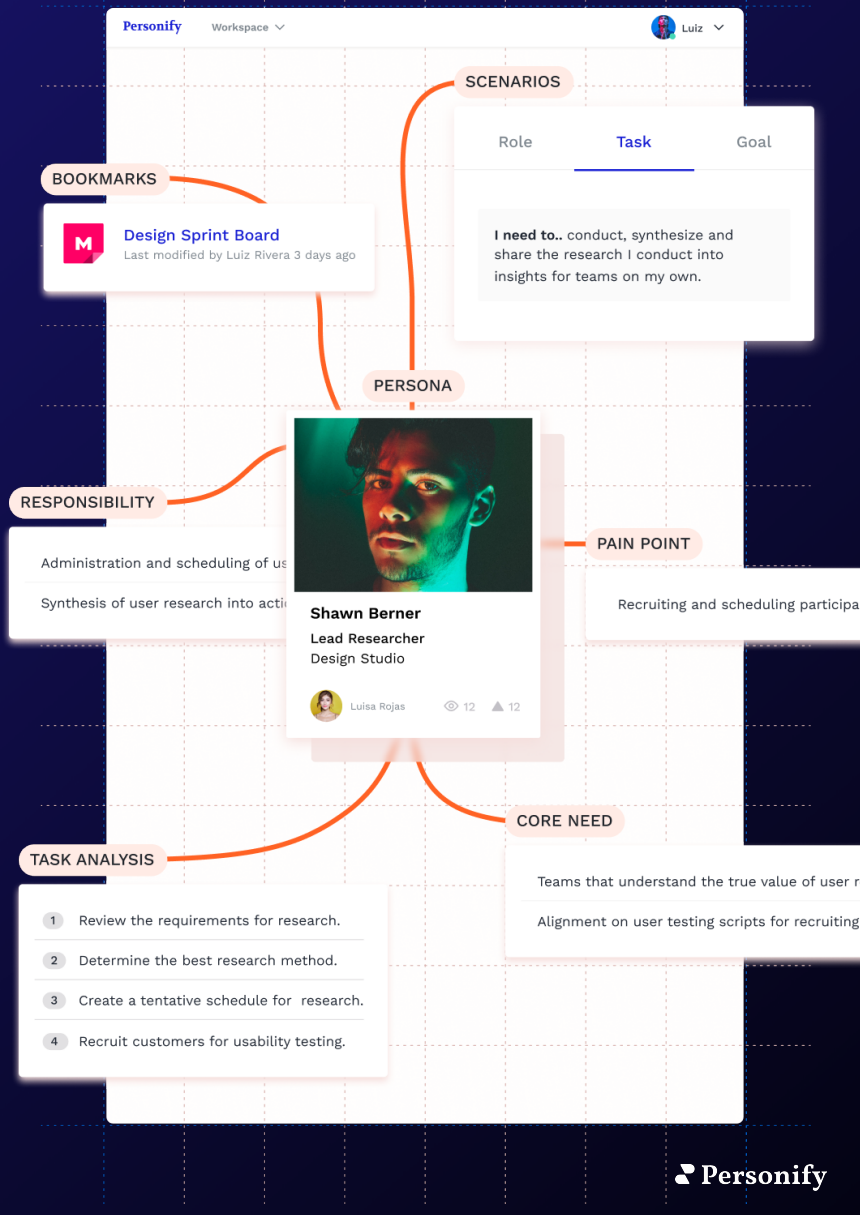
Therefore, if I provide a service helping them do that, I make them better at their job.”

HOLD UP! Let's set something straight.

The potential problem up until now is that the values & persona assume we know more than we might.

It's likely many iterations of value & persona work has to be done.`

But again, we're looking for forward movement here.



When / Where

You can start at the scene [time & place]

Who

The person doing an action or performing a job

What

How do they do [something...their job] today? What's their current workflow?

Each of these relate to each other. Starting with your product or solution narrows your ability to find breakthrough discoveries.

Persona expansion

Who else might be the user?

Are their needs the same or different?

Does your solution solve the problem for them?

What value do you bring that's unique to them?

