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How A Spreadsheet Became A Business That Generated \$146K/Year In A Year



Joe Masilotti



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ABOUT

BUSINESS

TOOLS

BOOKS

SAVE



Joe Masilotti

Founder, **RailsDevs**

\$10K

REVENUE/MO



1

FOUNDERS

0

EMPLOYEES

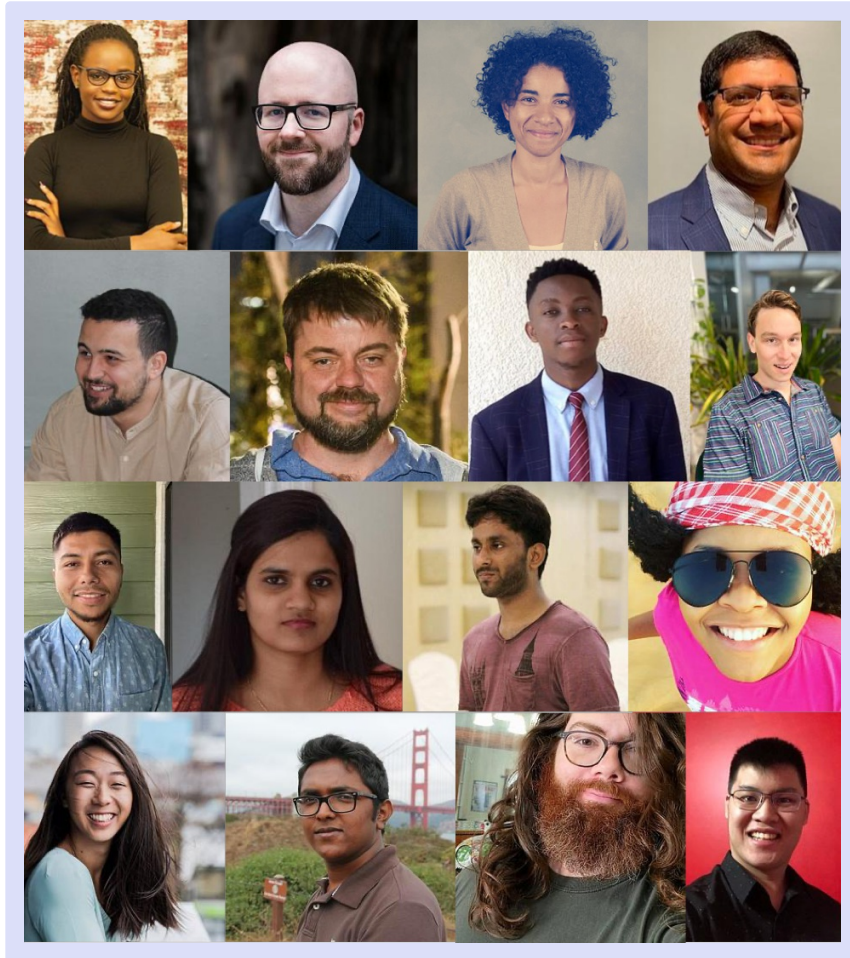
Hello! Who are you and what business did you start?

Hi!  I'm Joe Masilotti, the founder of **RailsDevs** – a reverse job board for Ruby on Rails developers. I've been a Rails developer for 10+ years and always dread the hiring process. The formal resume, the long interviews, third-party recruiters... It all favors the business!

RailsDevs strives to reverse that dynamic and give power back to the independent developer. It's like a traditional job board but backward. Instead of businesses posting job descriptions, developers post their profiles to the platform. Then businesses message folks who look like a good fit.

This encourages organic conversations between two humans: the person hiring and the person looking for a job. Developers are happier, response rates are higher, and folks get hired more quickly.

RailsDevs only launched a year ago and has already grown to 600+ developers. And 30+ of them have found a new job through the platform! Through monthly subscriptions and hiring fees, RailsDevs make about \$10,000 per month, on average.



What's your backstory and how did you come up with the idea?

Do you know the saying that all startups start as a spreadsheet? RailsDevs is one of them!

About a year ago I was swamped with work. I'm an independent contractor and had a bunch of folks that wanted to work with me. But I didn't have enough bandwidth for everyone. So I started a spreadsheet of Rails developers in my network that had availability.

I shared this spreadsheet with some businesses and within a few weeks, 2 folks landed a gig. The more I shared the spreadsheet the more folks got hired. I realized that there was a business just waiting to be built.

