

Andrew: This course is about product development for non-developers. It's lead by Poornima Vijayashanker. She is the founding engineer of Mint, which is the personal finance site that was sold to Intuit. She is also the founder of Femgineer which is currently accepting applications for the fall iteration of its Lean Product Development Course. There it is right there. I highlighted it on Femgineer dot com slash courses. And she is also currently the founder and CEO of BizzeeBee which helps business that offer memberships collect payments.

I'm going to help facilitate. My name is Andrew Warner. I'm the founder of Mixergy, where proven founders teach. And we have this big board full of all the topics that we're going to be covering today, but a lot of what we're covering is here to help people avoid a mistake that you made. Which is you spent a hundred thousand dollars and then you spent even, well you tell me. What happened here?

Poornima: Sure. So back in the beginning of last year, 2012, we had receive a final round of Angel Investment. It was about a hundred K. And were going to use that to develop our second product, which was BizzeeBee Billing. And the reason that we were developing the second product was based on customer feedback. We were getting a lot of requests from customers that they wanted an easier way to take payments. So we decided that we were going to do this the right way and we spent about most of 2010 to do research on different providers and making sure that we had a fair level of expertise before we started building because with payments, one thing goes wrong and people get pretty upset.

So we started building at the beginning of 2012, hoping to spend the first quarter building. And four months into it we had finished building our first prototype of the product. We were just getting ready to launch when our vendor told us that they were going to revamp their entire API and they were going to deprecate their old one so we would have to rebuild the whole thing again. At this point we had pretty much blown through that hundred K and I was kind of scratching my head on what we were going to do. But because I had such confidence in our abilities to execute as well as our customers to buy it, I decided alright, let me put in another hundred K of my own personal savings.

Andrew: Oh wow.

Poornima: Yeah.

Andrew: Your own money now, yeah.

Poornima: Yes. So I ended up with a two hundred K investment and then finally launched the product eight months later. So it took us two attempts and then we finally launched it. And everything was going great up until November. In November, what ended up happening was we were seeing this great growth and was coming from our existing customers and new customers and we thought we were projected to basically break even within six months. But then I got a couple of phone calls from Australia, of all places.

And we don't actually have a lot of studios in Australia. We have a few scattered here and there, but we actually, I don't think we had any at the time in Australia. So I found it kind of weird. It wasn't even the studios calling us. It was customers. So when I spoke to the customers they would say, "Why are we getting charged from BizzeeBee? We don't even know who you are. Please stop charging our credit card." I thought, "No, no, no. You must be mistaken. Do you go to yoga or Pilates or something?" And they said, "No. We don't do any of that." One of the guys was retired and the other one was a construction worker. Then I started digging in and noticed that we had accumulated a lot of fraudulent charges.

Basically we had to pay back all of those fraudulent charges. At that point I decided that I was going to put the product on the back burner or put it in beta mode so that we wouldn't let any more people in to automatically charge credit cards. What they were doing was basically money laundering. We had

a bunch of fraudsters who stole credit cards and put their transactions through BizzeeBee Billing, were able to liquidate the credit cards and make money off of them.

We thought it was just us, but fortunately there were apparently a bunch of other startups much like us who were trying to be innovative in the payment space who got affected as well. We at least had some way of recourse and ended up paying back all the debt and everything is good now, but it was a very, very pricy lesson for me to learn.

Andrew: I would say. Especially you own money going down and then your investors, you don't want to let them down. Alright, you did do this in a different way. In a way that you're about to teach us. I mean you did build a product in the way that you're about to teach us. That was over at Femgineer, where you use pre-sales. What did you do there? I don't want to go into too many details because we're going to go into a lot of the details as we go into the court here. But just give me a quick overview, please.

Poornima: Yeah. So between November and December, because I had to pay back all of the fraudulent fees, I was kind of scratching my head because the Poornima bank account was depleted at this point. And so I just thought I was going to take a pre-sales approach. I couldn't put a team together to build another product. My own team was kind of maxed out with busy work, and I was certainly maxed out as well in terms of my bandwidth.

So at the time I had been mentoring a number of people, and I'd also been teaching at (?) and a few other places. So I knew everybody was interested in getting advice from me and also knowing how to do product development. That's where everybody kept asking over and over again.

So I thought why don't I just type up a one-page summary of what I am going to teach in this course and reach out to about five of my mentees and ask that if they'd be willing to pay to attend this course and have it be online as well. And so that's basically how I started my approach.

