



## **SPI Podcast Session #117 - Broke on a Friend's Couch to Successful Entrepreneur with Dwight Peters of BackersHub**

show notes at: <http://www.smartpassiveincome.com/session117>

This is the Smart Passive Income podcast with Pat Flynn, session #117. Cut it!

### **Announcer:**

Welcome to the Smart Passive Income podcast, where it's all about working hard now so you can sit back and reap the benefits later. And now your host, who once had a lucid dream about having a lucid dream, Pat Flynn.

**Pat Flynn:** What's up and welcome to session 117 of the Smart Passive Income podcast. Thank you so much for taking time out of your day, I'm definitely going to make it worth your while. Actually it's not all going to be me, it's going to be our guest today, which is Dwight Peters, the founder of [backershud.com](http://backershud.com), which was not his first company.

Dwight and I have been in contact with each other since 2012, when I first supported him and his first [Kickstarter](http://kickstarter.com) campaign and we're going to talk all about that and why that actually failed and how he got to the point where he was actually sleeping on his friend's couch in San Francisco and it got to really desperate times and how he turned that around to a very successful company now, [backershud.com](http://backershud.com). A very inspirational story. Dwight is very open about everything that he went through and how his business is going.

Let's just dive right into the interview. This is Dwight Peters, again founder of [backershud.com](http://backershud.com). I know you're going to enjoy it. Check it out.

**Pat Flynn:** What's up everybody? I'm really happy to welcome Dwight Peters to the show. Dwight, how are you today? Thanks for coming on.

**Dwight Peters:** Thanks a lot Pat, this is awesome. Great to be here.

**Pat Flynn:** I'm very happy today because we're going to be talking about how you took something that you heard in another episode of the SPI podcast and created something for yourself. You are doing amazing things right now, we'll get into that. But just talk really quick about who you are and what it is exactly that you do.



**Dwight Peters:** Once again, I'm Dwight Peters. I'm from New York. I'm the founder of BackersHub. BackersHub is a community of Kickstarter backers. What we do is weekly flash sales of Kickstarter funded products exclusively for backers. In order to be a member of our community you have to be a backer. Every week we send out awesome newsletters of featured deals, so Kickstarter funded products and also alerts on early bird rewards from current campaigns.

**Pat Flynn:** Nice. Where did this idea to create BackersHub come from?

**Dwight Peters:** It was a mixture of a lot of things but I guess it started back last Summer. I was in school last year, I won the business competition in my school for another idea, set out to Beirut college here in New York. I took my winnings and I bought a one way ticket to San Francisco. I got on a plane, I came out to San Fran, I have a couple of buddies out here that allowed me to sleep on their couch. The goal was to keep building on the idea that helped me win the business competition.

Unfortunately it didn't work out. I couldn't get it to grow as quickly as I wanted it to. And I was running out of cash. I was literally broke after a month and a half or so of being in San Francisco, it's pretty expensive out there.

**Pat Flynn:** Yeah, definitely.

**Dwight Peters:** After a month and a half I was out there and I had no money to get back. Things were getting really tight and I had to figure out what I had to do.

It was pretty cool in a way because that's exactly why I went out there. I wanted to put myself in a position where...

**Pat Flynn:** Your back's up against the wall, right?

**Dwight Peters:** Yeah, it was just do or die. The idea for BackersHub came from several places. The competition that I participated in college, that I won, I started a tech accessory brand called Crowd Cases. We were selling custom iPhone and Samsung Galaxy cases on behalf of non-profits. The idea was to partner up with non-profits and create custom cases that represented their cause.

Long story short, that wasn't working out but what I did have was an inventory of iPhone cases that I could customize. Two years prior to that I launched a Kickstarter campaign myself, so I had a little bit of experience with Kickstarter and brain storming ideas, how can I make some quick money to buy a plane ticket. I said "Hey, what if I reached out to Kickstarter campaign creators and see if they wanted to offer custom iPhone or Samsung Galaxy cases as one of their rewards?"

That got the conversation started. That's what started the process of [BackersHub](#). When I started BackersHub, initially we wanted to help campaign creators with their



reward manufacturing if they wanted to make T-shirts or iPhone or Samsung Galaxy cases, upholsters, any auxiliary items that they wanted to offer as rewards.

**Pat Flynn:** Sounds like a great idea.

**Dwight Peters:** It was pretty cool and we hoped that we could have actually got that segment going. What we ended up doing was really tapping into the pain point and I guess that conversation starts when I listened to [Carl Mattiola's interview](#) that you had with him. Carl started talking about really finding your clients pain point, what's keeping them up at night.