I knew that building a marketplace would be hard. I had tried it twice in the past and failed both times. "But this time will be different!" I told myself. Because I was going to focus 100% on one side: the developers.

All my marketing, all the website copy, and all the benefits of the site would be around a better experience getting hired. My hypothesis was if I had hundreds of quality developers on the site then the businesses would be silly not to use my service.

“ I focus 100% on the developers. Everything in RailsDevs marketing is about a better experience getting hired. By growing the number of developers on the site it makes the platform more attractive to paying

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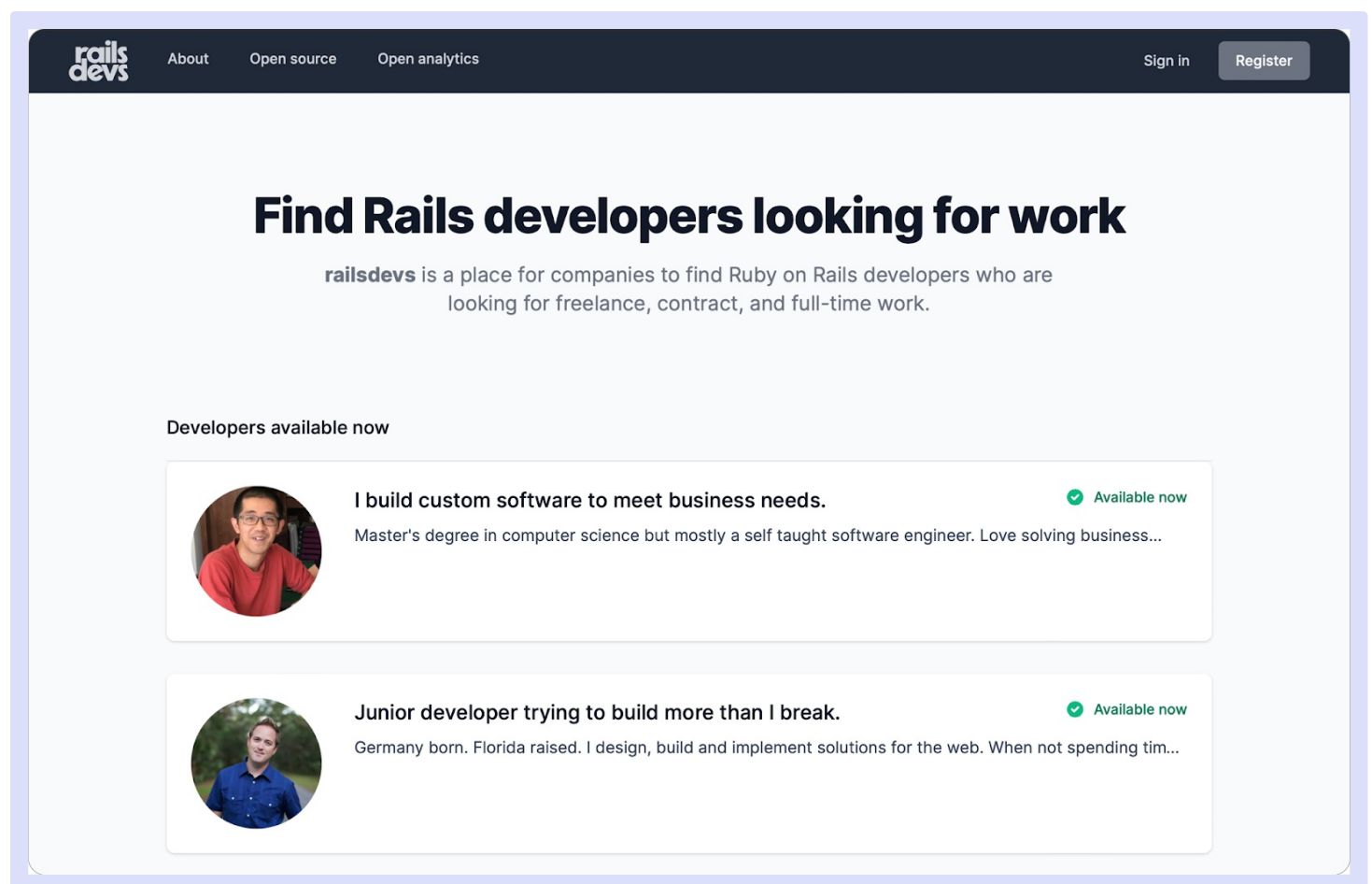
Take us through the process of designing, prototyping, and manufacturing your first product.