Andrew: Alright. And that's what we're going to be working on right here. Let's get right into the big board here. The very first idea is to start by brainstorming by yourself. Don't hold back even if you decide what you want to do is send rocket ships to Mars. How did you do that?

Poornima: Yeah. So with Femgineer, for example, the ultimate goal is today that we want to encourage more women to stay in technology. We want to solve the problem of retention. And we want there to be about 50 percent leadership taken up by women. And so that's our ultimate mission, right?

Andrew: Mm-hmm.

Poornima: In order to get there we're going to have to start with taking the women who are already in the field and educating them. And so a big portion of that, a large vision was to start with what can we do to keep women initially interested in their careers, help them advance in it, and then we can obviously set the rocket ship off. But it's take the big idea and break it down to, "What are the immediate steps" and also it's the implementation. In our case it's education, right? In other cases it might be a software product or something else.

Andrew: Okay. And so here is the mind map I think you guys did, you did.

Poornima: Yep. I actually did this alone first.

Andrew: Okay. So what am I looking at here? Help me understand this mind map.

Poornima: Yeah. So I was doing a lot of things at the beginning or at the end of last year. For the last

five, six years I'm been blogging. I've been teaching, and I've also done a lot of public speaking. And so for me it seemed like Femgineer was being pulled in three different directions, but the specifics of it was what I wanted to dig into. So it was if we're going to continue to do blogging what are the things we should blog about and what shouldn't be blogged about?

And so I listed some of the things that I knew people would be receptive to. Same thing with education. Where did we want to focus our efforts, but also how did we want to spread the word because there is a lot of different people selling educational content. So we had some very specific channels that we wanted to target as well as specific types of people. We wanted to go after the folks who were already in technology or are thinking about breaking into it.

And then on the speaking angle I became a little more strict about who I said yes to when they asked me to come and speak. And so it had to be an organization or a company where I could talk about (?) topics, sort of leadership technology in startups. I wasn't just going to come and speak for anything.

And the other thing that we spoke about the last two categories, education and speaking, was that anything and everything had to be a page because I was bootstrapping this business. So that was another key caveat.

Andrew: So what you're saying is you just brainstorm by throwing everything out there, then you looked for the major categories. Let's bring up those three major categories. And anything that didn't fit in these major categories you just tossed out?

Poornima: Mm-hmm.

Andrew: And then you were very disciplined about staying within them. You weren't going to do blogging and podcasting and whatever else might come out. You were going to stay focused on this. So that's what you want us to do. Just brainstorm by not holding back and then look for those big categories and stay focused on those, right?

Poornima: Yep. And it's difficult because you get tempted because people ask you, and it's hard saying no to people. It was hard for me to say no to a lot of different non-profits and organizations when they asked me to speak, but the more often I said no people got a better understanding. Or sometimes people would come back and say, "Well, what if we offered you this," right? So it was a good point for me to figure out who valued my time and who also valued the effort that I was putting into it.

Andrew: That makes sense.

Poornima: So, it was important to me to say, 'no,' and to stay focused.

Andrew: Alright, next big idea is to check your ideas for passion and expertise, and then ask yourself, can you do this for the next fifteen years, excuse me, five to ten years, maybe not look that far ahead? Can you go five to ten years and still be happy doing this? And so, you did that by- Should I bring up this image? Let's do it. What is this? I'm going to zoom in a little bit more.

Poornima: I call this the no regrets matrix.

Andrew: Yep.

Poornima: You know, it's very hard to predict what it is you'll love five or ten years from now.

Andrew: Mm-hmm.

Poornima: But if you start from a place where you have initial passion, and then you figure out how I can mold my businesses to fit the particular life, or lifestyle, goals that I have, then you don't feel like, wow, I pursued this heavy career path at the detriment of everything else, right? I think too often people feel like, well, I just need to give up everything and I just need to focus on my business or my startup when you can figure out how can I lay down some steps, and what do I need to have in terms of flexibility in other areas of my life, so I think about it a little bit more holistically.

Andrew: This is holistic. I see everything from traveling, to getting married, to paying off car and student loans. Help me understand this. What are you doing here? You're just listing out your long-term goals?

Poornima: Yeah, so, for example, when I first moved to California, I never imagined that I was going to work for a startup within two years of getting there. I thought it was going to be, like, a five years plan, and so, the first two years, I just, you know, took my first job, tried to pay off as much of my student loans and car loans as I could, and then when I got the opportunity to join Mint, then it was, like, oh, I'm now taking off early career goal number one, which is working a startup, right?

