

Slack

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From 0 to \$1B - Slack's Founder Shares Their Epic Launch Strategy

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20-25 minutes

“HELL YEAH WE'RE USING @SlackHQ AT WORK I. LOVE. SLACK.”

“Dear @SlackHQ, I love you. Yours, Dan”

“@SlackHQ YOU COMPLETE ME”

You’ve probably heard about [Slack’s](#) exponential growth. And you may have read how the internal-communication platform — now just two years old — is already used by more than 30,000 teams and valued at over \$1 billion. But have you visited its [Twitter Wall of Love](#)?

These tweets are real, and they're the stuff of founders’ dreams. And yet Slack hasn’t run any big integrated marketing campaigns — they don't have an elaborate email strategy or buy million-dollar billboards. (In fact, they hit those user numbers without a CMO.) So how did the company not only launch with enviable momentum, but so quickly win users' hearts? If there’s one theme that emerges when founder [Stewart Butterfield](#) talks about Slack's success, it’s that the company made customer feedback the epicenter of its efforts.

In this exclusive interview, Butterfield — previously one of the founders of Flickr— reveals how the company’s go-to-market strategy worked like gangbusters. Here, he explains the importance of prioritizing your product’s unique features (and why you can let go of the rest), and shares tips for becoming essential to your customers right away.

Slack started working on the app at the end of 2012. (“Never mind the part where we first tried to make a web-based massively multiplayer game and failed,” Butterfield quips — another story for another article.) And by March 2013, he and his team had enough to work with that they were using the product themselves. Still, they knew that they represented just one team dynamic of a nearly infinite set; by May of that year, they were ready for more users.

“We begged and cajoled our friends at other companies to try it out and give us feedback,” Butterfield recalls. There was Cozy, which sells rental management software for landlords and tenants, and the music service Rdio. “We had maybe six to ten companies to start with that we found this way.”

Immediately, the Slack team learned that their product functioned very differently as team size increased. “Rdio, in particular, was much bigger than us. They used it with a small group of front-end developers for a while but then it spread to the whole engineering group and then to all 120 people in the company,” Butterfield says.

Suddenly we saw what the product looked like from the perspective of a much larger team, and it was pretty gnarly.

Armed with these observations, the Slack squad made a number of changes to the product — then started the process all over again.

“The pattern was to share Slack with progressively larger groups. We would say, ‘Oh, that great idea isn’t so great after all.’ We amplified the feedback we got at each stage by adding more teams,” Butterfield says.

By summer, they had polished Slack into something they were ready to share more widely, and they announced their preview release in August 2013 (just seven months after they started).

“That was essentially our beta release, but we didn’t want to call it a beta because then people would think that the service would be flaky or unreliable,” Butterfield says. Instead, with help from an impressive press blitz (based largely on the team’s prior experience — i.e. use whatever you’ve got going for you), they welcomed people to request an invitation to try Slack. On the first day, 8,000 people did just that; and two weeks later, that number had grown to 15,000.

The big lesson here: Don’t underestimate the power of traditional media when you launch. It must be your primary concern, starting months beforehand and continuing for weeks afterward. Pull the strings you have. Work closely with your PR firm to find your hook. It can be personalities on your team, impressive customers you already have in the bag, prestigious investors, etc. But don’t leave it to two weeks beforehand and throw something together.

Most importantly, getting the story out doesn’t end when an article is published. In fact, by Butterfield’s estimation, that’s only about 20% of the recipe for media success. “The other 80% is people posting about that article. I almost never go to news sites — it’s overwhelming how much content is out there. But I will pay attention to what my friends are picking up and sharing.”

Social media has leveled the playing field, so whatever coverage you earn, run with it — give it new life by sharing it with your immediate and extended networks again and again. Engage with interested parties in your networks (prioritizing those with lots of followers and known influence) to broaden your reach. Don’t worry about repetition. It will only help you stay top of mind for prospective users.

Teach Users Why They Need Your Product

There’s another key takeaway from Slack’s early experience: Whatever you call your beta, however you announce and operate it, it’s a crucial phase in your product’s development. Wring every bit of feedback that you can from it.

Slack made the most of this time, sticking with their preview release for more than six months — a long time in the life of a startup. But there was no calculated strategy or predetermined timeline behind that, Butterfield explains. “By that August 2013 announcement, we had gotten a little bit of feedback. But we were still only seven months in, and it’s a pretty complicated product.”

For a company that has derived much of its success from its **laser focus on quality and responsiveness**, six months was simply how long it took to learn what they needed from that next wave of users. In many ways, Slack's private beta period was business as usual.

