Everything Marketplaces

Group Chat #15 - Bryan Clayton, CEO of GreenPal

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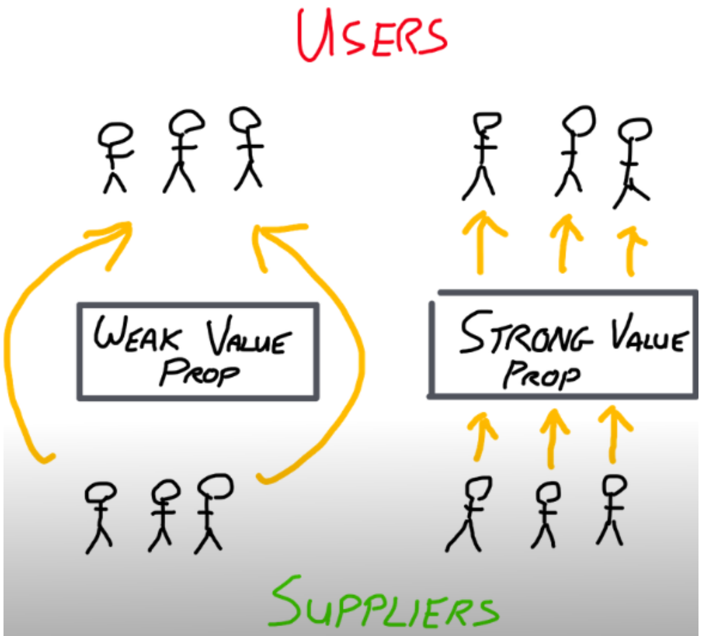
EPISODE HIGHLIGHTS

GREENPAL

(07:10) The scrappy early days of GreenPal

(13:38) GreenPal's SEO tactics



(47:39) Dealing with disintermediation

(02:41) The GreenPal journey

(22:15) How GreenPal expanded outside of Nashville

(31:16) When should you hire people?

(38:56) Re-investing early revenue to bootstrap the platform

(45:05) Offering ancillary services

(51:16) Additional value prop for suppliers

(53:07) Bryan's biggest key learnings

Bryan's Background (00:00)

Mike: Welcome to Everything Marketplaces where we talk with marketplace founders and leaders from some of today's top marketplaces. This is Episode 15 and I'm excited to welcome on Bryan Clayton, who is currently the CEO and co-founder of Greenpal. GreenPal is a marketplace for lawn care with a $20 million annual run rate and is completely bootstraped.

So Bryan, you have an incredible story with GreenPal. It's definitely not the typical Silicon Valley one. Maybe before we jump into talking about how you got started with GreenPal you can share a little bit more about your background.

Bryan: Thanks for having me on. I'm a lifelong entrepreneur; when I was 16 years old, my dad came into my bedroom on a hot summer day and interrupted me playing Super Mario Kart and said, "hey, listen, we got a job to do. We're going to go mow the neighbor's yard." He made me go cut the neighbor's grass. He and I did it together. We got paid 20 bucks. We split it. Ever since then, I've been hooked on entrepreneurship. I've never had a job. I've never worked for anybody. I just started mowing yards in high school and by the end of that summer, I think I had 15 people that I was mowing grass for in the neighborhood. And just slowly grew that business over time all the way through high school, all the way through college. By the time I was 22, 23 years old graduating college, I had like 50 employees.

I grew that business over a 15 year period of time to over 150 people and over $10 million a year in revenue and sold that business to the largest national landscaping company. After that, I kind of retired, took some time off, quite frankly, got bored and realized that for me, my joy and my personal fulfillment comes from owning and operating and growing businesses.

So I started GreenPal. I recruited two co-founders and we just went to work on creating the marketplace for lawn mowing services. Here we are seven years later and we've grown GreenPal from zero revenue to $20 million a year in revenue. Over 200,000 active users on a weekly basis use the app and website to get their lawn cut.

So it's been a hell of a journey going from a blue-collar typical type of business owner to a tech entrepreneur and building a marketplace and bootstrapping it. It's been tough, but I'm glad I did it. I've learned a lot.

The GreenPal journey (02:41)

Mike: That's quite the story. What was it like after you sold your first business that was primarily service driven, to where you thought, "hey, I need to start GreenPal as a marketplace" and take that step?

Bryan: I spent 15 years starting a landscaping company from just myself and a push mower to having over a hundred people with hundreds of vehicles going out everyday. Bootstrapping that business and growing it from scratch, I saw a lot of the inefficiencies and how hard it is as a business owner in the landscaping business to operate your business, how hard it is to get connected with good fit clientele. Then on the flip side, I saw that for homeowners it's just really hard to find a good lawn cutting service. You wouldn't think it is but it actually is.

Running that company, we would get 30-40 phone calls a day to my front office of people just looking for a basic lawn mowing service. My company had grown to the size where we weren't doing residential lawn mowing anymore but we would try to refer these people to smaller operators.

In effect, we became a referral network for people that were needing basic yard mowing services and referred them to smaller providers that they didn't know about. They couldn't reach them. I saw that and I just knew that that was a problem and it needed to be solved. I saw what Uber and Lyft were doing for ride sharing and what Airbnb was doing for accomodation and so the very clear idea for me, that technology and a technology driven marketplace could solve the problem of it being damn hard to find a good lawn mowing service to come out on the day you want them. Then also as a smaller lawn mowing service operator, It's hard to get started. It's hard to know what tools you should be using. It's hard to market your business.