Before I wrote a single line of code I set a goal for myself: make \$1 as quickly as possible.

To do this I focused the first version of RailsDevs on freelance and contract opportunities. I had already validated this problem with the spreadsheet so it felt like the right place to start. Hiring for full-time positions wouldn't come until a few months later.

As a developer, I was able to get started entirely on my own. I used the tools and stack I'm familiar with to build the site: Ruby on Rails, Tailwind UI, and Heroku. This enabled me to get the first prototype live in just 15 days.

It cost me about \$300 to launch the site and \$250 of that was on the domain name. Being a technical founder gave me a huge advantage here. I was able to get something live without incurring a bunch of debt or having to pitch to investors.



Describe the process of launching the business.

I accidentally launched on November 5, 2021, by tweeting about a technical issue. ☰

I was running into problems with my hosting provider and asked my Twitter audience for help. A big name in the Rails community helped me debug and then shared RailsDevs with his 14k followers!

He became the first developer on the site which led to almost 100 folks adding their profile in the first week. And this was all before I officially announced that it was live.

Fast forward a month and another 100 developers joined and I got my first paying customer. We were DMing on Twitter about how to build something in Rails when they mentioned needing an extra hand. I shared RailsDevs and they asked me how to pay for a subscription.

At the time I hadn't even built a checkout flow. I had to manually send them an invoice! With their \$99 payment, I achieved my goal of making \$1. It took me less than 2 months to go from idea to paying customer.

“ Most of RailsDevs growth can be attributed to building in public on Twitter. Almost every day I tweet about a new feature, something I learned, or a problem I'm working through. This has helped build an audience.

Since launch, what has worked to attract and retain customers?

Building a marketplace is traditionally more difficult than traditional B2C or B2B platforms because of the cold start problem. Without any users on one side of the marketplace, how do you attract folks for the other side?

To help increase my odds of success I focus 100% on the developers. With one exception (the pricing page) everything in RailsDevs marketing is about a better experience *getting hired*. By growing the number of developers on the site it makes the platform more attractive to paying businesses. And since developers can use RailsDevs for free there is little risk in them adding their profile. More developers mean more paying customers.

Most of RailsDevs growth can be attributed to [building in public on Twitter](#). Almost every day I tweet about a new feature, something I learned, or a problem I'm working through. This has helped build a small audience of folks that are excited to hear about the platform. Also, because my Twitter audience is mostly Rails developers, they are potential customers!

The second biggest growth channel is GitHub. The [RailsDevs codebase is the open source](#) which means you can see all the code that powers the website. I also encourage folks to contribute directly and add their ideas or fix bugs. This leads to developers getting more involved in the platform than just adding their profile – they can actively help it grow and be a part of it.

How are you doing today and what does the future look like?

Not only is RailsDevs open source, but I run the business as an Open Startup. This means that all of my revenue, analytics, and decisions are publicly available.

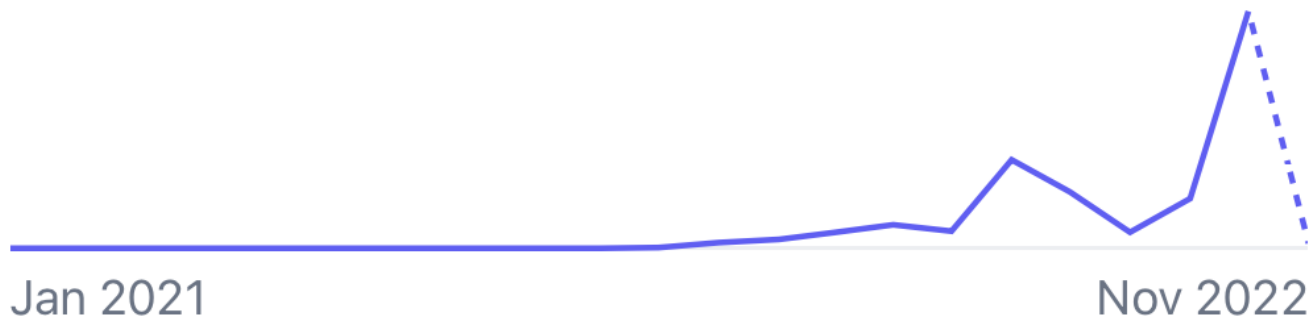
In the year or so since its launch, [RailsDevs has generated almost \\$150k in revenue](#) with less than \$10k in expenses. I don't have any employees and I only work with a few contractors. Keeping lean is important as RailsDevs continues to grow because the income isn't consistent.

