

Lessons from Building Praxis – Part 8

“I sold some stuff.” – Lloyd Christmas

Alright, the company is real now. But your product requires some resources that only come when you have commitments from customers... and customers require a product before they'll commit to anything.

It might be time to sell something you don't yet have so you can get the resources necessary to build it.

Sell stone soup

There's a children's story about three hungry soldiers who wander into a small village. They go around asking for food, but the villagers say they don't have any to spare. Undaunted, the soldiers decide to capture the imagination of the villagers. They announce they will make stone soup.

Everyone's curious. They bring a pot and water and some stones. As it begins to boil, the soldiers describe how delicious stone soup is, and how they've made it for very important people. The villagers are excited to see how they can possibly make soup from stones. The soldiers comment that it'd be better with a few carrots, and an excited villager brings them some. Same for potatoes, barley, cream, meat...you get the idea. Soon the whole village has a great feast with soup, bread, beer, and dancing. Everyone loves it. All from three stones!

The take-away from the story me helped get Praxis off the ground.

The soldiers knew if they had the resources, they could feed themselves and deliver an end product the entire village would love. Just asking for ingredients wouldn't do. They had to sell the end product before they were capable of delivering it. They needed to paint a picture of the possible as if it already existed. They took a gamble on themselves. They knew if they could sell the vision, they'd be able to deliver in the end. Had they produced a bad soup, or kept it all for themselves, they'd be run out of town on a rail.

Whether a pre-sale, Kickstarter campaign, or straight-up commitment to deliver what you don't yet have, some early stage businesses needs to solve the customer-product catch-22.

I needed good businesses who would host apprentices. I needed good apprentices who would create value for businesses. I had to sell stone soup.

I went to my personal network of business owners, and asked them to introduce me to other business owners, and presented a theoretical proposition: If we had great young people who were highly vetted and trained by Praxis, would you host them in your company for a paid apprenticeship? I described the customers I hoped to attract, even though I didn't yet have them. I got about 20-30 businesses to say, "Yeah, probably." Good enough. Those were our first business partners.

I listed them on the website and used them as examples of the BP's in our network when recruiting applicants. I knew if I had good people, I could place them at these and other businesses, even though no company had given me a firm commitment to host.

We got applications and accepted our first 6 participants into the first class of the program. Now the real work began of delivering on the promise. Participants in hand, I went back to the theoretical business partners and made it real. "Take a look at this person. You up for bringing them on as an apprentice? We'll provide X, Y, and Z, and you just need to provide a great experience with Z, B, and C." It took a lot of shopping to find the right fit. But I did, and now we were real. We had real business partners and real customers.

The business partner network today is dramatically different than it was then. In fact, of those first 20-30 BP's, probably only 4-5 of them even meet our criteria anymore. We got a lot tighter, more clear, and more demanding in what we expect. With a track record of quality talent, we can afford to. Now when we say we have businesses in nearly every major city, we have actual businesses who have explicitly agreed to host apprentices or are doing so now. When we started, we just had belief in the ability to make it happen.

Selling stone soup is scary. If you can get all the resources and build the full product before selling, do. But often you can't, and you have to decide if you're going to let it stop you, or if you're going to bet on your ability to deliver and sell a product that doesn't yet exist.