So the idea seven years ago, which just getting started now today, really is the same idea that I had back then. It's just making this one simple chore so much easier than it is in analog and literally making the Uber for lawn mowers. Now, what I under indexed on was how difficult it was going to be to reinvent myself from being a typical blue collar, traditional type of business owner to starting a straight up tech startup. I didn't understand how hard that was going to be. At the start we paid a development agency in Nashville something like $150,000 to build the first version of the site. We literally thought that we were just going to build that first version, market it, and then we were going to be off to the races.

Man nothing could be further from the truth. We launched this thing and it was a whole piece of junk. It barely worked. It was hard to use and I think at the end of our first year we had something like 20 users and half of them were my friends and family. So we learned that, okay, if we're going to be a tech startup, we're going to have to execute on all of these things.

So my co-founders and I had to start learning how to build software, how to design software, how to build a marketplace, how to architect one, just really started just getting in the trenches, grinding on building this thing, talking to every user that we could and funneling all of that feedback into how we were crafting the product on both sides of the transaction.

It was just a lot of trial and error. It took us three years of just gutting it out in Nashville, Tennessee to where we actually got to a product that worked right and to where we actually got to a recipe that we could scale out city by city. We didn't launch our second city until four years into the marketplace.

So that's a lesson that you have to learn the hard way. If you're going to bootstrap a marketplace you need to be ready for a long, hard fight. Getting that first hundred thousand in revenues, getting that first million dollars in revenues is just a bitch.

And it was one that we had to learn the hard way and I'm glad we did because now here we are seven years later, we're doing $20 million a year in revenue. We're completely debt free. We have no outside investors and we're pumping all the money back into the platform to build it and grow it. It feels good. I'm glad we did it this way. But the first few years were excruciating.

The scrappy early days of GreenPal (07:10)

Mike: **That's quite the journey and I think most of us that are bootstrapping marketplaces can relate. So maybe if we take a step back and go to the early days where it sounds like you had the existing kind of demand and you just saw that there was an overwhelming need for these services. Then you hired the dev shop to build out your first product. What was it like on your guys' end after you invested this initial amount in building out a platform and found it quite challenging?**

As in, what was that journey like trying to build up your first amount of revenue after being bootstrapped and making that investment?

Bryan: Absolute hell. We spent six months with this dev shop building this thing. No users. We did the same thing that almost every naive entrepreneur does - the "build it and they will come" attitude. We didn't have any kind of growth strategy baked into our go-to-market strategy.

We had to figure out a way to get people to use this damn thing. So took a page out of my former playbook from running my last company. We passed out door hangers My two co-founders and I printed out like a hundred thousand door hangers and we went all over Nashville, Tennessee passing these goddamn things out.

I could still like, to this day, hang one of these with my eyes closed cause I've done so many of them. I had just sold my $10 million landscaping business. I had retired and now I'm hanging out door hangers for lawn mowing which I wouldn't have even done with my last company.

It was very humbling. But it taught us a lot. We learned a lot doing that. Just the sheer hustle of doing that for several months was humbling but we got the first couple hundred users we needed to use our first version of the product. Then we could just sit down with them, talk to them, try to figure out what they liked about it. What problem did it solve? What problem did you think it was going to sove? Where did we come up short? We learned a lot. We learned the essence of our value proposition for the demand side. When we launched, we thought that our value proposition was we are the cheapest way to get your grass cut. We're hands down the cheapest way to get your lawn mowed.

But that really wasn't as important to the homeowners as we thought. What they actually wanted was a fast, reliable service. Because when they got to our product, they had already exhausted every other option to find somebody to come mow yard, they had already left 20 voicemails. They had already asked for referrals at church. They had already posted on Facebook. And now they tried this thing out of sheer desperation. They needed somebody to show up on time and actually do a good job and that's the problem we were solving. We didn't know that. Our assumption was that we were trying to market the cheapest solution to this problem, when in fact the thrust of our value proposition is more that it's the quickest, fastest, most reliable way to get somebody at your house to mow your grass. It still is now to this day.

So that was something that we learned just through the sheer hustle of trying manufacture the momentum, going from cold start to getting the first few hundred users into the product and actually sitting down with them, at a coffee shop or at their kitchen counter and talking to them and trying to figure out, "how do we do more of what you wanted and less of what you didn't like?" We just kept repeating that over and over and over again and still to this day that's our ethos for how we do product development and how we understand where we need to focus all of our efforts and resources. So the early days were extremely hard.

I got bit by a dog two or three times handing these things out and we came to realize that 10 users per dog bite was not a scalable user acquisition strategy. We had to figure out how to bake growth into this product somehow. Still, to this day we focus a good amount of our resources on building growth into the product and think of how we leverage the product and grow the product? Because we're not taking on capital. We can't afford paid channels. We can't afford to spend a bunch of money on paid growth. So we had to figure out ways to architect the marketplace so it would grow itself.

It took four years to figure that out. We were just gutting out that time, just trying to hustle up as many users as we could and keep them. This was the dues we had to pay and it's table stakes.

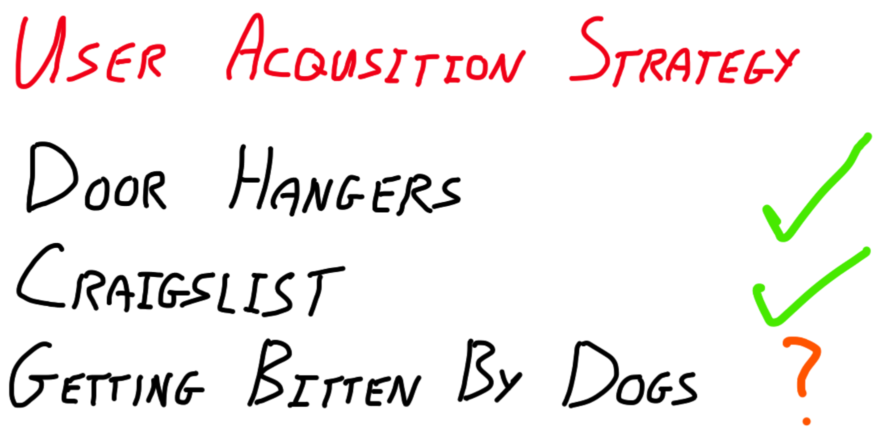
How GreenPal got traction early on (12:19)

Mike: **That's super, super interesting and I can definitely see how passing out the door hangers is not scalable!**

What were some of the tactics that you guys found early on, or maybe even call them product features, that really allowed you to kind of scale from that initial attraction that you guys had?