We started inviting teams in batches and watched what happened. Then we made some changes, watched what happened, made some more changes...

The biggest challenge was learning how to sell a product to teams, not individuals. "For most companies, the hard thing is making the product work well enough to convince a single person at a time to switch to it," Butterfield says. Take Dropbox, for example: A person tries it on a couple of devices, likes it, and commits to spending a few bucks a month for it. "We have to convince a team, and no two teams are alike."

From job functions to group sizes to whole companies, Slack's teams run the gamut. But there was one thing Butterfield ran into pretty consistently. When it comes to selecting a team-collaboration tool, every member has a veto — multiplying the product's risk of rejection. "If one engineer at a startup tries Slack and says, 'I hate it. I am not going to use this,' that's it for us. We won't get evaluated."

Given this pattern, much of Slack's beta period was spent minimizing that risk. **"We created materials to explain Slack to individuals — what it was for, how it worked, what you're supposed to do — but we also built resources for team administrators. We wanted to give them ammunition to help convince the team," Butterfield says.**

Slack is blazing trails in a relatively new arena, so that ammunition was equal parts product training and market education. "Somewhere between 20 to 30% of our users — and this is just an estimate — come from some other centralized group-messaging system like HipChat, Campfire, or IRC," Butterfield says. "When we asked the other 70 to 80% what they were using for internal communication, they said, 'Nothing.' But obviously they were using something. They just weren't thinking of this as a category of software."

When Butterfield digs into the "nothing" those companies are using, it's usually a smorgasbord of something: "It's a lot of ad hoc emails and mailing lists. Some people on the team might use Hangouts, some use SMS. We see groups that use Skype chat, or even private Facebook groups and Google+ pages."

So Butterfield made it a goal to teach customers that this is indeed a product category — one they're already filling poorly — priming Slack as a better solution. He learned pretty quickly that the app's laundry list of benefits wasn't going to land sales on its own.

"If you're building a sales team for your startup, you know you will absolutely make a decision about what CRM to use. It's a no-brainer. If you're a software development team, you are absolutely going to choose a system for source control. That's a known category." If you're innovating in a nascent market, the push for recognition of your product category needs to be a major chunk of your go-to-market strategy.

Positioning a product for teams rather than entire companies does come with some positives though — which could be relevant for other enterprise startups.

“For small organizations, team and company may be one and the same. But if you look at an organization of 15,000 people, you end up with a situation like Adobe, with nine paid Slack teams,” he says. That proved to be a helpful loophole. They didn't have to go through the long process of gaining buy-in from CIOs or other top management. “Mid-level managers could say, ‘This thing sounds cool, let’s try it out for our team.’ If they liked it, it was affordable enough to just expense it.”

In the end, that bottoms-up approach was a key factor in Slack’s early enterprise success.

“We made it very simple to adopt Slack. We didn’t have to convert the whole company and facilitate committee-level decisions,” Butterfield says. A couple of years in, they’ve matured to the point that security audit reviews and marked-up terms of service are becoming the norm. “But at the beginning, we bypassed all that, and it was a big advantage.”

Unencumbered, Butterfield and his co-founders were able to spend those six months in private beta educating existing customers so that an even wider audience would understand the need for their product once they launched. “From August 2013 to February 2014, we went through those initial 15,000 sign-ups — and more that we got over the course of time — and incrementally improved the new-user experience until we felt like we had gotten all the low-hanging fruit.”

Make Active Listening Your Core Competency

As much information as Slack put out to customers, they learned even more themselves. Butterfield and his cofounders are voracious readers of user feedback, and they attribute much of the company’s rapid traction to this skill. From the get-go, Slack made sure that users could respond to every email they received, and approached every help ticket as an opportunity to solidify loyalty and improve the service. As they listened to their ever-growing flock of users, the Slack team iterated accordingly.

“Sometimes you will get feedback that is contrary to your vision,” Butterfield says. “You may be trying to drive in a particular direction that people don’t necessarily understand at first. In our case, we knew the users we had in mind for this product. So in the early days, we looked at our customers, really just testers at that point, and we paid extra attention to the teams we knew should be using Slack successfully.”

When key users told us something wasn't working, we fixed it — immediately.

Take Rdio, for example, one of Butterfield’s biggest beta-test companies. “In Slack, you create channels to discuss different topics. For a small group of people, those channels are relatively easy to manage and navigate. With a team that large, though, everyone was creating channels, and there was no way for people — particularly new hires — to figure out which ones they should join.”