Andrew: Mm-hmm.

Poornima: Then through that course then I developed a lot more skills. Then I got a lot more confidence. So, after working at Mint, then I decided, well, what's the next goal here? Maybe it's to start my own business.

Andrew: I see.

Poornima: Well, if I want to start my own business, I need to have enough capital, and fortunately enough, the exit at Mint was enough of a windfall that helped me start my own business, but in doing that, I realized I don't just want to have this be a full time thing, I want to have some time to travel. I want to have time for personal life and other goals.

Andrew: I see.

Poornima: So I started to think about how I wanted to set up my own business, and both Busy Bee as well as Femgineer are remote, so my team, for both of them, we operate remote. We've set up a way in which, like I mentioned here, you need a self-sustaining team, so they take care of the company and moving forward when I'm traveling, or when I'm on vacation, or when I need time to do other things, right? So, it's really understanding what are the bottle necks that [?], trying to remove them and creating a company that will continue to flourish, but the other is, once you've done that, you then have to go and focus on your life goals or whatever else that you want to do.

Alright, so putting it all in the pile and then, kind of, taking one step at a time, I think is important, and too often people don't. They just, kind of, take a model that they already know and try to follow that, whether it's somebody else's model or a model they've seen somebody else succeed with, right, instead of thinking what is it that I need. What do I need to accomplish?

Andrew: Alright, back to the big board, and then the next big idea is to make a list of all your gaps, in your expertise, and then start filling the whole, brainstorm with experts to get some help. How did you do that?

Poornima: Yeah, so when I started Busy Bee, I actually had volunteered at a yoga studio. I had done some consulting with a number of studios as well, but I had never owned a studio.

Andrew: Okay. And that's what you were aiming at. You were aiming your product at studios.

Poornima: Right.

Andrew: Okay.

Poornima: And so I had to go out and actually talk to a number of studio owners, not only studio owners, but instructors, people that were running businesses out of their homes, people that were teaching part-time, so that I got a really good breath of here are all the different kinds of people that might need a product, rather than saying I'm just going to build for a studio owner, or I'm just going to build for a private instructor, so it was really taking the time to understand how it is their day to day affairs run, but also what their needs are and how they feel about technology and maybe even the existing competitors.

And we did the same thing when I was at Mint. We went out and talked to 20 to 30 year old's. Figured out what about the finances they needed help with and what of the products that existed today were unfulfilling or didn't quite meet their needs. And what it was that would make things really dead simple for them. In both of these it's taking something that's a painful task, whether it's managing your business or managing your finances. Identifying the people or the particular persona that you want to appeal to. And then really digging into what are their pain points and what are some of the goals that they are trying to accomplish?

Andrew: What about you didn't have any expertise in fighting fraud, especially not when it came to this kind of fraud. Did you have someone that you could call on to get support for that? Did you have someone whose expertise was in dealing with financial issues?

Poornima: Yes.

Andrew: How did you get that person?

Poornima: I had a really good friend who at the time worked on Airbnb's fraud team.

Andrew: Oh, wow. Okay.

Poornima: So the minute this happened I just gave him a phone call and my CTO, Alex, and myself sat in on the call and explained the situation. Then he went through and explained what it is that we need to do in order to clean things up, but also some stuff to take in the future to avoid this situation.

Andrew: I see. Sorry, the video is freezing at times, but I think we can just keep working with it. Alright, let's, actually you know what? Before we go on to the next point, how does somebody get these expertise to fill in their gaps? How do we get it?

Poornima: Start making a lot of friends.

Andrew: Okay. I think I need a friend with video production help right now.

Poornima: Yeah, there you go. The one thing that I have been unabashed about is asking people for help. And even if I don't know somebody in my immediate network, it's thinking of who do I need and then basically messaging it to people. Really funny story, I've never had trouble recruiting engineers, but when my previous cofounder for BizzeeBee left back in 2010 and I was looking to bring on another engineer, I just tweeted, "I'm looking for an engineer." Within minutes a lot of people responded.