Bryan: We began to ask the question, "where are our users hanging out?"

Like in any marketplace you've got both sides of the transaction that you have to recruit to the platform. In most cases the demand side is the harder of the two. Once you have demand, supply will usually come. So the first early adopters or vendors that used our platform, we were just hustling them up through Craigslist and through word of mouth. Anybody that was advertising on Craigslist, we would reach out to and pitch them over the phone.



That was a pretty easy pitch because it's free to sign up for our platform. You only pay a transaction fee to use it. And so we were able to hustle that side up. The hard part is the demand side and that usually is for any marketplace. It certainly was for ours. So we had a look at, "okay, well where can we get these folks to try the product and where can we be when they need us?".

GreenPal's SEO tactics (13:38)

Bryan: For us local search was the best thing for us to focus on. It still is to this day. If you type in "lawn care near me" or "near Charlotte, North Carolina", or "lawn care, Nashville, Tennessee" or "lawn care, Tampa, Florida", "lawn maintenance, Tulsa, Oklahoma", for these key phrases our platform ranks.

SEO was a bet that we made early on to try to get organic traffic into our platform for homeowners that needed the services that our platform offers. SEO is kind of one of those things where you have to bet the company on it. And we did. It's just such a labor intensive, long, hard slog, kind of like a marketplace itself.

It takes years to get any kind of momentum behind it. But we knew that we weren't going to raise money. We knew we didn't want to raise money. So we figured, "okay, let's play the long game and let's figure out how we can compete". And the way we did that was we hand cranked it and we still do to this day.

Every vendor that we get on our platform we interview them. We talk to them, we find out what makes their business unique, why they're in the business, what services they offer, what are some local nuances around their area, what high school they went to, what neighborhoods they serve. And we collect all of this unique information about that business and handcraft a bio about that company.

So this is all local content that we create for every one of our service providers. And then we funnel that into content that we serve to Google. So let's say you're searching for lawn mowing services, Hartford, Connecticut. We have the 10 best lawn mowing services in Hartford, Connecticut and we've written about them and we've curated this information and we put it into a nicely packaged landing page for users to interact with and to onboard onto the platform.

Google recognizes that this content is unique as the best resource for lawn mowing in Hartford, Connecticut. So Google rewards this and puts it up further on the search results. That's how we acquire about half of our homeowners that use the platform and to this day it's our biggest channel.

And so a lot of times when you're building a marketplace, especially a bootstrapped one, you're going to need to bet the farm on one channel. In my experience, you're going to need to just try to do everything you can to unlock that one channel. Rarely in a bootstrap startup are you going to have three, four or five channels because it's hard to compete and be good at five things at once. For us, local search is the thing that we've bet on to acquire the demand side for our platform.

Mike: **I saw that you guys created a guide recently? Is this to help with SEO?**

Bryan: Yeah so for the supply side, we have the best book for how to start a lawn mowing business. I wrote it and I'm not saying I'm the guru on this, but I did build an actual lawn mowing business from zero to 10 million in revenue and sold it and less than like 0.001% of people in lawn mowing businesses actually get that done. So I wrote this book on how to start a lawn mowing service and we spent like $80k on the design and execution and research on this book.

We built and launched that and it's the honey for how we attract the supply side on the platform. So for us, the supply side's unlocked and we don't even worry about that. We have more than enough lawn mowing services in all 50 States in the United States that want to use our platform.

Now we just focus on the demand side and get as many homeowners onto the platform as we can for the vendors that use it so they can operate their business and make material income doing it. It's our goal for any lawn mowing company or anybody getting started in lawn mowing service to plug into our platform and to make a $100k in the first year.

If they're willing to work hard enough, we take care of everything. All they need to do is just show up when they're supposed to show up and do a good job and upload the picture. That's literally all they have to do everyday from getting all of the leads that they could ever want, to all the work that they could ever want, getting them scheduled, getting paid, getting all of the routing done for them, all handled with our technology... All they have to do is hustle, do a good job, communicate with their clients and they can grow from 5 customers to 50 customers in their first year, just by bolting on to the GreenPal platform.

The type of suppliers on the GreenPal platform (18:45)

Mike: **I find that super interesting in not only creating the guide to focus on helping some of the suppliers potentially get started, but then also grow their businesses using your platform. Now you're kind of seeing businesses truly grow their own revenue, which of course kind of, you know, benefits you guys as a marketplace.**

What stage are you focusing on? I know now you're focusing on the demand side, but with suppliers, are you seeing people getting started using your platform and growing their business through it? Or what's the kind of breakdown on supply?

Bryan: There's over 10,000 lawn mowing services that use the platform to operate and grow their business. If you had to put that out on a pie graph, over 70% of them are what we call one man bands, Peter and a pickup, Chuck and a truck. It's just one person riding around and doing it. It's our job to make that guy or gal light and easy as possible.

That type of person is working as a teacher, working as an EMS first responder, working as a fireman, a police officer or whatever. The lawn mowing business is the perfect side hustle to compliment that. So we see a lot of people that mow yards three or four days a week as a side hustle and they're making bank. They're making like $60, $70 an hour, just hustling, mowing yards on our platform.