Once they understood that, the Slack team quickly identified small changes that had a big impact: Within the list of channels, they added fields for a description and the number of people using that channel. “In the grand scheme of things, that’s a fairly trivial example, but those were things that would make Slack unworkable for certain teams. Beta-tester feedback is crucial to finding those little oversights in a product design.”

Now, a year after Slack's public launch, that reverence for user feedback is part of the company's DNA. "We will take user feedback any way we can get it. In the app, we include a command that people can use to send us feedback. We have a help button that people can use to submit support tickets," says Butterfield. They've got eyes all over Twitter for comments good and bad. "If you put that all together, we probably get 8,000 Zendesk help tickets and 10,000 tweets per month, and we respond to all of them."

Where some people might see a huge customer-service burden, Butterfield sees one of Slack's greatest assets — so much so that he fielded half of these messages himself for a long time. "Especially in the beginning, I handled the lion's share of Twitter, and Ali Rayl, our Director of Quality and Support, handled the Zendesk tickets. Pretty early on, we combined quality assurance and customer support into one group that we called customer experience. They do everything from parsing customer feedback and routing it to the right people to fixing bugs themselves."

When Slack publicly launched, that group was already three people strong. And since then, it's remained a key area of investment for the company. Today, customer support alone has 18 people with an overlapping group of 6 working on Twitter 24/7. That latter number might sound high, but Twitter is increasingly a channel for customer feedback, and it was a game-changer for Slack.

"We bet heavily on Twitter. Even if someone is incredibly enthusiastic about a product, literal word of mouth will only get to a handful of people — but if someone tweets about us, it can be seen by hundreds, even thousands." Still, that fan mail on the Wall of Love? It didn't all start out so positive; in fact, many of those messages started out as problems to be solved.

Every customer interaction is a marketing opportunity. If you go above and beyond on the customer service side, people are much more likely to recommend you.

Whatever form it takes, incoming user feedback must be processed, stored and studied. "We're pretty fastidious about tagging all of these incoming messages, collating and entering and retaining the data that people are sending us," Butterfield says.

The company keeps track of how many people are asking for a certain feature, or how many want a new kind of integration. "Of course hard numbers tell an important story; user stats and sales numbers will always be key metrics. But every day, your users are sharing a huge amount of qualitative data, too — and a lot of companies either don't know how or forget to act on it."

Not surprising for a company working on communication challenges, Slack's leaders have also made sharing feedback with the right internal team at Slack mission critical. Tweets and help tickets are all stored in their own Slack channels and made searchable. And the support team knows that they have a direct line of communication to the product team.

"Whenever they hear something new that seems like it's actually a really good idea — or it's a pretty good idea but it's very easy for us to implement — it gets posted to a channel where we discuss new features. That's an ongoing, daily thing. There have already been 50 messages posted today," Butterfield says.

Know Your Magic Number and What Your Metrics Mean



Before starting Slack, Stewart Butterfield co-founded Flickr, served as a product design consultant, and directed design at the largest design and development firm in Vancouver. He tweets at @stewart.

Qualitative feedback is championed at Slack. But they also invest a lot of time making sure their metrics tell the same story as their Twitter feed. Butterfield affirmed a common founder sentiment: There are industry-standard numbers, no doubt. But at the end of the day, only you can really determine your company's magic numbers — the numbers that shed light on who is really using your product (and how you can get them to keep using it).

For Slack, the number is 2,000 — 2,000 messages. “Based on experience of which companies stuck with us and which didn't, we decided that any team that has exchanged 2,000 messages in its history has tried Slack — really tried it,” Butterfield says. “For a team around 50 people that means about 10 hours’ worth of messages. For a typical team of 10 people, that’s maybe a week’s worth of messages. But it hit us that, regardless of any other factor, after 2,000 messages, 93% of those customers are still using Slack today.”

The mechanics of Slack work like this: Someone enters their email address and receives an email with a link. From there, they complete a simple form and hit submit to start their team. Of course, for Slack to work, users need to invite other team members and start using the software, and ideally even set up some integrations with other apps like Asana, Dropbox or MailChimp.

Most people who fill out the form and hit submit — more than 90% — never invite anyone or start using the software.

That figure sounds daunting. Of roughly 220,000 teams that have been created in Slack, upwards of 30,000 are actively using it. “However, because one active team has an average of eight or nine members, we have close to 250,000 daily active users. We have more daily active users than teams that were ever created. So we lose a bunch, but the ones that we get to really try it out stick with it.”