I had the opportunity of meeting up with Carl in San Francisco. After your interview I reached out to him. We talked and he really broke that down for me.

I ended up going back to the campaign creator's I was talking to. They weren't really biting on it. They were excited about it but it wasn't what was keeping them up. What was keeping them up was they wanted to get backers. Once I realized that, that's when BackersHub truly started.

I knew that if I could help campaign creators get in front of backers, we could definitely get something going.

**Pat Flynn:** Nice.

So for everybody out there listening, Carl Mattiola was featured in episode number 82, which you can listen to at [smartpassiveincome.com/session82](http://smartpassiveincome.com/session82).

Can you share some insight on what that conversation was like? How did Carl and his story help guide you towards this direction?

**Dwight Peters:** Just listening to his podcasts. I'm trying to keep everything as structured as possible. Hearing Carl's story was really... I needed to hear it, it was at the perfect time. When I say I was broke, I was broke! We don't do stuff for the money, we want to create value, but it was a little bit of both. My pride was getting in the way too. I didn't want to come back to New York and not have something that was valuable, that people really love that people were excited to be a part of and something that actually generated revenue.

Hearing Carl talk about what he learned in the foundation, from being a around the guys there, creating a product aligned with what your clients want, it really helped. It took out all of the guessing and thinking without really having a clear path.

After that interview I sent Carl an email saying "Hey Dude, I'm out here, I'm broke on my friend's couch, I would love to get a cup of coffee with you, I heard you on Pat



Flynn, I would love to grab a cup of coffee and just chop it up with you and see what I can learn". He answered.

**Pat Flynn:** When you say you learned to get to the root of the pains of your target audience, how did you end up doing that? Did you actually have conversations with people starting Kickstarter campaigns?

**Dwight Peters:** Yeah, that's exactly when I jumped in. When I was asking campaign creators about the iPhone cases if they would like to offer this as a reward, I was getting a luke warm response, "Yeah, that's nice. What else can you offer?" I'd say "Hey, if you guys need T-shirts, posters, we can do that".

I guess listening to Carl's interview it really taught me instead of offering stuff I should just ask "What do you need?", "What keeps you up, what's making you scratch your hair out at night?" The answer organically came. These campaigners creators only have 30 or 45 days to reach their goal. Ultimately that's what keeping them up. They need to do everything possible to reach their goal. Everything else is secondary.

**Pat Flynn:** Instead of providing the - because these rewards for people who pledge on [Kickstarter](#), that might help get backers, but it also might not. You're skipping that and you're saying "What if we just had a bunch of backers?" What happened after that?

**Dwight Peters:** What we wanted to do was help campaign creators get on Kickstarter's newsletter. I'm not sure if you or the audience are familiar with Kickstarter, they send out one weekly newsletter every week highlighting three campaigns. The thing is, how do they go about picking those campaigns?

Every day there are dozens of new campaigns, every week there are hundreds of new campaigns on the platform. So getting on the newsletter is pretty darn hard, it's not impossible but it's like winning the lottery. You would do anything to get on the newsletter but the chances of you actually getting on the newsletter is totally up to the mercy of Kickstarter.

We realized that Kickstarter was doing something, they were promoting campaigns to their list of backers. We did some research, we realized that 60% of Kickstarter revenue comes from repeat backers, they understood the process. So we said if we can't get these guys on Kickstarters' newsletter, let's do the next best thing, let's create our own newsletter with the same members of the community.

**Pat Flynn:** Wow, that's very cool. I can say I'm also a repeat backer, I've purchased several things on Kickstarter.

How do you go about doing something like that? It's easy to say "Let's get a list of backers," it's another thing to actually implement that. What were your first steps?



**Dwight Peters:** The first steps were pretty brutal. The first thing that we wanted to do was quickly validate the idea. By quickly validating the idea we (my cousin and I) didn't want to waste our time. We didn't have money to waste. Funds were very limited and we didn't want to waste time. The first thing was get a paying customer. That was the first thing we did, before we even started building a list. We said "Let's see if we can find somebody that's actually willing to pull out their credit card and think it was a good enough idea to be willing to pay for it."

On October 16th, we got our first customer to say "Hey, I would pay to be on a newsletter that goes out to backers". We made sure we set the right expectations with the first client. We offered a full money refund. It wasn't to get the money, it was to see if this was something that people really wanted. People can say "Yeah, I like your idea, I would definitely use it" but never pull out the credit card. That always happens, but we wanted to get that in.