They own probably $5,000 in equipment as an investment to get started. But it's the perfect side hustle job. Then those folks graduate and leave their job to go time mowing yards on our platform full time. That's one of our yardsticks for success.

So that's our sweet spot for suppliers. There are companies that are doing like a million dollars in revenue that already have three or four crews, we do have about 10% of our users that fit that makeup. But the thing is those operators have their existing systems, albeit they're ancient, like a lot of times they're just spreadsheets, handwritten calendars and stuff like that.

They're more stodgy to adapt new processes and new technologies. So they're not really a good fit for our platform. Our platform is a good fit for the person just getting started, the smaller provider, because honestly that's a better fit for the homeowner. You can jump onto GreenPal and hire this small boutique operator who's actually the person who's going to be trimming your grass and you could hire them easier than any of the more established companies. You can hire them by pushing a button. That's the value proposition for the homeowner. They have access to all these smaller operators who have no exposure in the marketplace, have no marketing, you'd have no other way to find or know who they are.

It's very, very fragmented but we consolidate that all into one nice experience for homeowners. That's like the sweet spot for both sides of the transaction that makes the value proposition for GreenPal very compelling for consumers and very compelling for providers.

How GreenPal expanded outside of Nashville (22:15)

Mike: Maybe we can jump into talking about how you guys expanded outside of Nashville.

Bryan: It was hard. The first three years were just in Nashville trying to figure out how the hell we make this thing consistent, reliable and make it to where, when one homeowner pushes a button, the guy or gal actually shows up.

In our fourth year we launched our second market in Tampa, Florida and we had to figure out, okay, how can we make something that's working in Nashville work in Tampa. At that time, we might have had a thousand users in Nashville and we launched in Tampa, Florida because one of our friends lived there.

Literally, that was the only reason we launched there. It was because we could go down and he knew all the neighborhoods. He could just drive us around and he could show us the lay of the land and that's why we picked Tampa. So I remember going down there and he's showing us around and he's driving us around. And I was like, yeah, this is a nice neighborhood. This is a nice neighborhood. And he's laughing. Then I started realizing all he's doing is driving us to the neighborhoods of former girlfriends that he had in high school. That's literally all he's doing. I'm like, dude, I don't know.

It makes us think, what the hell are we doing? This is our second markeT and this idiot friend of ours is just driving us around Tampa, Florida. This really was our strategy, but that's how we did it. So we said, okay, we'll just do Tampa. It seems okay.

I know the inside of every coffee shop inside of the Tampa Bay area Cause I went down there for three weeks and just interviewed and talked to hundreds of lawn mowing services to onboard them onto the platform, because we knew that if we didn't get that right, that it was game over. We had to figure out a way to take this thing on the road.

We learned so much launching that product in another city. We learned that the market wasn't Tampa. The market was Seffner Riverview, Brandon St. Petersburg, Gulf city...these are all little cities around Tampa that I personally know because I wrote the content for the landing pages for these towns.

We learned that to build a city, to build a market, it's not the key head that you think it is. It's all of the little towns and suburbs that are around that Metro that make up the market. And we learned that the hard way. It took us two years to figure it out. The thing you don't realize for lawn mowing is that you hire somebody and they have to be within 5 or 10 miles of you to make it profitable for them. It's so hyperlocal like that they have to be mowing in your zip code or else it's not worth it for them. If you want them to come mow your grass for $35, they have to be within a five minute drive. They can't sit in traffic for 20 minutes and make any money on your $35 grass cutting. We learned that the hard way and we learned that every single city had to be built from the ground up at a low molecular level. So that was the go to market strategy.

That was the rollout. Then it's like the second year. That was the second market. Third market was Atlanta. We just gutted that out. Then we figured out, okay, this is the recipe. This is like the 20 things that we have to do to roll out into a new town. This is how we do it.

Now we're in every major city in the United States, every state and now we're focusing on tier two and tier three cities, like your Billings, Montana or Greensboro, South Carolina. we're in every major market now, and now we're focusing on cities with less than a hundred thousand people.

The rollout strategy for a locally based marketplace is very tough. It's very in the trenches, very hand to hand combat, it's something that has to be done from the ground up in every town and city. We just learned that by doing it the hard way and the wrong way and figured out what was the way that worked for us.

At what stage GreenPal launched into a second market (26:54)

Mike: Just so we can kind of maybe get an idea of at what point you initially launched into Tampa at, what was the scale and revenue of the company, at that point?

Bryan: Dude, it was less than a million dollars a year in revenue and it was just something we spent three years in Nashville and we figured out, okay, we have to do this. We have to take the leap of faith and we have to figure out how to put this in a new town.

So at that point we knew we had product market fit. We knew we were solving a problem. We knew it was a bitch to get the demand side to use it. And it's just hard to distribute any product. But we were holding on to the homeowners that were using it, even though the product was terrible. At that point, we were at least sticky and we were at least retaining these people and we were making money.

So we knew we gotta take a leap of faith. We gotta go to Tampa and you know, our first year, second year, our goal was like a hundred transactions a week and we didn't hit it. So we said, okay, we have to get to 500 transactions a week. Now we do like 20,000. But targeted 500 transactions a week before we launched our second market and we finished the third year with 300 transactions we said let's just do it anyway.

It was very much a shoot from the hip gut call. And a lot of times when you're bootstrapping something and you're starting from scratch, a lot of it needs to be like that. I think you just need to keep moving. You need to keep trying stuff. You need to keep momentum, need to keep pushing forward because you can sit here and theorize and look at metrics and look at that and let that influence your decision.