Right now, you may not have an off-the-shelf metric that accurately captures your company’s growth, but part of your go-to-market strategy absolutely has to be establishing this criteria. “You have to figure out what conversion means in your case. What does retention mean?”

What does activation mean? For every business, it's going to be slightly different because of the nature of the product and the kinds of people who use it," Butterfield says.

As soon as you have those numbers enshrined at your company, you can start working on innovative ways to move people toward those milestones — whether it's email reminders, or prompting them to take new actions in the product. Because Slack knows 2,000 is its golden number, it can iterate on ways to get customers across that line.

Amplify What Makes Your Company Special

At the root of all your qualitative and quantitative feedback is a product — and making it the best at what it does is all about knowing its core differentiators and unique opportunities. "All of the founders here are past the stage where we have a lot of ego about building something our way," Butterfield says. "We set ourselves an incredibly high quality bar, and we're just not going to be happy if we don't reach it."

When the product was first coming together, Butterfield and his co-founders returned again and again to Paul Buchheit's now-famous blog post, "If your product is Great, it doesn't need to be Good." Known as one of the creators of Gmail, Buchheit has a simple thesis: If you do a few things incredibly well, the rest doesn't really matter. And, if you look at the first generations of Gmail, Butterfield says, it was in fact missing a lot of features. Still, users were so impressed by the searchable interface, threaded conversations, and the then-unimaginable one gig of storage, that they weren't fazed by what the product didn't have.

Buchheit's words strongly resonated with Butterfield and his team.

We don't cut corners, and we try to focus on the few things that are most important to our product vision.

For Slack, those three most important features are:

Search: Much like Buchheit did with Gmail, the Slack team knew that the value of their product was in helping people find what they're looking for quickly. "People need to feel confident that when they read a document or conversation, they don't have to worry about labeling or storing it — that they'll be able to find it again later if and when they need it," Butterfield says. Google has set the standard so high in this category that people have certain expectations, and disappointing them can be fatal.

Synchronization: "One of the things that drove us nuts about every other internal platform was that it was very difficult to pick up in the same place when you switched devices — say, when you left your laptop and picked something back up on your phone," Butterfield notes. From the very beginning, Slack was built with what he's dubbed "leave-state synchronization." Slack knows where every person in every conversation leaves off, and it syncs to their cursor position in real time. This has given them real competitive bite in a market that already had well-known players.

Simple file-sharing: From the ability to quickly paste images to the ease of dragging-and-dropping files, Slack was built with attention paid to small shortcuts and intuitive UI actions — they add up quickly when it comes to software that users interact with sometimes for hours every day.

These may not be checkbox features, or buzzworthy new concepts, Butterfield notes; they may not even be things that users think they're looking for in a solution. But when it comes to a successful go-to-market strategy, perhaps the most important decision you can make is to build a product you believe is different from everything else out there, and an important change for the audience you're going after.

“We had a lot of conversations about choosing the three things we'd try to be extremely, surprisingly good at,” Butterfield says. “And ultimately we developed Slack around really valuing those three things. It can sound simple, but narrowing the field can make big challenges and big gains for your company feel manageable. Suddenly you're ahead of the game because you're the best at the things that really impact your users.”

Questions:

What are the lessons we can learn from Slack in the area of

1. MVP – simple product tried by 6-10 companies
2. Pivot
 - a. Large teams leads to large number of Channels
 - b. This becomes overwhelming to users.
 - c. Introduced features such as “description of channel and number of people in it” so that team members can easily identify what the channel is about
3. User vs Buyer – team members vs management
4. Identifying product features – collect & analyze customer feedback, see how many asking for the feature, how many asking for what integrations
5. Marketing & growing the market:
 - a. Created material for educate the team members on product functionality and how to use it.
 - b. Also created material (ammunition) for team admins to sell the idea to team,
 - c. Put Ad in newspaper,
 - d. Did not hurry to grow – stabilize then grow. Stuck to preview release for 6 months, a fairly long time for a startup
6. Customer support – Ensure responsiveness
7. Strategy –
 - a. Share with larger teams progressively,
 - b. laser focus on quality & responsiveness,
 - c. Stick to the core (Creators of Gmail, Buchheit has a simple thesis: If you do a few things incredibly well, the rest doesn't really matter). For Slack it is – Search (conversation or document), Synchronize (between laptop and mobile) and Simple file sharing (drag & drop and other short cuts)
8. Metrics & Analytics – signup, retention, Active teams, active users, # of messages per team in a week (after 2,000 messages / week for a team of 10 people, 93% of those customers are still using Slack today)