Almost 90% of revenue comes from hiring fees which can vary month to month depending on how many folks get hired.

RailsDevs also strives to give back to the Rails community and the world at large. **10% of profits** are donated to women- and non-binary-focused Ruby and Rails communities. And **2% of revenue** goes to carbon removal via Stripe Climate.

Finally, all of my **questions, decisions, and ideas** are public and open for comment. This gives anyone who wants to get involved a platform to voice their opinion. Even folks that aren't developers can contribute to the project by offering their advice and insights.

Gross volume
\$146.1K



Through starting the business, have you learned anything particularly helpful or advantageous?

I credit a lot of my initial growth to my audience on Twitter. And I can't imagine trying to build the same platform for a technology I'm not deeply invested in. Having the passion to help others in the community and share what I learn keeps me motivated to keep growing.

Even though I don't like to admit it, building features isn't what brings in new customers. The site still sees new updates but the core of the product is mostly complete. And has been for a few months.

I see new businesses sign up when I'm actively talking about RailsDevs. And new developers add their profiles when I share a story about technical challenges I overcome. I wish that building new and exciting features would bring in customers. I'm good at that! But learning to do marketing, even a little bit, has proven to be more effective almost every time.

The good news is that the marketing that I do is fun to me. Building in public on Twitter and GitHub fit in with my existing processes. They don't require huge context shifts – I simply talk about what I'm working on.

And speaking of it, the [RailsDevs codebase](#) has more than 80 contributors. And 15 of those made their first public code contribution ever while working on the platform! I'm grateful to every single person that's offered their time and effort on the project. It wouldn't be where it is today without everyone's help.

“ As a developer, it's fun to build new things. But it's easy to build something that no one wants or needs. I know firsthand – I've launched countless projects to crickets.

What platform/tools do you use for your business?

Most of my business is run through [GitHub](#), Twitter, and email. I also use [Notion](#) to keep notes and track candidates through the hiring process.

This is boring on purpose. I find myself getting distracted when I have too many apps and tools. My iPhone, for example, doesn't have anything installed outside of a few messaging apps to keep in touch with friends. No email, no games, no social media apps.

I carry that mentality over to my computer and when working on RailsDevs. In my opinion, the fewer tools you need to do a job the better. You have less dependency on things you can't control. And you rarely have to learn something new. It also helps reduce the overhead of context switching if you only use a handful of tools for everything.

That said, I do rely on a few third-party services to do the things that I don't want to build myself.

I use [Fathom](#) for privacy-focused analytics. I pay \$14/month to track basic usage on my site. And the best part is that I don't need to display those pesky cookie notices as Fathom doesn't use cookies nor track invasive data.

For email, I use [Postmark](#) to send transactional information like account confirmation and notifications of new messages. [My newsletter](#) is powered by [Revue](#) because it integrates with Twitter nicely. Folks can [subscribe right from my Twitter profile](#), which is where most of my audience already is.

What have been the most influential books, podcasts, or other resources?

[Obviously Awesome](#) is my go-to book on positioning, which is just a fancy word for supercharged marketing. Nailing this down makes all of my marketing easier. It helps me decide what to build and, more importantly, how to market it.

[Deploy Empathy](#) helps me decide what to build next by interviewing customers. Michelle, the author, does a great job breaking down different types of customer interviews and the goals of each. I reference it almost daily.

A big source of inspiration for me is the [Indie Bites](#) podcast. James, the host, interviews successful entrepreneurs in 15 minutes. Folks share their stories on how they got started,

scaled, or sold their business. I was also on an [episode](#) recently!

Advice for other entrepreneurs who want to get started or are just starting out?

As a developer, it's fun to build new things. But it's easy to build something that no one wants or needs. I know firsthand – I've launched countless projects to crickets.

Any time I have a new idea I ask myself if I'm building for fun or profit. Both are valuable in their way. Building for fun teaches me new things, gives me room to explore new technologies, and is a good way to relieve stress. And every "for profit" project I start has the opportunity to change my life.