It's kind of funny, the power of not only social media, but also the power of asking your network. Whether it's social or whether it's internal. Sometimes, I wasn't going to broadcast, "Hey, we're experiencing fraud." I wanted to do it a little bit more covertly at the time. So depending on what it is, reaching out to people, but I always think that as an entrepreneur one of the things that you've always

got to be doing is expanding your network because you never know what you don't know and when you're going to need help from someone and who that person is that you're going to be able to get help from. Sometimes they're in your network and sometimes you have to go a little bit farther or a couple of steps to get them.

Andrew: Alright, next big one you hinted at which is to come up with a customer persona. You did that in multiple places. Why don't we start off with how you did it at Femgineer. Who is this person? Who is this person? Why am I not able to drag it in? Let's see. There it is.

Poornima: Perfect. Yeah. This is Sarah Coronado and she is one of the founders of Lotus Premium Denim.

Andrew: I know Sarah, she's great.

Poornima: Yeah, and Sarah sells, like I said, premium denim to petite professional women. And she basically has an eCommerce business. When she approached me, she already had a product. She had sales. She had a team. But she didn't know enough about taking her business online. And as a busy mother of two, she needed a way to take her business online. So one of the ways that she first reached out to me was through Women 2.0. She saw some of the blog posts I had written and then she came into one of my classes at general assembly. And then she said, "Hey, I'd love to come and take your product development course and learn more from you."

Over the course of taking my eight week online course in January, she has learned how to put the pieces in place to take her business to the next level. And that's learning how to reach out to more customers, learning how to do some testing on various online ideas, and then the other is team management. She's had some issues with her team that she's been working out, but also recruiting new folks, whether it's interns or other full time people. Then also figuring out how to continue reaching out to her customers and where they might be hanging out. So going through the eight weeks, even though she had a physical product, she needed to learn how to build an online presence or an online product and that's what we helped her with.

Andrew: So what do you do when you're, how do you put together a customer persona? Do you look to see which customers are already gravitating to you? What do they have in common? And then you create a persona around them?

Poornima: Yeah. So it's important to think about what are the common traits. Right? So for myself when I was thinking of the Femgineer course, I knew that there were kind of three groups that were reaching out to me. There were business founders like, Sarah. Who didn't have the technical expertise? There were technical, I'd say, engineers or designers who knew enough about building a product, but didn't know enough about marketing or recruiting. Even reaching out to that initial group of customers and asking for their first dollar in sales. Then there was a third bucket. There were the people who were just like, "How does all of this work?" Right? It might be a product manager or it might be a product marketer and they want to make more effective contributions on the team. They want to understand how engineers think. They want to understand how their founder or the entrepreneur thinks.

Since these were the three groups that were reaching out to me, I sat down and I thought about, what are all commonalities? What are the common problems? How can I create a class or [??] these needs? This person's needs? Then what are the major takeaways going to be for this person? What are the benefits for participating in this class? And the way to think about that is you can either do what I did, which is find the common pattern. Or you can say, "You know what, these three groups, that's too much to deal with. Let's just find one persona." And that's actually what I did with BizeeBee. With BizeeBee we got really specific. We were like when we first launched in December 2010 we said, "This is only for yoga studios who are independent."

So most of the time they are sole proprietorships. And that was it. And we started there. Before we started to expand into other verticals. And that's fine because it creates in the minds of the potential user a clear idea that this product is either for them or it's not for them. And even in the folks that it's not for them, sometimes they question it. We had a number of Pilates and dance people say, "Well, I know it says yoga, but I just tried the product out and it works for me." So we'd say, "Great. You can use it. We're not going to tell you can't, but we're not going to do anything special for you. We're not going to customize it. We're going to continue to build for our initial persona."

Andrew: You guys did the same thing at Mint. What was the persona there? The main persona.

Poornima: The persona there was 20, 30 something, pretty tech savvy. So they were comfortable at the time, this was back in 2006. They were more comfortable sharing information online. So comfortable sharing their bank accounts and seeing their online transactions. Seeing their bank information online. And they also wanted something that was really dead simple. They didn't want to spend a lot of time standing there and categorizing transactions or balancing a checkbook. That became our persona.

Andrew: There you guys created the persona's before you had users, right?

Poornima: Yes, exactly.

Andrew: So you were saying, "This is who we imagine is going to gravitate to the site."

Poornima: Mm-hmm.

Andrew: How do you know if what you're imagining is right or maybe it turns out that older people who are in their 60s maybe are more likely to do this because they care more about their finances because they're around retirement age?