But I think in the early days, to me, that's bullshit. You don't need to be like data driven until reached product-market fit and you have material revenue running through your product. Otherwise you just get petrified and you get like gridlock and you're just analyzing, you're doing nothing.

I've seen that happen so many times. I coached startups in Nashville a lot. A lot of times you see people that are just frozen by analysis. And they're not actually doing the, what I call it the RCS, the real company shit. They're not talking to users.

They're not literally passing out flyers that they have to get users. They're not doing the hustle to manufacture the momentum. So for us that second market was just something like, okay, we think we have product market fit. We've got a few hundred users. We got revenue pumping through the platform.

I think it was under a million and we just did it, you know? And it was hard. I didn't like it. It was humbling, but I'm glad we did it.

What stage GreenPal are at now (30:06)

Mike: **Awesome. There's a lot we could jump into here, but we're going to jump into questions in a little bit because we have some from the group.**

Can you share like a little bit more about the stage you guys are at today and the team makeup and whatnot?

Bryan: It's still the same founding team. We started with four co-founders in the early days and we bought out one of our co-founders in years three or four.

So now it's just three co-founders - me and two others. We have a team of around 20 people that work inside the company doing everything from design to content, writing to development in executing the product roadmap. As far as users go, 200,000 homeowners use the platform. They get their lawn mowing and landscape maintenance done from over 10,000 small lawn mowing services who use it to run their business. This year we're at a $20 million run rate for revenue going to the platform. So we've done all that from zero and no outside capital.

When should you hire people? (31:16)

Mike: That's quite impressive. Let's just jump into some questions if that's cool with you.

Audience question: *Hey Brian. We're trying to bootstrap the hell out of our business as well through SEO. One thing that's kind of a sticking point for me is how quickly should we scale our teams? Right now it's just me and my co-founder. In those early stages when you started to see some traction come through and it was becoming a little bit too much for yourself, did you invest upfront for outsourcing things where you wouldn't actually be profitable as a result? Or did you say we're going to do this profitably the whole way along?*

Bryan: Great question. I think when you're starting a business there's two different phases.

There's on it and there's in it. When you first get started, a lot of your time is going to be spent in it. Maybe 90% of your time is in it. 10% of your time is on it. It could be like writing the content for SEO, doing outreach for backlinks, looking at the analytics for your on page stuff and tweaking and fixing those at a code level.

That's all in it stuff. But you need to be thinking about, okay, how do I build a system to execute these things? It could be helpful to go through your business and your company and develop an org chart. You can say, President, Vice President, COO marketing, SEO, content creator, technical SEO outreach for back, linking, you know QA, all of this shit that goes into SEO.

And it's literally going to be your name on every single one of these things. But at least you have the roles identified and you're wearing every single one of those hats. And then as time goes on, you get just a little bit of money coming through your platform. Maybe you can peel off one of them and you can say, okay, I'm spending 80 hours a week on the startup and, and 20-30 hours of it are on an SEO related task. And the thing that's really bogging me down is the outreach that we have to do for backlinks to our blog posts. I'm going to hire somebody to help me with that one thing. And I'm going to develop a recipe, a formula, a system that they can follow that I made because I'm doing it and I know how to do it.

I'm delegating from a stewardship standpoint. Like I'm the steward of it. I'm not delegating from abdication. It's like, Oh, we suck it at SEO, somebody handle that.

No, it's like, this is our SEO engine and we're doing pretty good, but I think a lever that I can pull is this somebody can do 50 hours a week of outreach rather than five that I'm doing.

And I can pay them $500 a week to do it. That will be a leverage point for us to make our SEO even better and stronger. It also frees me up for higher leverage activities where I can move just out of in it and more to on it. Cause everything I just said was on it related stuff. You're developing a system, you're developing a process to delegate some of these things and that's where you need to be spending as much of your time as you can out of getting out of in it and getting on the on it and delegating more into like high leverage things.

Scaling a tech business vs. scaling a service business (35:07)

Mike: Hey Brian, I'm kind of curious. From scaling your initial business, which was a service based business that grew to 150 employees, was it a hard challenge to shift to scaling with technology and understanding processes versus headcount?

