37signals

Two big announcements.

February 5, 2014.

This year marks 37signals' 15th year in business. And today is Basecamp's 10th birthday. We have a lot to celebrate, and two exciting announcements to share. But first, let's set the scene with some history.

37signals was founded back in 1999 as a web design firm. With the release of Basecamp in 2004, we began our journey to become a software company. Once Basecamp revenue surpassed web design revenue in 2005, the transition was complete.

Since then we've launched Ta-da List (2005), Writeboard (2005), Backpack (2005), Campfire (2006), The Job Board & Gig Board (2006), Highrise (2007), Sortfolio (2009), the all new Basecamp (2012), Know Your Company (2013), and We Work Remotely (2013).

We also created and open sourced Ruby on Rails (2004), wrote a few books (Defensive Design for the Web (2004), Getting Real (2006), REWORK (2010), and REMOTE (2013)), and published thousands of blog posts on Signal vs. Noise.

Fifteen years into it, we're proud of the work we've done and the business we've built. And business has never been better.

However, because we've released so many products over the years, we've become a bit scattered, a bit diluted. Nobody does their best work when they're spread too thin. We certainly don't. We do our best work when we're all focused on one thing.

Further, we've always enjoyed being a small company. Today we're bigger than we've ever been, but we're still relatively small at 43 people. So while we could hire a bunch more people to do a bunch more things, that kind of rapid expansion is at odds with our culture. We want to maintain the kind of company where everyone knows everyone's name. That's one of the reasons why so many of the people who work at 37signals stay at 37signals.

So with that in mind, last August we conducted a thorough review of our products, our customer base, our passions, and our visions of the company for the next 20 years. When we put it all on the table, everything lined up and pointed at one clear conclusion. We all got excited. We knew it was right.

So today, February 5, 2014, exactly ten years to the day since we launched Basecamp, we have a couple of big announcements to make.

Here's the first: Moving forward, we will be a one product company. That product will be Basecamp. Our entire company will rally around Basecamp. With our whole team - from design to development to customer service to ops - focused on one thing, Basecamp will continue to get better in every direction and on every dimension.

Basecamp is our best idea and our biggest winner. Over 15 million people have Basecamp accounts, and just last week another 6,622 companies signed up for new Basecamp accounts. Ten years into it, Basecamp keeps accelerating. We've had other big hits, but nothing quite like Basecamp.

When we meet people, and they ask us what we do, we say we work for 37signals. If they aren't in the tech world, they'll squint and say "what's that?". When we say "we're the folks who make Basecamp", their eyes light up and open wide. "Basecamp! Oh I love Basecamp! My wife uses Basecamp too! Even our church uses Basecamp!" We hear this kind of response over and over. People just love their Basecamp.

So that got us thinking... While 37signals is well known in tech circles, far more people around the world actually know us for Basecamp. And since we're going to be completely focused on Basecamp moving forward, why don't we just go all in on "Basecamp".

So **here's the second** big announcement: We're changing our name. 37signals is now Basecamp. "37signals" goes into the history books. From now on, we are Basecamp. Basecamp the company, Basecamp the product. We're one and the same.

With this change, we renew our long-term commitment to all things Basecamp. Basecamp on the web, Basecamp on iOS, Basecamp on Android, Basecamp via email, and Basecamp wherever else it makes sense. Each one of us will be dedicated to improving Basecamp, extending Basecamp's reach, expanding Basecamp's capabilities, and making sure our Basecamp customers are treated like royalty.

And we'll never forget what made Basecamp so popular in the first place: It just works. It's simple, it's easy to use, it's easy to understand, it's clear, it's reliable, and it's dependable. We'll continue to make it more of all of those things.

The last fifteen years have been a blast, but with every future moment focused on Basecamp, the next fifteen are going to be even better. We're fired up! We've already got loads of new Basecamp stuff cooking.

Please visit our brand new site at http://basecamp.com and have a look around. If you're not a Basecamp customer yet, give us a try. We'd love to have you. If you already are, we thank you for your business.

Standing by to serve you for decades to come.

Thank you from all of us at Basecamp.