Poornima: So we did. We poled those people too. And what we found out was a number of them, the vast majority of them were actually choosing our competitor's solution and we weren't going to pull them away from our competitor because we didn't have, well, we didn't have anything at the time to pull them away from. Then the second was they actually were very, very risk adverse. So even just the thought of entering their bank account information into an online site, they felt was not for them. And the other is they weren't really going to trust a bunch of 20-somethings with their precious hard earned dollars.

Andrew: So what you did is you created a persona of this person who is, I'm going to say for now, maybe 55 to 65 years old and you said, "Let's see if this person is interested in our idea." You talked to them and you realized that, "No, this persona is clearly not right for us."

Poornima: Yep.

Andrew: Got it. I see how it works.

Poornima: Basically everybody over 40 was just like, "No, I don't think so."

Andrew: Okay. Alright, let's go back to the big board. The next big idea is to find the pain. To look to schedule [??] have. How did you do that at Femgineer?

Poornima: Yeah, so the way I did it at Femgineer, was actually a lot of it was just through mentoring people. As people would reach out to me, as they would ask me for a coffee day or to get some input on their ideas, that's when I started to uncover what the issues were that they were experiencing. So I

knew what the curriculum should be to offer them. Then I dug a little bit deeper and I said, "Why are you coming to me for this?" There are a number of sites online, there are a number of books that are available, there is a video series, and a lot of people said yes, "I've tried all of those techniques and they haven't worked for me. I need an almost personal coach to guide me through the process."

Andrew: I see.

Poornima: That feedback I kept getting over and over again. For the longest time a lot of people were advising me that I can't couldn't do this in realtime. People are going to want videos. There they are not going to want to sit there. All of my customers were telling me the exact opposite. They were telling me, "No, we want your time. We want to pay you for it. We want to sit there. We want to learn from you. We want to ask you questions."

Andrew: So the pain that you were finding was that they wanted to talk to someone. They were having trouble with the courses that were already available online; with the course errors etc. They wanted to be able to talk back to the instructor and in order to do that they were willing to show up on time, they are willing to pay, they were willing to do all these other things. I see, okay. The next big idea is to check out the competition. How did you do that?

Poornima: Yes. For example, with busy bee when I started I wanted to make sure that I was building something that people would actually want. I knew that they were competitors out there, so I just started by looking at the competition and for a number of the businesses or studios that I was consulting with, I asked them, "Why aren't you using these alternatives?"

They had some pretty powerful reasons why they weren't. I thought maybe it's just a subset of studios that I'm talking to or maybe there's saying it because they're potentially friends of mine. So then I started to widen my audience, and I did probably 50+ interviews of various studios across the country and everyone just didn't like the competition and the vast majority of them weren't even using the competitor's solution. There were a lot of different competitors as well.

It was the same feedback over and over again which was there were not a lot of alternatives, there is not a very simple way to get set up, and it's also taking a lot of time to train my staff to use such a product. We also would like to use something, but given all of these, we have we've chosen not to use a software solution.

Andrew: What the software solution was going to do was it was going to give clients the ability to charge their users on a regular, recurring basis. Instead of using software that was out there because they weren't happy with that, they were just doing it manually.

Poornima: Yes. Yes, they were doing it manually. They were also losing a lot of new members. People would come in and do an introductory special and they would miss out, or they didn't have a way to integrate with email marketing to let people know that they were going to do a workshop or a retreat. They were just basically leaving money on the table, or throwing it away in their wastebasket. This was a big problem and given that they weren't a lot of competitors out there, it became a reason for me to act and to build my own solution.

I really wanted to understand how people felt about the competition, why they weren't using it, and if that was a large enough subset to go after. That's the other thing, right? Often times, we'll find that people are unhappy with the competitor but they sure as heck won't switch because they don't necessarily trust the new guy on the block, or they know that there's going to be a switching cost.

Andrew: I see. What is this image? There it is.

Poornima: Yes. So that is what basically gave me the confidence to start working on busy bee. I knew



that there were 30,000+ yoga studios; not even Pilates, dance, or anything else. There were this many, and then of that there was a subsection of franchises, and I knew that the franchises wanted a more sophisticated product, so I wasn't going to go down that path yet. The remaining portion of independent studios were not all using our competitor's solution. Knowing that there was that much of the market left to capture, and of course, of this pie - this was back in 2010 - that this pie was actually expanding as yoga and fitness were gaining in popularity not just in the US but across the world is what gave me the confidence to start building the product.

Andrew: I see. All right, let's take a look at the next big idea here. Actually, before we do, how did you get that data?