Persona expansion

1. Who else may be my user?
2. What are their job titles?
3. Where do they work?
4. Are they decision makers?
5. How do they measure success for their job?
6. How do they currently handle solving for this problem / do their job?
7. Is there a large enough pool of ideal customers that I can target right now?

Who else may be my user?

“I believe that every **email marketing manager** wants to improve their key email metrics - open rates, CTRs, open to click...”

email marketer job titles

[All](#) [Images](#) [News](#) [Videos](#) [Shopping](#) [More](#)

About 93,100,000 results (0.64 seconds)

Did you mean: email **marketing** job titles

Some common job titles for email marketers include:

- Campaign manager.
- Demand generation manager.
- **Director** of email marketing.
- Ecommerce content specialist.
- Ecommerce marketing analyst.
- Ecommerce **marketing director**.
- Ecommerce marketing manager.
- Email developer.

[More items...](#)

<https://www.aha.io> > [roadmapping](#) > [guide](#) > [marketing-jo...](#) [⋮](#)

[\(Updated\) The 10 most common marketing job titles](#)

Some common job titles for email marketers include:

- Campaign manager
- Demand generation manager
- Director of email marketing
- Ecommerce content specialist
- Ecommerce marketing analyst
- Ecommerce marketing director
- Ecommerce marketing manager
- Email developer
- Email marketer
- Email marketing strategist
- Email operations manager



Find a handful of roles / titles

Start to build a small list.

- Email marketing manager (original)
- Email marketing strategist
- Director of email marketing
- Ecommerce marketing director

What type of places do they work at?

Research the types of companies who have these roles.

Email marketing strategist

The screenshot shows a LinkedIn search results page for the query "Email marketing strategist". At the top, the LinkedIn logo and search bar are visible. Below the search bar, navigation icons for Home, My Network, Jobs, and Messaging are present. Filter buttons for "People", "Connections", "Locations", "Current company", and "All filters" are shown. A banner for "Managing Remote Workers?" is visible. The search results section indicates "About 292,000 results" and includes a "Search with Sales Navigator" option with 12 additional advanced filters. The results list five profiles, each with a profile picture, name, degree, title, location, current role, and shared connections.

Managing Remote Workers? - Efficiently manage up to 25 team members FREE Until 2021!

About 292,000 results

Search with Sales Navigator
12 additional advanced filters

Karly C. • 2nd
Email Marketing Strategist
United States
Current: **Email Marketing Strategist** at **Email Allstars**
Mat Sherman, Pat Bennett, and 1 other shared connection

Owen Whalen • 3rd+
Email Marketing Strategist at Campaign Inbox
Gaithersburg, MD
Past: Research Analyst at CGI Communications - ...for the **marketing** and sales department. The leads I look...

Kelly Trantow • 2nd
Email Marketing Strategist at Cisco Meraki
Milwaukee, WI
Current: Email Marketing Strategist at Cisco Meraki - ..., personalized and engaging **email marketing** practices...
Paul Lemley, Cody Ward , and 1 other shared connection

Austin Andre • 2nd
Email Marketing Strategist at Stand Together
Arlington, VA
Current: Email Marketing Strategist at Stand Together - ...coordinate effective **email marketing** campaigns...
Kristy Leahong is a shared connection

Krystal Lewis • 3rd+
Email & Marketing Automation Strategist at Spinutech, LLC
Tampa, FL
Current: **Email & Marketing Automation Strategist** at Spinutech

Director of email marketing

The screenshot shows a LinkedIn search interface. At the top, the search bar contains 'director of email marketing'. Navigation icons for Home, My Network, Jobs, and Messaging are visible. Below the search bar are filter buttons for 'People', 'Connections', 'Locations', 'Current company', and 'All filters'. A sponsored banner for 'Managing Remote Workers?' is displayed. Below the banner, it indicates 'About 1,820,000 results'. A 'Search with Sales Navigator' button is present, offering '12 additional advanced filters'. The main results list includes five profiles, each with a profile picture, name, title, location, current role description, and a 'Connect' button.

Managing Remote Workers? - Efficiently manage up to 25 team members FREE Until 2022!