-Jason Fried
Founder & CEO Basecamp

Questions & answers.

Q: If you're going all in on Basecamp, what happens to Campfire and Highrise?

In the short term, everything stays the same. Business as usual. No interruption in service, no changes that affect our customers.

In the long term, one of three things:

SCENARIO 1: We'll spin them off into separate companies where we'll retain partial ownership, but another fully-dedicated team will run the products and own the majority of the company. This would be our ideal situation as it would ensure continuity and no interruption for our customers, but we'd have to find the right entrepreneur/team with the right experience and enough financing to make it work.

SCENARIO 2: We'll sell the products outright (either separately or together). The key for us in this scenario is that the products, and our customers, are well looked after. We will not sell either of these products to a company that is planning to shut the products down. And since no one from our team goes with the sale, this is not an acqui-hire situation. We're looking to sell to a company that wants to add well-respected, well-established, profitable, growing products to their portfolio.

SCENARIO 3: If we can't find the right partner or buyer, we are committed to continuing to run the products for our existing customers forever. We won't sell the products to new customers, but existing customers can continue to use the products just as they always have. The products will shift into maintenance mode which means there will be no new development, only security updates or minor bug fixes. We did this successfully in 2012 with Ta-da List, Writeboard, and Backpack, so we know how to make it work.

If you're a company or team interested in exploring scenario 1 (spin-off) or scenario 2 (outright purchase), please get in touch. Based on current revenues, current growth rates, and a conservative multiple, Campfire will sell in the single digit millions, and Highrise will sell in the tens of millions, so serious inquires only please. Disclosure: We're currently in early discussions with a few interested parties.

Q: What about Basecamp Classic?

We are fully committed to running Basecamp Classic forever. As long as we're around, Basecamp Classic will be around. A large chunk of our customer base loves Classic and we'll make sure they'll always have their Classic. The same rigorous uptime standards of Basecamp also apply to Basecamp Classic.

Background: Basecamp Classic was the original version of Basecamp we launched in 2004. Then in 2012 we released the all new version of Basecamp. Customers had the choice to stay on the old version, transition to the new version, or use both.

Q: What about other stuff like your Signal vs. Noise Blog, your books, etc?

We will continue publishing to Signal vs. Noise, writing books, and sharing as we always have. We will also be launching another online publication this year called THE DISTANCE. More details on this later.

Q: Will you be downsizing your company as part of downsizing your product lines?

No — our entire team stays intact. There's more than enough work to go around just on Basecamp alone. In fact, we're probably short a few designers now that we're fully committing to supporting Basecamp on multiple platforms. Plus, we're working on a variety of other tools and ideas that'll expand Basecamp in all new ways. We've also begun R&Ding entirely new, future versions of Basecamp, so there's a lot of really interesting work ahead for us. We'll be posting a few open positions in the coming months.

Q: This is a really unusual strategy. Can I talk to you about it?

From the very beginning we've done things differently. From switching from being a client services company to a product company, from being one of the early pioneers of the Software as a Service model, to open-sourcing our Ruby on Rails infrastructure, to signing up thousands of customers without a single salesperson, to being bootstrapped and funded by customer revenues, to being based in Chicago instead of the valley, to having a remote workforce spread out across nearly 30 cities across the world, to eschewing over 100 VC and private equity investment offers over the years (note: we did sell a small piece of the company to Jeff Bezos in 2006), to keeping our company as small as possible when "go big or go home" is all the rage, to writing a New York Times Bestselling business book (REWORK, 2010), etc. We're used to these unusual moves.

If you're a journalist who's interested in a business story unlike any other, please get in touch with our CEO (Jason Fried) at jason@basecamp.com.

Links of interest.

- Our new site: http://basecamp.com
- About us: http://basecamp.com/about
- Meet our team: http://basecamp.com/team
- The inside story of why we built Basecamp: http://basecamp.com/story
- A few of the things people have made with Basecamp's help: http://basecamp.com/made
- The original blog post from February 5, 2004 that launched Basecamp: Original launch post
- The original 37signals site from 1999: The 37signals Manifesto