But building for profit can't happen without knowing there is an actual problem to solve. I've found my way of learning about these problems. I get deeply involved in communities I'm passionate about. It's almost hard to miss the problems folks bring up again and again.

Are you looking to hire for certain positions right now?

I'm not hiring (yet!) but if you are hiring then I'd love to help! Feel free to sign up on [RailsDevs](#) or [send me an email](#) directly. Mention this article and I'll help you find your first round of candidates.

Where can we go to learn more?

I'm actively building and growing RailsDevs in public on my personal [Twitter account](#). I tweet about the problems I run into, the wins I achieve, and where I need help. Feel free to send me a DM letting me know you read this article!

If you're a Ruby on Rails developer and want to get involved then check out the [RailsDevs codebase](#). There are always a few issues up for grabs.

Finally, if you're looking for more specific help or have questions then please [send me an email](#). I'm always happy to brainstorm some ideas, help you figure out what to do next, share my experiences, or just shoot the breeze.




Joe Masilotti, Founder of RailsDevs



Pat Walls, Founder of Starter Story

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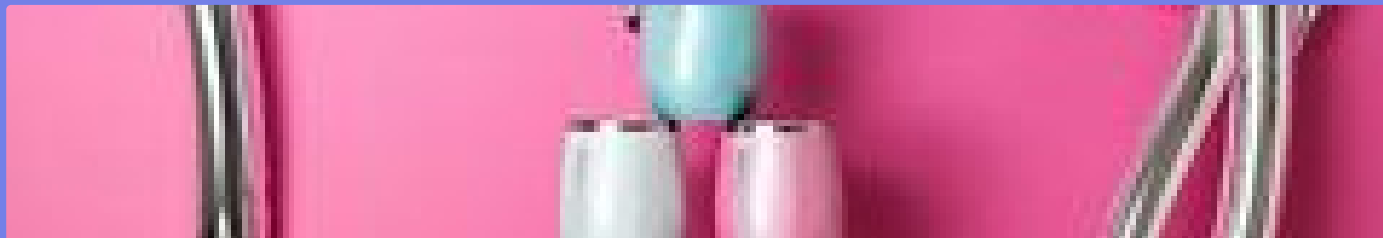
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Drinkware brand

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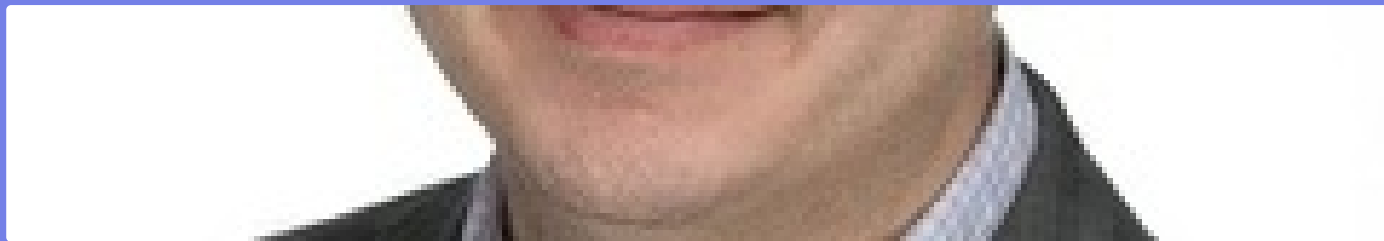
Seo agency

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Matt

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You're no longer building alone, because you have thousands of founders who are telling you to keep going.



Michael

\$1.08M/YEAR



Scott

\$300K/YEAR



Chad

\$1.2M/YEAR



Garrett

\$300K/YEAR



Abhishek

\$12M/YEAR

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Building a business is not a game of luck.

It's about taking action every day.

You'll get access to courses, frameworks, weekly live events, alongside a group of people that genuinely want you to succeed.

Samping

\$432K/YEAR

You'll start making real progress, and experience first-hand what it's like to put your ideas into the world.



Osman

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Tricia

\$600K/YEAR



Michael

\$264K/YEAR



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Sam Parr

My First Million

I love this website.



Rand Fishkin

Moz / SparkToro

Love Starter Story's transparency.



Johne Vang

Be The Match

You can't find this information anywhere else.



Trent Baren

Instagram

So much valuable information.



Bilal Budhani

Entrepreneur

I was hooked on Starter Story as soon as I discovered it. Resonated with me right off the bat.



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\$1.62M/YEAR

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Michael

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