About 1,820,000 results

Search with Sales Navigator
12 additional advanced filters

- Gus Rawat** • 2nd
Director Email Marketing at Frontpoint
Gaithersburg, MD
Current: Director Email Marketing at Frontpoint - Execute **email marketing**, set schedule and maintain quality control across timely promotions...
Allen Hepner is a shared connection
- Faith Gerber** • 2nd
Director of Email Marketing at Arteza
Aldie, VA
Current: Director of Email Marketing at Arteza - Own strategy for behaviorally triggered **email**...
Christian Pain, August Erickson, and 4 other shared connections
- Rebecca Odell** • 2nd
Director of Email Marketing
Great Falls, VA
Current: **Director of Email Marketing** at Type A Design & Letterpress Studio
Lauren Petrillo, David Mundy, and 4 other shared connections
- Ross Wallen** • 2nd
Director, Email Marketing at CleanChoice Energy
Washington, DC
Current: Manager, Digital **Marketing** & Partnerships at CleanChoice Energy
Catherine Tucker, Donnel Baird, and 8 other shared connections
- Bart Thornburg** • 2nd
Director of Email Marketing, Mobile Push and Promotion Operations at Total Wine & More
Washington DC-Baltimore Area
Current: Board Member at Email Experience Council - ...of the EEC. The EEC is the premier organization for **email marketing** professionals. I'll be working hard...
John Walsh, John Breen (He/Him), and 5 other shared connections

Are they decision makers?

This is sometimes tricky. You'll need to test until you understand. I'll take my best guess initially.

Is an email marketing specialist a decision maker?

My product is \$49.

An email marketing specialist likely needs a quick verbal approval from a junior role.

A director of email marketing probably doesn't need approval.

How do they measure success for their job?

An **email marketing specialist** likely is measured by how individual campaigns perform. Likely reports to the director of email marketing.

A **director of email marketing** is measured by overall email performance over time for all people involved. Likely reports to the VP/ CMO/CEO.

How do they currently handle solving for this problem?

An **email marketing specialist** likely is reading up on best practices and maybe experimenting a bit.

A **director of email marketing** is probably talking to peers, seeing a holistic view of how others in the company handle email, and looking at people & tools to improve overall impact of email on the company goals.

Is there a large enough pool of ideal customers that I can target right now?

One of the relevant roles has over 280k people listed, the other 1.8M, so yes, it's likely.

Role matrix

Job / role	Decision maker?	Measure success	Current solution	Targeting pool size
Email marketing specialist	No	Increase campaign results (unvetted)	Unknown	Medium (>200k)
Director of email marketing	Yes	Unknown	Talking to peers, using tools like Zerobounce to improve email list.	Large (>1M)
VP Marketing	Yes	Impact that email has on company growth	Talking to peers, using tools like Zerobounce to improve email list.	Large (>1M)

Persona view

Job / role	Decision maker?	Measure success	Current solution	Targeting pool size
Email marketing specialist	No	Increase campaign results (unvetted)	Unknown	Medium (>200k)

Action items:

- Validate how this role measures success
- Validate what current solution(s), if any, this role currently uses

Persona view

Job / role	Decision maker?	Measure success	Current solution	Targeting pool size
Director of email marketing	Yes	Unknown	Talking to peers, using tools like Zerobounce to improve email list.	Large (>1M)

Action items:

- Validate how this role measures success
- Confirm tools / generate ideas around potential competitors

Persona view

Job / role	Decision maker?	Measure success	Current solution	Targeting pool size
VP Marketing	Yes	Impact that email has on company growth	Talking to peers, using tools like Zerobounce to improve email list.	Large (>1M)

Action items:

- Confirm tools / generate ideas around potential competitors

Homework

1. Build your user hypothesis
2. Start persona development
3. Built a role matrix for >1 persona

Next week we write outreach scripts and start marketing.

Thanks!



Showcase what you know.

Publish personas to the gallery to inspire peers and clients to market your user knowledge with the world.



- Lee Underwood**
Creative Director
Design Firm
- Robert Espinosa**
Music Producer
Self Employed
- Layla Strahan**
D2C Marketer
Fashion Retailer
- Ann Stevens-Smith**
Musician in Residence
Art School
- Brooke Cromwell**
Product Manager
Fintech Startup
- Lashanda Harris**
Talent Headhunter
Music Streaming Company