



Chris Dary

[Follow](#)

Co-founder, Limbo. Previously Eng Director at Reddit, Eng Mgr at Etsy.

Oct 9 · 4 min read

Limbo

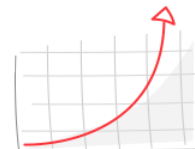
Building Startups: Differentiating on Price

As we've been building Limbo, our open and anonymous job platform, we've been thinking through a common question for any new company: How are we different? What differentiates us from the competition?

Mission aside, one of the key ways we've differentiated is on **price and when we charge the customer**. This is our example on the effects of our pricing choice.

With Limbo, we charge **\$30 at the time of introduction to a candidate**. Most of our competitors—companies like Hired, for example—often charge **\$15,000 or more at the time of successful hire**.

This choice has huge effects on virtually all aspects of the rest of the business.



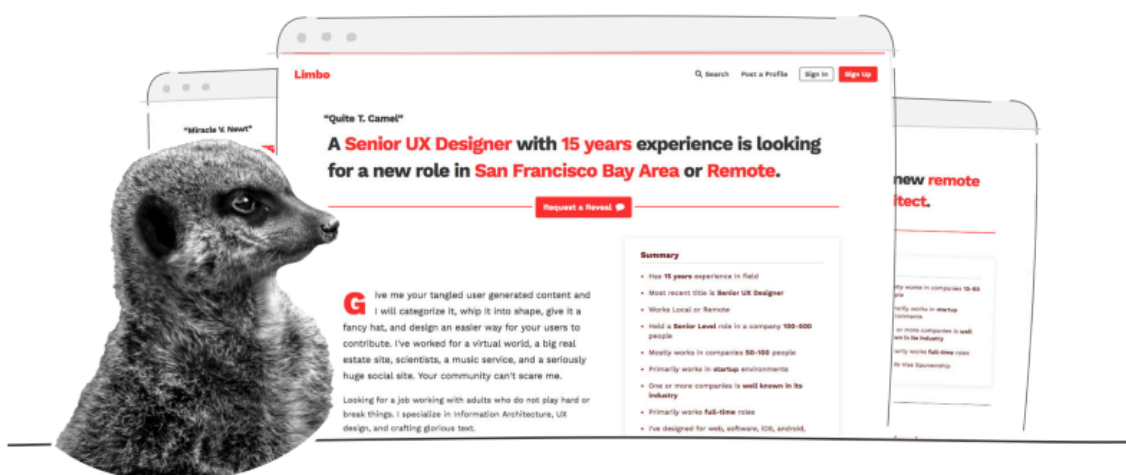
The Hired model¹ makes perfect sense—a new hire is immensely valuable, and companies are willing to pay for it. Putting a large price point on a successful hire, though, means that:

1. If you want to get paid, you'll want to **control the hiring process** so that you have knowledge of the negotiation process and acceptance.
2. You'll need to **maintain a sales and account management team** due to your large price point. Companies won't drop 20k without a few conversations and they'll expect high-touch support afterward.
3. You'll need to **focus on companies that are willing to pay that much**, pricing out smaller or price-sensitive companies.

This strategy has follow-on effects on market, approach, and company size:

1. If you want to control the full hiring process, you'll need to **build lots of tooling** to manage it. Things like scheduling, offer flow, communication, etc. This is often in conflict with a company's current applicant tracking system, which may not be able to integrate with yours.
2. You'll need to **pay for your sales team, and all the halo costs of head count** like office space, etc—which means needing to charge more for the product to succeed.

This model has a lot of work wrapping around the core business, because the price point requires it. With the high price point, though, it's a good trade.



The Nugget of Value

In contrast to the Hired model, Limbo puts a *small* price point on what we consider the core nugget of value: **An introduction to a great candidate.**

This is a more focused strategy which means that:

1. To get paid, we simply complete the introduction. We **don't need to control the hiring process**, because we've already delivered our value and gotten paid for it.
2. By keeping the price low, the purchasing decision is measured in minutes. We **don't need a sales team** to operate and are accessible to many more organizations.
3. In order to succeed at a lower price point, **we'll need many more customers overall.**

This strategy also has follow-on effects on market, approach, and company size:

1. Without a sales organization, we can **keep our head count and overhead much lower**, making a viable business easier to sustain at a lower burn.
2. We **don't need to build tooling to own the whole hiring flow**. This keeps us focused on our core problem and our overall technical footprint smaller, keeping the rest of our staff leaner as well.
3. Because Limbo needs more customers to succeed, our **distribution model will be different and focused on scale**. This is also why Limbo is an open platform that you can search while logged out.

These end up being dramatically different businesses operationally—neither better or worse, just different. We've decided to focus on building a low cost, low overhead approach to providing that great introduction. What Ben Horowitz might describe as an A,A product for type I–II teams.

If this all sounds compelling, you should go find your next great teammate or role on Limbo.



[1] I'm picking on Hired here as the most familiar company in the space, but this is the model of almost all of our competitors, as well.