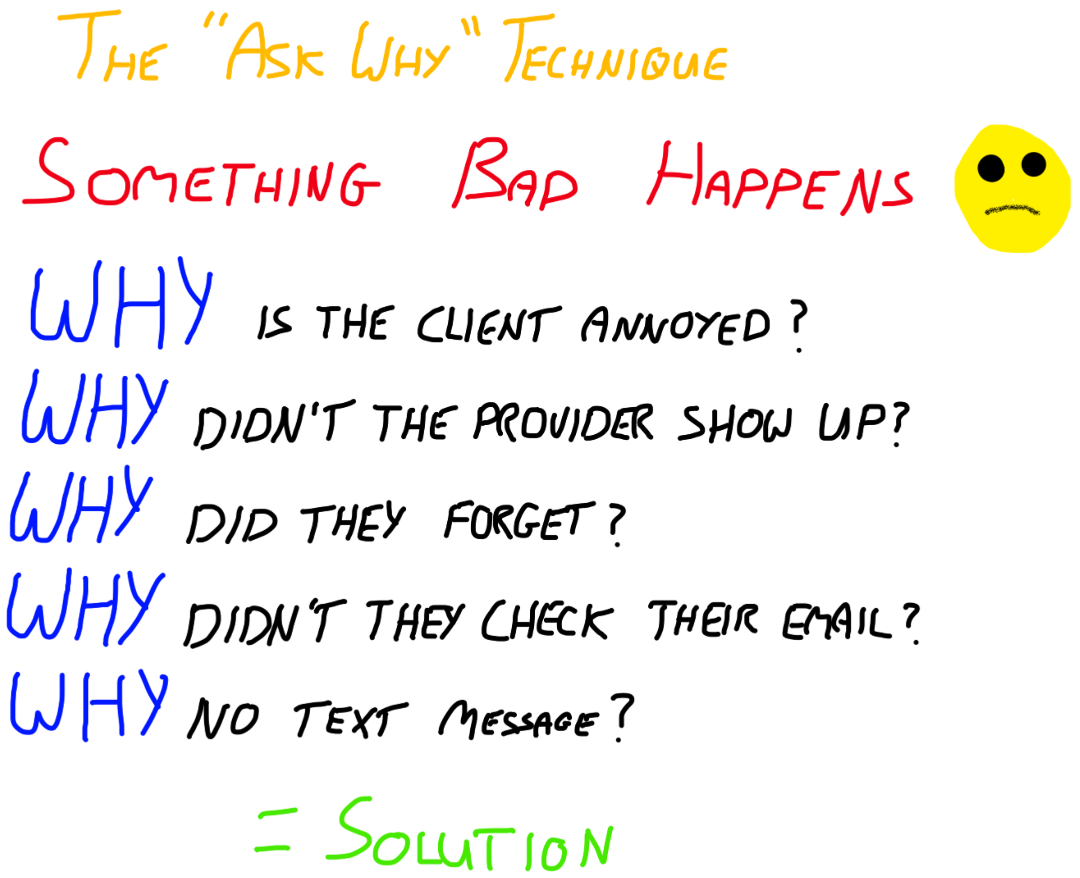
Bryan: Yeah, absolutely. It was a totally different world. The good news is that when you're in a tech driven business, there is a technological solution for almost every problem you face, which is great. It makes it so much easier to deal with the day to day bullshit. A little heuristic that I learned from the Lean Startup is that if something goes wrong you just ask why five times.

Why did this go wrong? And then literally you just go through ask why five times. Why? So for us, an example in the early days would be that the user homeowner's pissed off because the lawn mowing service didn't show up on time.

Well, why didn't they show up on time? Well, they forgot. They didn't know that it was on their schedule. Why didn't they know what was on their schedule? Because they don't check their email. Well, why don't they check their email? Well, because as it turns out, although email is very important to us, most of the world never checks their email. Well, shit. Okay. So now what do we do? We gotta text message them every time. Okay, well now we're actually texting them, but what happened? Well, they didn't get that text message because they use Cricket as their service provider and cricket doesn't receive SMS from our system.

Okay. So the problem is there's actually this weird, nuanced technical problem as to why this person didn't get the text message to show up on the day they were supposed to. You never would have known that had you not going through the exercise, ask why 5 or 10 times to get to the root cause of why something didn't go the way you wanted or expected it to go and going through that process over and over and over again, for every single problem with the business faces is great.

Because you can solve the problems with a technological solution, but getting to a point where you can execute technology at that level is extremely hard.



If you run a traditional business, let's say you operate a restaurant and you're a great restaurateur. But you have this idea to build the best OS for bakeries. Dude, it's going to be really hard to learn how to build software. If your thing is bacon muffins and you have the best, most tasty, delicious blueberry muffin in your zip code and you think you want to build software that's going to be a marketplace that's going to make operating a bakery a lot easier. It's going to take you three to four years to learn how to do that. That's what it took me. A lot of times as entrepreneurs, we see other people who start up marketplaces, like crushing it, raising $50m, $100m, $200 million and exiting for half a billion dollars.

And what you don't understand, or I didn't understand is that a lot of times these teams are on their second or third or fourth go, they've already crashed and burned like three or four times. They've already crashed a ton of capital into the ground. And they have taken all of those lessons and have started out on first base, whereas you're going to spend two or three years in the dugout, just figuring out how to play this game if you're going from like analog to digital, at least that's my experience.

Mike: Yeah. I think that's definitely a great point. I mean, at the end of the day, we're all, we're always all still learning.

Re-investing early revenue to bootstrap the platform (38:56)

***Audience question:** As you started getting your first paying customers, how much of that did you put back into marketing and getting more customers?*

Bryan: Great question. So, one of my favorite quotes is from Charlie Munger, who is Warren Buffett's right hand man. And he says, the first a hundred thousand is a bitch. Get the first hundred thousand in revenue. It's going to be hard, do whatever it is you have to do. By that, I mean, like personally, as an entrepreneur you're going to have to live and sustain yourself on the least amount of money as possible so you can invest every dime back in. For us, my two co-founders worked at Dell computer for like the first three years and GreenPal was our night and weekend hustle. Now I was financially independent so I was retired and I was working on it a hundred hours a week, seven days a week. But I wasn't taking a salary and for my two co-founders, it was just like, "hey, you know how much you need this week?"

"Can you get by a couple hundred bucks?" Like it was bad. It was like $10 a food budget. It was like, what's the cheapest rent we can get? That's why, for us, Nashville, Tennessee was a great place for us to start a bootstraped startup because for the, for five years, three of us shared a 250 square foot office that was $400 a month. But one little heuristic that we focused on from Steve Blank and the startup owner's manual iwass this simple formula of get, keep, grow. It's like, SEO, how do we get people into this thing? Keep, how do we keep them ? How do we solve the problems with the product that we grow with? How do we leverage those people to get more people? For us, every dime, like literally 90% of the money that came into our front door, went back into those activities.

UI Tips (41:13)

***Audience question:** Right now, we're really new. And we're trying to figure out the best way with our website of how to display, either just trying to get more* *information, having them fill out a form or try to show them all the offerings that we can do.*

Do you have any suggestions on how your website has changed or how your interaction with people coming on your website has changed over time?

