

Reputation isn't as powerful as you imagine

credit¹

"The fame is fine, and the money's great, but sometimes I miss the plumbing."

The most common reaction to my recent announcement* of starting a new WordPress hosting company² was that this blog provides me with a ridiculous unfair advantage.

But did it?

Here's what people said:

"You're starting with 18,000 prospects. **How convenient.** ;) I wish I had that kind of mailing list starting out."

"**You're doing this the easy way**, publishing this post so that thousands of users see it."

"It is, of course, simple to talk about how easy it is to be popular, when you're the already established prom queen."

Fair point, but what *actually* happened after that post announcement? How unfair was this advantage?

Interestingly, Eric Sink³ got the same reception years ago when he launched⁴ a little company of his own. It's worth hearing Eric defend himself because it's just like my scenario, but because this happened six years ago I can reveal his results at the end of this post:

"Reactions to my Winnable Solitaire experiment were mostly positive, but several people claimed my experiment was "unfair" or "invalid". In a nutshell, they argued that because I am already "famous" for my writings about the business of software, I have an advantage that is not available to my readers. My experiment is therefore meaningless because I did not duplicate the conditions a regular person would be facing when trying to launch their own micro-ISV."

Let's start with the results of my announcement:

* Editor's Note: This was written in 2010.



Damon Chen
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100 agree! Let me show you my proof 📌

I have 60k followers here. Launched quickyAI.com (a software) on Product Hunt yesterday.

The result? \$0 in sales.

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WPEngine got two new signups. Only two. That with 18,000 wonderful, loyal, friendly, supportive RSS subscribers and as many page-hits from Twitter and HackerNews.

Not exactly the massive boost you *nor* I was expecting. I figured on 10-20 new customers at minimum and dreamed of 50. I was wrong by an order of magnitude.*

Eric had a similar result: One month into his Winnable Solitaire experiment he had sold a total of six copies.⁶ Hooray for fame.

Others too.

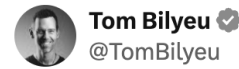
Let's put this into broader context: At WPEngine we had 50 *paying customers* (not prospects) before my post went live. Most are paying \$49/mo, a few pay north of \$1000/mo (large blogs with serious traffic). So whatever we did *without* the advantage of this blog was far more important, at least for getting initial customers. (*I'll explain exactly how we did that in future posts.***)

Still, the blog *was* instrumental in getting those first 50 customers, but not because I'm able to push WordPress hosting onto 18,000 unsuspecting victims, a.k.a. 1000 "true fans." The blog did help with building the team.

It's no secret that the team is a critical factor in a startup's success; have you ever heard otherwise? But there's precious little advice about find-

* Another example of why you cannot predict the future.⁵

** Editor's note: It took 13 years, but I finally wrote up that process for customer discovery,¹¹ as well as a complete roadmap for Product / Market Fit.¹²



Tom Bilyeu ✓
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I have 4M followers who won't buy my products. Everyone says build an audience first. Then sell them anything...

I did that.

Built a massive mindset audience.
Got hundreds of millions of views.
Launched mindset comic books.

Failed.

Built a YouTube following.
Tried to sell them games.

Failed again.

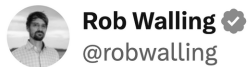
Tried telling my audience "but it's about mindset!"
They didn't care.

Here's the truth:
Big audience ≠ Big sales

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ing and gathering that stellar team. Interviews on the subject invariably turn up explanations like "we went to school together" or "we worked together" or "we met at StartupWeekend"¹³ "In short, you put yourself in an environment where you're likely to interact with other intelligent, capable people, and hope that you find someone socially compatible who is also crazy enough to want to do a startup. It's a good strategy, and anyway what else can you do?"

I knew I needed a killer team for WPEngine—not just "capable," but a group that **would itself be an unfair advantage**. See, "WordPress Host-



Rob Walling ✓
@robwalling

...

I've had to say this a LOT over the years, and it feels like every couple months I revisit the topic on @startupspod.

I've invested in more than 170 SaaS companies, many of them wildly successful. Less than 5% of them have any kind of notable audience.



Laura Roeder
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Should you build an audience before you launch your #SaaS?

Absolutely freakin not.

Here's why:

(Here is her excellent article¹⁰ answering why.)

ing" is already a commodity, with every hosting company on Earth offering something at every price point¹⁴ from \$0/mo, \$5/mo, \$15/mo, \$40/mo, and even \$500/mo + \$200/hr consulting fees. **In a mature market you need severe points of differentiation** or moats,¹⁵ and one of those (I felt) had to be the team itself.

We needed someone like Aaron Brazell.¹⁶ Aaron is a WordPress core contributor and the author of WordPress Bible¹⁷ (Wiley). He's famous enough that strangers at WordPress conventions ask for autographs of their dog-eared copy of his infamous tome. He has seventeen zillion Twitter and blog followers, most of whom are themselves active in the WordPress community. He knows all the major players in the industry including the key folks at WordPress.com, BZ Media (the CopyBlogger media

group), ProBlogger, and members of the press at Mashable, TechCrunch, and others.

Maybe with an Aaron we'd have a chance. His network should provide an ocean of free leads. His reputation transferred to the company would bless us with instant credibility. His press connections should give us pops of traffic and external legitimacy. His intimate knowledge of WordPress internals and roadmap should mean our service is technically superior. That's a lot of advantages! Maybe enough to make or break a little new upstart.

Well **we got Aaron, and it's because of this blog.** When I called Aaron he was charging an obscene (and well-deserved) hourly rate for WordPress consulting in Washington DC, but he was yearning for the startup life. He was ready for the trade-off of definitely less money now in exchange for possibly more money later, and for building something of lasting value instead of the impermanent drudgery of un-screwing hacked WordPress installations.

And the blog sealed the deal. Aaron could have joined (or started-up) any number of startups, but he liked WP Engine because he wanted to do a startup with me. And he wanted to do a startup with me because the blog revealed my attitude, perspective, and credentials.

Aaron picked up, moved to Austin, and has already been instrumental to our success thus far.

So fame does help in important ways—enough even to deserve the title of “unfair advantage”¹⁸—but startups are still hard and unlikely to succeed no matter who's at the helm. Case in point? Eric Sink.

Eric's experiment eventually failed. Well, “fail” is a too harsh a word,¹⁹ it's just the one in-vogue nowadays, especially when describing an wonderful experience in which you had fun, learned a lot, grew as a person, and wouldn't trade it for anything, particularly not a dull, predictable day job. You know, the kind of “fail” that characterizes a lot of software startups.

On sales of \$216, Eric sold Winnable Solitaire²⁰ for a small sum. Of course neither the exit nor the to-date revenue amounts to anything that anyone would declare a success.

WPEngine's revenue to date is several orders of magnitude more, so hopefully we'll avoid that fate.* Still, our expenses are also orders of magnitude more than Eric's, and as I hope I've shown, although we have decided advantages, it's never an easy road.

But then, if it were easy it wouldn't be worthwhile,²¹ right?

Current version of this article:

<https://longform.asmartbear.com/reputation/>

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* Editor's Note: We went on to become a Unicorn, and in 2023 are still growing and profitable.