Poornima: Through a couple of different channels. The first is: we looked at market research reports to get a sense of how many businesses were out there. The second is: we actually had some competitors were quite proud of how many businesses they did have, so they would say something like, "We have 2000 yoga studios on our platform." And so from that, we knew how many each competitor had.

Andrew: I see.

Poornima: Then some of the franchises would list out how many locations they had as well, so that's how we, sort of, triangulated and computed the date.

Andrew: Alright, on to next big idea, which is to show your customers your concierge MVP and make sure it solves one major problem. Concierge is a big idea that I think I first read in Eric Reese's book 'Clean Startup'. Can you explain what it is before we talk about how you did it and show those emails that you sent out?

Poornima: Sure, so, I concierge MVP is when you don't build a product. You just build an experience, and you share that experience with your customers and collect their feedback, so a lot of times they'll say 'sure, I like this experience,' or, 'I value this service'. You know, 'here's some money to get me signed up,' and that's the way you test whether or not people want the service and are willing to pay for the service and whether or not they're going to continue to use the service after that initial point, and so doing that then let's you deliver the service to them, but you still haven't built a product yet. You still haven't automated anything and that's how you get started with concierge MVP.

Andrew: Where a typical MVP, the classic sense of an MVP is the minimal viable product, have the product built in a little, or limited, capacity as possible. Here we're saying, don't even build that limited version. You do it for them. You be their concierge and see if they care enough about the product. Alright, so then, you did that, and you started firing off emails. I've got multiple emails. I'll pencil them just a little bit. People don't even have to read it. I'll read it to them, but here's one. Here's another. It looks almost exactly the same.

Here's a third. It looks, again, almost exactly the same. I'll read a little bit of it. You're saying, "Hey Liz," actually, in this one, it's, "hey Vidia[SP], hope you're getting ready to enjoy the holidays. I want to let you know I'll be teaching full product development core starting February 1st, covering a lot of areas that might benefit you the last eight weeks and meet for two hours every Friday early evening. It will be offered remotely. There are only a handful of people in the course, and I have one more open slot and thought that, perhaps, you'd be interested. If you are, I can send you the details of the class and we can schedule a time to discuss them" So, it's not automated. It's you, individually, emailing people. One thing I noticed, by the way, is you're saying you have one slot open. You're not saying only one slot open, but you're highlighting the fact that, hey, there's only one limited space.

Poornima: Yeah.

Andrew: Okay. So, what are you doing there that makes it a concierge MVP?

Poornima: Yeah, so, in this case, I am just explaining what the experience is going to be. I didn't have any curriculum. I didn't have any of the contracts signed. I didn't know if people would bite. I didn't even have a site up yet. I just sent out emails to a handful of my mentees to see if they would be interested, and then, the reason I did this was to see what their feedback would be. Right?

So if they said, "Oh, it's a terrible idea, like, I would never pay for this," and I kept hearing that over and over again, then I would think, alright, I've got to tweak my email copy and then resend it. Right? So it's a much faster iteration cycle, but if someone said, "Oh yeah, I'm interested," then I could move on to the next phase, and then that next phase I might send them a second email saying, "Great, so, this is what I'm going to cover," maybe the details of the classes, and then, a third email might be, "And here's how much it's going to cost." Right?

Andrew: I see.

Poornima: So at each point I'm kind of validating a new part of my business, but it's all through email. Right? I'm not setting up a huge website. I'm not committing to any curriculum yet. I'm just getting people's feedback, so it's a little bit like an interview process.

Andrew: I see, and it sounds like you're asking people, specifically, to get on the phone with you, if they have any questions, for a reason. What's the reason for that?

Poornima: Yeah, I want to gauge what their decision-making process is.

Andrew: Mm-hmm.

Poornima: So the reason I say that is because when you just throw up a web page, right, and people come, and then you look at your Google analytics. You're like, great, I got a thousand hits. Right? But why did people stay there for two minutes? Why did they click on the apply now verses the learn more? Right? I want to know all those things, and often times it's very, very, tricky to infer those behaviors, and so what I prefer to do is compel people to get on the phone with me, so that I can understand what's going to lead them to making a decision, right, or what might be some hang-ups?

So, a number of my students, I knew price would be a hang-up for them, so I wanted to get on the phone to get a sense of what ballpark range would work. I knew that some people might say, "Oh, online, well, I prefer if this was, like, in person," or some people might say, "Oh, this is online, great, you know, sign me up. It's really convenient." Or maybe some people who might be like [??] a long time, right?