Bryan: Yeah. Great question. One thing when you're bootstrap is that you have to make the most out of all the traffic that you get. Let's say you get a thousand people a month. You gotta sell something to as big a percent of those thousand as you can. For us, it was just always relentlessly focusing on one thing that an eight year old would understand. Push a button and hire a lawn service. Well, I need my shrubs pruned or I need mulch or I need snow plowing or I need a tree trimmer.

With all of these fragmented things, we've always focused on what is the one thing we do better than anybody else in the world. And let's just focus everything we have into that. Then after we get a user base, we might start cross-selling other things that are interesting down, down the path.

But when I was studying product design in the early days, there's this concept called the red routes and it relates to London, the buses in the city that go down the street and there's this red line that is now in the middle of the road. The bus can only go on that one red line. In product development it's the concept of the red roof where there's this one red line from start to finish. You can't jump off into all these other things. You might say "what about stuff like Expedia or Airbnb where I can do all of these other cool things? I can spend my time surfing and figuring out what I want to do."

That's great. But those companies are at scale. If you're developing a marketplace, you've got to focus on one case that an eight year old can understand and drive them down that one funnel and get the traction around that one use case.

Then you can focus on all other kinds of stuff after you develop traction around that one use case. That's what worked for us. And that's something that we've had to learn the hard way ourselves. When you start introducing all of these different things and value propositions, your value proposition is actually diluted and you're not compelling to anybody.

So that's my advice. Make the three second rule: you have three seconds when somebody gets to your landing page to get to "where am I? What can I do here? And why does it matter?" The user needs to be able to understand that in three seconds. If not, as a bootstrapped marketplace, it's going to be hard.

Offering ancillary services (45:05)

Mike: **Brian, do you offer other kinds of like additional services or some kind of add-on beyond that now?**

Bryan: We do. About 20 something percent of our business is not lawnmowing. But as a new user, GreenPal is not a helpful name.

We want it to be in the lexicon of the English language. Like, "hey, how are you going to get there? I'm gonna Uber there".

"Hey, your grass is four feet tall. You should get GreenPal". We want to be that . But we're not. Not yet. Even to this day, the onboarding process goes from, "what the hell is green pal?", to "what can it do for me?", to "Oh yeah. Great. I get hooked up with a great lawn mowing service who comes out the same day or tomorrow in like less than two minutes. That's what it is."

The next piece of the user journey is: Okay. Great. How did the lawnmowing go? We're good. All right. Let's book them for every week or every two weeks for the rest of the lawn mowing season."

That's the next thing. We're not worrying about anything else until we get you hooked up with a lawn mowing service that can run for the rest of the lawn mowing season. Every week or every two weeks. Then after that you get to, "Hey, you know, you need your shrub pruned. Do you need mulch? Do you need seed? You need fertilizer? We noticed you lived in the Northeast, there's a snow event coming. Do you want hire them for snow removal?"

All of these offshoot or ancillary services that our platform can help you with you can add after you get hooked up. But for us, going deep and not wide is the strategy that's worked for us.

Now you can go to Thumbtack, Yelp, Angie's List, Home Advisor and you can get the list of names and numbers for all of these things at the touch of a button. There's already solutions for that. But you can't push a button and hire them to come mow tomorrow at a price where you know what it's going to be.

And the only reason you can do that for lawn mowing on our platform is because we have focused with relentless intensity, everything that we have as far as bandwidth, into making it as easy as possible to push a button and get your lawn mowed. If we had fragmented all of that focus and the product positioning and the messaging around the 20 things that our platform could do on the front end, it's overwhelming and nobody would use it.

Dealing with disintermediation (47:39)

Mike: **Thanks for explaining more than that. I've got another kind of question off the back of that. So with that first transaction that you have through the platform, they have a great experience. Have you seen disintermediation as a problem initially?**

Bryan: In the early days it was a problem because the product sucked, it was hard to use. Our value proposition was weak for service providers. The first 5,000 lawn mowing services that used the platform in Nashville, all had my cell number seven days a week. You can call Brian and talk to him about the platform. Talk to him about a problem. There was a personal relationship with all of these guys and gals and that was necessary in the early days because the product is such a piece of crap that it was very much like an act of benevolence for suppliers to use it.

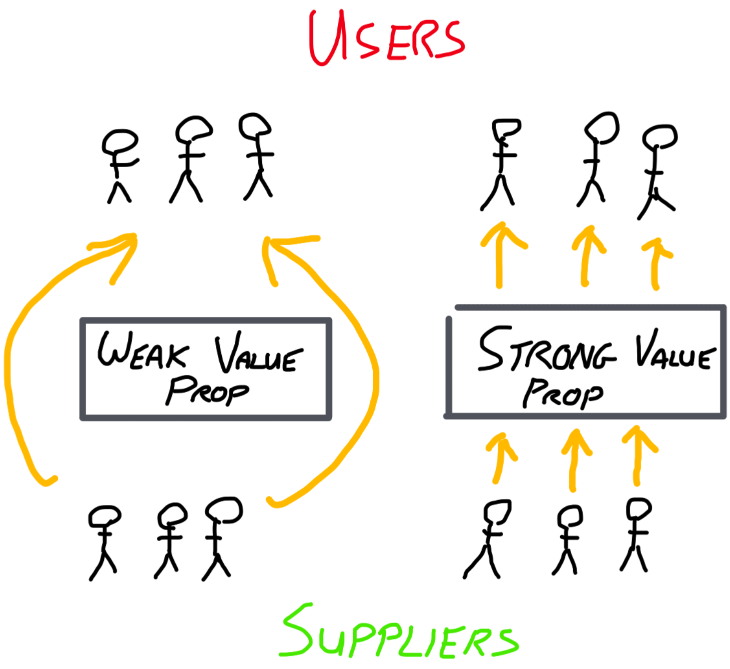
It's like, "Hey, you know, I kinda like these guys. They're cool. I see what they're trying to do. You know, they got me 10 customers this year. Neat. Yes. Piece of shit, but you know, I'll keep using it".