**Pat Flynn:** You actually got this person to pay?

**Dwight Peters:** Yes, we got him to pay first and then we said "OK, dammit, he paid"...

**Pat Flynn:** Now we've got to do this...

**Dwight Peters:** We've got to build it. Either we build it or we refund him the money. We can't refund the money, we really need it!

Our back was against the wall again but in a good way. Somebody's willing to pay for it, let's build it. We tried different tactics, we gave ourselves enough space to build up the list. We started small. We set the right expectations, we told people we're beginning, we'll promote you to a few hundred. We did everything we could to build up the list as quickly as possible. I can't really go into all of the nooks and crannies...

**Pat Flynn:** Right, that's your secret sauce, right...

**Dwight Peters:** But what I will say is partnerships are very powerful and giving value is definitely important. One of the things that's really been helping us a lot are the flash sales. Once we figured that out, a light bulb went off in my head one day saying "Hey man, there's a lot of campaigns out there that backers probably missed out on". Me myself, I'm a repeat backer, I backed over 35 campaigns.

There's a ton of campaigns I missed out on, for whatever reason. Sometimes I didn't know that the campaign was actually live. Kickstarter was over saturated with so many cool ideas so I said to myself "I think it would be pretty cool if we could get backers that missed out on campaigns a close enough deal to the actual Kickstarter deal once it was live". Once we did that, that's when our list really started to grow.





**Pat Flynn:** You're creating deals with providers, people who start Kickstarter programs for people who may have missed the initial pledging period?

**Dwight Peters:** Yes, but for only backers. You have to be a backer to get access to it.

**Pat Flynn:** Right OK, wow. That is so incredible. It almost seems like something like that should have already existed, right? Sometimes it just takes a little bit deeper thinking and even asking people, like you did to understand what the solutions might be and then creating a platform to facilitate all that.

**Dwight Peters:** Yeah man and you know we try to keep it as cool as possible. We have a private Facebook group where most of the backers engage, some people don't like Facebook. We have over 2,600 backers in there. It's a very highly active community where backers are sharing other campaigns, they talk about the experience of Kickstarter, they share product reviews. It's a community amongst itself that's really starting to grow.

**Pat Flynn:** That is awesome. I can imagine with that many backers, I mean that's a big, powerful force right there. You could essentially in your position say "Hey everybody, let's back this together" and boom, that thing has already met its goal.

**Dwight Peters:** Yeah, it's pretty cool! We've been talking about that ourselves, what direction we want to take that in. But yeah, the possibilities are definitely there. We're constantly listening to the community itself, making sure that everything that we do is aligned with what they want to participate in.

They truly appreciate it. We just serve as gate keepers. We're just facilitators, moderators. We let the community lead itself.

**Pat Flynn:** I was going to ask you, how do you make sure your promotions are in alignment with what the community does, and you've answered that already. I think that's really important, obviously you're going to get hit up a lot by people who want their products in front of your audience. How do you filter through what's good and what's not?

**Dwight Peters:** We send out a weekly survey every week for the deals specifically. They can mention campaigns that they missed out on that they would like to partake in. If we notice that the same campaigns are getting mentioned then we'll definitely reach out to that product.

It works even better for us because when we reach out to that manufacturer or the product or the campaign creator or whatever they are, we can say "Hey, look guys, our community is asking for this", it's not like we're just saying "Hey, we want to do a flash sale with you guys". We can actually say "Hey, look. A substantial amount of our backers are really interested in this, this is going to be awesome for you guys".



**Pat Flynn:** That's incredible, it's as if to say you're being requested by everybody.

**Dwight Peters:** Yeah, right. Who doesn't like to be vetted? "Hey Dude, people are really asking about you guys".

**Pat Flynn:** That is really smart.

First of all, congratulations on the great idea and all of the success so far. Talk about when you first launched. What was that like? How were you feeling and how successful was it?

**Dwight Peters:** October 16th is when we got the first sale, I'll never forget that day. Funny enough, I was watching another SPI interview, Noah Kagan's most recent one. It was the middle of the night. Excuse my language but Noah in that interview said "Whatever you're doing right now, get shit done". He said "Whatever you want to do, take action, right now". If you're going to make a sale do it right now, right now, right now. That's what he just kept saying over and over in that podcast.

That's how I made that first sale. I was talking to a guy Chris, it was 1:30am and Chris and I were going back and forth, I was saying "Hey Chris, we're working on this new idea, would you be interested?" I kid you not Pat, when he asked me how much would I charge to be on the newsletter, it was literally 1:47 in the morning and that is how much I told him, because I didn't know, I had no...