So I wanted to understand each element of what was going to be positive, was going to be negative so that when I then decided to throw this up on a webpage for the masses I had already tested out with a handful of people what a larger mass, how large a mass might think and react.

Andrew: I see, yes. And someone might not on a form tell you 8 weeks seem like a long time but if you're having a conversation with them it will come out.

Okay, all right. Next we're going to look at price test by checking out time and money wasted. That's what you want us to consider. And you did that and what did you find when you were talking to people about pricing or the way that you were thinking of pricing it?

Poornima: Sure. So I started off with a [??] and a lot of times I don't do this. I encourage actually to not put an anchor but in the case of Femgineer I just said What's like a really expensive amount that people would pay? Let's start with \$1,500, right? and that might be a little extreme. And so I started

off with \$1,500 as my ambitious goal of what I wanted to make and as people got back to me and started to say yes, then I would say ok, the class is \$1,500. And then of course they would be oh, that's really expensive. And so then I would ask them Why do you find this to be expensive?

Andrew: Here's an email where someone said that to you.

Poornima: Yes.

Andrew: I have that up here. Let's bring it up.

Where is that? There it is. Here is the email where someone said to you Hey, this is a little too expensive. Keep me in mind for the class but the curriculum looks great, etc. but this person is having a hard time with the price.

Poornima: Right. And that's when it was \$1,500.

So then I started to kind of gently lower by \$200, by \$200 in increments. And the way that I do that is, you know, with the next student so now I know \$1,500 is a lot, so for the next student I'd be like oh, it's \$1,300, oh, it's now \$1,100. So on each person I tried out a new price because I knew overall that most of my students, I had a sense of what their careers were so I kind of knew what they were making and I knew what their pain points were so I knew that they would not have anything against the curriculum but I knew price was going to be an object for them. And so the two big [??] were \$1,500 was too much.

When I lowered it to about \$800 or \$750 I think on the first iteration, people were still like oh, that's a little bit difficult and then somebody asked do you have an installment plan? I was like oh, that's a good idea. So in the next email I changed the copy and said yes, now we offer 3 month installment plan.

But what I wanted to do to incentivize as many folks to pre-pay was offer just a tiny discount so I was like 10 percent off if you pre-pay the full amount. If you instead decide to do the installment plan then it's going to be the whole price but you're going to pay it over 3 months.

Andrew: I see. And that's what you got by talking to people one at a time, by experimenting one at a time and hearing their feedback. And as a result, I'm on your website right now, bring that website up. There it is.

It's kind of small here where you say Fall 2013 class tuition is \$1,275. Can be paid in three easy installments of \$425. And now you're making it small enough that they can afford it.

Poornima: Right.

Andrew: On installment basis.

All right. Finally, last big idea here and I'm going to bring up the big board. Automate only when you start pulling your hair out of frustration. How did you do that?

Poornima: Yes. So when we launched BusyBee back in December 2010 we had a number of studios say you know, this is great but we got all this all data. Like we had one business that was 20 years old and she had two years' worth of data in index cards. And she wasn't the only one. We had more businesses that said well, I got a lot of data or I got contacts on a number of different spreadsheets.

And so what I said initially was great. Just send us your data in whatever form it is and we'll import it all for you because the theory was that once they got their data in our system, they were hooked,

they're going to stick around. So we just have to make it dead simple for them to give us everything. So then once we got past that hump I literally sat for our first customer and typed in about 200 index cards worth of information. And then I thought this is not just going to [??] and we can't also afford to, like, hire somebody to do this.

And so we started to change off our policies internally where we said ok, now we're going to automate this, we're going to create a tool. It's going to suck everything in and then our customers will still have their data. But we won't be sitting here and doing all of this manual entry.

Andrew: I see. And so, that's how this part happened. On your site, we have this, there it is. This, at the top left, if I could zoom in a little bit. It says "If you've been in business for a while, just send us your data. You're going to import it." And so, what's the problem with automating it right from the start and saying "Hey, I'm not going to sit here and even one time, type it all in. I'm just going to automate it. I'm a developer, I have developer friends. We're a company, here." Why not just do that?

Poornima: So, here's the issue. There were actually two types of businesses that were coming to us. The first were people that were brand new. They didn't have any data. They didn't have a business. They didn't have any customers, right? So, for them, we don't have any need to automate anything. They're just going to happily get one customer at a time and they're going to enter all of their data. And they were fine.