That was the dynamic for the first two years. And so that's how we circumvented this intermediation. Now, here we are seven years later with hundreds of thousands of users, this intermediation does not happen much because we add more value than we take out. So in the early days, don't get too bent out of shape if you're getting disintermediated because it's going to happen because your value proposition and your products stink, but as time goes on and you're getting just intermediated a lot, it's an indicator to me that you're not adding enough value as a platform because it really should almost take care of itself.

Let me imagine riding an Uber and it's like "Hey man, for 50 cents cheaper, I can just pay you. Like I can dig out some cash and some coins. And rather than the ride being like $7.50, it'll be $6.90. You cool with that? You cancel and all cancel."

Nobody does that!

Your product needs to literally mimic that. It's more of a pain in the ass for them to go offline than it is to conduct the transaction inside your platform. Now that said, I don't believe there will ever be an Uber for home painters. Like the problem with finding a home painter finding them and then it's done.



There's no problem with paying your home painter. You can cut them a cheque, use Venmo and all this stuff. They're in your house. So there's never going to be an Uber for home painters. There just isn't. So you need to be real with yourself and understand "okay, am I in the right hunt here? Am I digging in the right trench? Where does it make sense for a marketplace to solve this problem in the end? Where am I adding value and where am I not adding value?".

Think that this intermediation is not happening to you. It's happening for you. And you can use it to understand where your value proposition is coming short on the supply side and on the demand side.

Additional value prop for suppliers (51:16)

Mike: **That's some great insight there. I'm assuming in your guys' case that the value prop is the payments and some kind of tool to help manage the actual bookings?**

Bryan: So we go a hundred feet deep for homeowners and we go a mile deep for suppliers. I don't know who said it felt like a "come for the tools, stay for the network" situation. I think somebody from Andreessen Horowitz said that and I think it's a good insight. You focus on tools for suppliers to run their entire livelihood on your platform for free. These are free SaaS tools that they could use. That delivers a more compelling value proposition for them.

That's what gets them to stick around. That's what gets them to not want to go around your platform and save the 8% or 10% or a couple of bucks. In the early days, it's gonna be tough because you don't have all of these assets. You don't have all of these things and you haven't spent the time discovering even what they are and then executing and building them.

Or you realize you spent three months building this one tool and nobody uses it. It's it's very hard iterative process. But after you go through that over and over again, you do develop something that is meaningful to your users, to where they don't want to go around it. It just makes more sense for them to stay on it.

So disintermediation is something that you have to look at and let me repeat this. It's not happening to your startup. It's happening for your startup. Because you can look at it to let it guide you. It's like, okay. All right, well, they're disintermediating us because we suck here, here, and here. Let's fix that and then let's look at it again.

Biggest key learnings (53:07)

Mike: That's great. We're almost running out of time, but this was awesome. So let's end it on what are some of the biggest key learnings that are kind of unique to you and your experience bootstrapping GreenPal?.

Bryan: Key learnings. One of my favorite quotes by Mark Cuban is "the less you can live on the greater your options". So before you get started building a tech driven marketplace, take an audit of... I was coaching a guy the other day. I do coaching for free because I like it. And he was like, "yeah, you know, I'm making $250k and now in my job now, but I'm working my ass off and I just don't want to work this hard. I want to do this thing. And I make $250k in the first year. I'd be happy with it."

And I'd be like, "bro, you are so damn delusional."

$250k. You need to live on $40k. It's going to be about five years before you can go make $250k. And he's like, "what are you talking about? I see you". Yeah I've been doing this thing for 7 years! So that's my first bit of advice. Key learning. You need to be able to be in cockroach mode for a very long time, even if you're raising capital, to be honest, because every dollar you spend, you're not just spending dollars. You're spending equity. As a businessman or business woman, you gotta live on an insanely low amount of money to make it in this game. So that's one thing.

The next thing is just the relentless humbling focus on the user and the ability to talk to users. 365, 7 days a week. The first several months and years of GreenPal was a shitty product, Intercom bubble at the lower right hand corner. So if people wanted to do X, Y, and Z and it wouldn't, they'd hit us up on Intercom and me and my two co-founders and one of our teammates have Intercom on our mobile phone and you just get popped. You'll be at dinner with your girlfriend and be like, "Oh, I'm sorry. I got to talk to this user in Denver, Colorado who's lawn guy didn't show up and figure out what the hell's going on." That was literally the first three years of starting this thing, but you know what? That was hard.

But we have never been at a loss to understand where we need to focus our efforts on developing the product. We always know at an ingrained incarnate level where we think we are right now, because we're always talking to users. So the scrappy, relentless focus on making the product better and better and the ability to always have users that hit you up 365 is why we are where we are to this day. That's the key learning. And those are the two main things. For anybody just getting started, be scrappy, live on $30k or $40k a year and be willing to talk to your users 7 days a week, 365 days a year.

Mike: **Awesome. Well this was a really great chat and this is definitely one for anyone that's bootstrapping a marketplace. Where can we keep up with you, Brian, before we go?**

Bryan: Hey, anybody that needs to reach me, hit me up on my email, brian@yourgreenpal.com.

I respond to all emails. If you do email me, put me on third base, like hit me up and say, Hey, I'm doing X, Y, and Z. We're here. Here's my specific problem. What do you think? I won't bullshit you, but if I can help you, I will. So email's best way to get at me.

Mike: **Perfect. Thanks again, Brian. This was super insightful and it was great to have you on and join us.**

Bryan: I appreciate it. I enjoyed it.