**Pat Flynn:** Wait, it was 1:47am and that is what determined your price?

**Dwight Peters:** Because I did not know what to charge. I didn't know if he was going to say yes or no so it was like "uh 147" and he was like "OK" and two minutes later we had the money in our PayPal account.

**Pat Flynn:** Wow, that's super awesome. That's really funny actually. For those of you listening, Noah Kagan, episode 71, [smartpassiveincome.com/session71](http://smartpassiveincome.com/session71). That is one of the most popular episodes that we've had so far.

If you could go back in time and tell yourself something that you wish you did differently, what would it be in regards to that initial first time you sold something?

**Dwight Peters:** Start quicker. I would have moved faster. But that's all in hindsight. Try not to over think everything. I tell my friends all the time, I joke around, I don't have that many talents. I don't code, I'm not a graphic designer, I'm not a copywriter, I'm like learning to write better copy.

But there's one thing that I am good at and that's just connecting with people. If I want to connect with a person, some way, some how I'm going to figure out how to connect



the dots. I should have just trusted myself more in that. I figure out where to find possible to customers, I should have connected the dots earlier and just run with it.

**Pat Flynn:** Absolutely. In terms of the pricing and picking \$147, is there anything you wish you did differently in terms of that? I remember when I first got offered to place banner ads on my site at Green Exam Academy for another company, I was just caught with that question and I didn't know what to say and I just said \$50 because that's the only thing I could think of. The next month I experimented and added \$100 to it and people were really quick to jump on that. \$250, really quick. \$350, really quick.

Because I wasn't prepared, I didn't know what it was worth at the beginning and I totally undersold myself. But it was nice to get that first sale and in that first sale you're just wanting that. There's a balance between wanting your first sale but making sure you're getting paid for the value that you're providing. Do you have any advice or is there anything you wish you did differently with that?

**Dwight Peters:** Yeah. Nothing that I wish I'd done differently but everything was really a progression. This was a learning experience for us. I think Matt from your most recent podcast touched on it at the end of his interview when he talked about creating tiers. He had three different prices for it, right.

So at first, we started with \$147 and then we got really creative with other ways we can monetize what we were working with. That's everything too, we weren't waiting to monetize, we were going to monetize this from the get-go. That's something that we told ourselves, like "Let's not wait, let's not offer anything for free, let's just monetize it, put as much value as possible in it and let people feel comfortable paying for it."

Something that Matt touched on in your last podcast, creating tiers. Once we created tiers, we started off with \$147, then we created another package for \$297 then we created another package for \$497 and that's when sales really started to take off. We were giving people options. Not only were we giving them options, we were giving them different levels of value.

**Pat Flynn:** Right. When you give people options too, you're creating different base levels. Like when you go to a restaurant and you see a wine list, you see the cheapest wine and you see the most expensive wine. Most people will pick either the second cheapest wine or even the one that isn't the most expensive. There are different strategies when it comes to pricing, if you listen to the episode with Derek Halpern and also another one with Ramit Sethi, we talk about pricing structures and creating tiers and things like that, which can be helpful. We can probably talk a whole hour about pricing.

Talk about how well it's doing now, if you don't mind sharing numbers. I remember in your email you mentioned a couple of numbers that blew me away.





**Dwight Peters:** Our newsletter's close to over 10,000. We're growing every day. Sales wise, we're doing a nice five figures a month, which is really awesome. A year ago, I have a picture of my bank statement in my phone. At one point all I had was 27 cents in my bank account. It was like "Woah", we've only been doing this for 8 months. Your life can change in 6 months. Your life can change in a year. We're trying to get bigger and better and continue to create more value, continue to help more entrepreneurs.

That's how we look at our clients. Everybody that comes, whether we're doing the flash sales, or we also have a segment where we promote new Kickstarter campaigns, we promote their early bird rewards. These people are entrepreneurs so we try to help them in every aspect. We provide them more entrepreneurial tools besides just having a successful Kickstarter campaign but simple stuff, how to get better at copy writing, how to build your list, how to reach out to journalists. It's rewarding, this is what we love to do. We're entrepreneurs at heart, we want to help other entrepreneurs.

**Pat Flynn:** That's awesome, Dwight. Thank you so much for coming on the show and sharing all of that and inspiring all of us. Do you have any final tips for anybody who's looking to get started and probably take the same approach that you and Dane and Carl took when you're going out there, you're doing research, you're trying to find a pain or an issue in a particular niche. Do you have any advice for somebody who is starting to do that?