The second group, the people who were already in business. We knew one of two things. We knew either that they would have data. Or they might not even come to us, because they might go to our competitor. So, we're not going to sit here and build something for a group that we're not 100 percent sure is going to become our customer.

When we start to see that there is interest and it's enough interest, then, we'll automate it. So, we wanted to get to a threshold where we were attracting enough businesses who had been in business for a while and had data that we needed to pull in before we built the tool.

Andrew: I see. Alright. Well, thank you so much for doing this. We went through a lot of big points here. And I started pulling out my hair a little bit with some of the technology issues that we had. But, overall, it worked out. And if people want to follow-up with you, I think that the best site that I can refer them to. Yes, you do run Busy Bee. And I'll bring that up. There it is. Yes, you do run that and it's a great site. But I don't imagine where we have a lot of people who run yoga studios watching.

But I can imagine that there are some people here who want to learn more about product development. What do you teach in this course? Why don't we just send them to femgineer.com/courses? What do you teach here?

Poornima: Yeah. So, over the course of the eight weeks, we start with explaining more in-depth brainstorming. We talk about how you actually recruit your initial team, whether it's composed of interns or full-time folks or even just yourself. We talk about the various types of funding we couldn't seek. Whether it's bootstrapping or angel investment. And when are the good times to do that.

And then we move into the actual nitty-gritty, right? You've got an idea. You might be a business founder or a technical founder, but you really need to validate that idea. And so, over about a six-week period in those eight weeks, we focus heavily on taking your idea and having you go through a bunch of different steps. So, we walk you through the customer discovery and development phase. So, figuring out who your persona is. Giving you some techniques for how you're going to reach out to them and get your first customers. And then, of course, expose what their paying points are. And then translate all of that into an initial paper prototype that you're going to go back and once again, meet with customers and get feedback.

So, all along the way, we're taking your idea, we're validating it. We're giving you techniques to validate it. And we're teaching you the next step. Whether it's marketing, whether it's putting a team together. Whether it's "How do I first shift a first iteration or what do I even include in the first iteration"?

Andrew: Are you getting people to the point of development? Are they developing it within the course?

Poornima: So, we've had engineers who come in and actually build out an initial prototype in our course. Because we don't teach coding skills. We don't say that we're going to make sure you have a prototype at the end. The business founders that come in, what we do for them is they get to a point where they build out a prototype on Balsamic or something that's very interactive. And then they take that and either approach a developer. We teach them how to recruit a developer or we pinpoint them to resources if they are okay with going with the consulting shop.

So, we try to get as close to getting the prototype out the door as possible, regardless of the type of founder that you are.

Andrew: I see. And that includes the ideation process, too? How to come up with the idea, etc. Validate it, talk to customers. And that all happens within eight weeks. Do we have to be fem in order to be Femgineer students, no?

Poornima: No. So, it's a pretty mixed class, actually. We do get a number of guys that participate. And the other is we also get a lot of international students.

Andrew: All right. Do you have tech issues like I've been having on this conversation here? Where the video stalls out?

Poornima: With our course?

Andrew: Yes. Do you do video?

Poornima: Yeah. So, we actually keep that in mind. And what we do is we do a tech test with everyone the week before. And make sure that their connection is high-quality. And then we have a couple backup options in the event that our video does fail. And so, our backup options are either Google Hangouts, if it's really early in the class.

If not, we have a pretty good repository of previous classes that we can share with students. But we've tested out like four or five different software programs. And we've actually found that GoToMeeting is also the best for us. But, yeah. We're pretty good about keeping the tech issues to as much of a minimum as possible. And we encourage people to wear headphones so that there is not a lot of noise in the class. We want people to share their webcams. We want them to be as interactive as possible.

Andrew: You want the students to share their webcams?

Poornima: Yeah, exactly.

Andrew: I see. That's why you want to use GoToMeeting with them, I see.

Poornima: Yeah. We want to give as close to an in-classroom experience as possible. But we know that technology is still evolving, so we try to get them there. But aside from that, they have still have one-on-one time with the instructors, so we've got some office hours, as well.

And they are also working on a project, so they're going to further their product or their idea in the

course, as well.

Andrew: All right. The website I'm sending people to is [femgineer.com](http://femgineer.com). Thank you for doing this. Thank you all for being a part of it. Bye, guys.