**Dwight Peters:** Yeah man.

1. Start small, move quickly but definitely ask who ever your client base is, what's keeping you up at night? You guys and ladies out there have probably heard this time and time again but ask "What's keeping you up?", "What would make your job easier?", "What's the number one thing on your priority list?"
2. Monetize ASAP. See how quick you can get that first dollar. Not necessarily to make the dollar but to see if there is really value there, if people are really willing to pay for it, it gives you the incentive to move faster because you know there is possibly money on the table out there that you can get.
3. MVPs. You hear this all the time, Minimal Viable Product. Create something. When we started, we started with Launch Rock, which was free, we drew up a quick little landing page with some information and we really tried to stay as lean as possible.
4. Add value, be different. If you have competitors, that's OK. That means there's a market for what you're doing. How can you be different? How can you be unique? Each and every one of us are unique in our own special way. What can you add to it to give it your own spin?



**Pat Flynn:** Thanks Dwight. Hey, if anybody wants to come check out what you're doing and possibly get hold of you, where should they go?

**Dwight Peters:** Definitely, you guys can shoot me an email at [dwight@backershup.com](mailto:dwight@backershup.com). If you're a backer and you're looking for deals, you can sign up at [backershup.com](http://backershup.com). If you're somebody that has an idea, if you ever wanted to launch a [Kickstarter](#) campaign but just don't know how or if you need a little bit of help, we're doing something pretty cool.

Most of the times when we work with campaign creators, we're either working with them during their Kickstarter campaign or post Kickstarter campaign. We're creating something to help people before they launch their campaign, before the clock starts ticking. We have something called from [Zero to Funded](#) and basically we're creating a course. It's going to be about 4-6 months where we're working with a lot of successful Kickstarter campaigns. We're creating an awesome course to really teach people step by step what they need to do to launch a campaign. If you're interested in that, you guys can sign up at [signup.backershup.com](http://signup.backershup.com).

**Pat Flynn:** What's the price point on that?

**Dwight Peters:** It's free. It's limited seating but it's free, we want to roll it out, test it out, get people's feedback on the course, see how they do and then once we do that we can definitely take it from there. Whether we decide to monetize it or not. What we want to do is really help entrepreneurs to get a great sense of what Kickstarter can offer and how powerful crowd funding can be if done properly.

**Pat Flynn:** Nice. That is something I might potentially get into as well. I know a lot of people have been asking about Kickstarter. Definitely check that out. [signup.backershup.com](http://signup.backershup.com). I'll be heading over there, might see a Kickstarter campaign from me in the future, we'll see. I don't even know what it might be but that will be a lot of fun to experiment with I think.

This has been great, Dwight. Thank you so much for all the information. We'll hopefully connect with you later and see how everything is going.

**Dwight Peters:** Awesome man. It's been two years in the making. I don't know if you remember but you actually backed my campaign a couple of years ago.

**Pat Flynn:** I do remember that.

**Dwight Peters:** Here's one last thing I can tell anybody that's listening. Reach out to people. If you hear an awesome interview on Pat's podcast, shoot that person an email, you will be surprised. Continue to network, continue to build relationships. That's what I spent my whole entrepreneur journey doing, reaching out to people who had awesome stories and seeing what value I could give them and what I could learn from them.



**Pat Flynn:** That's awesome man, perfect advice to end the show. Thank you so much Dwight.

**Dwight Peters:** No problem Pat, thank you for having me.

**Pat Flynn:** Alright, I hope you enjoyed that interview with Dwight Peters, founder of [backershuh.com](http://backershuh.com). Dwight, I know you're listening to this. Thank you again so much for the inspiration and all the advice that you have for all of us out there starting and working and growing our online businesses.

For those of you that want the links and the resources and everything mentioned in this episode, head over to [smartpassiveincome.com/session117](http://smartpassiveincome.com/session117) for the show notes. Of course, if you'd like to leave a comment and just thank Dwight you can also go to that same link, [smartpassiveincome.com/117](http://smartpassiveincome.com/117).

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Thank you again so much for listening to this episode. I hope you appreciate all the work I'm trying to do for you here. Just leave comments and suggestions. I always love the constructive criticisms. I'm always looking to improve for you. Just head over to [smartpassiveincome.com/session117](http://smartpassiveincome.com/session117) and also don't forget to thank Dwight. Dwight was an amazing guest today.



Take care, keep working hard. Bold actions will take you to where you want to go. If you stay comfortable, if you just keep doing what you're doing and do average work, you're going to get the same average, comfortable results that you've always gotten. Get uncomfortable, take some risks, take actions, take bold action and see you in the next episode of the Smart Passive Income podcast.

Peace.

**Announcer:**

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