SELFMADECODEX · BARRY

He nearly shut down the product that later became Kit

Nathan Barry had to choose between giving ConvertKit everything or letting it go

Selfmade CODEX

The story in numbers

$36.4 million

The later article reports that ConvertKit reached $36.4 million

REPORTED

49,000 customers

The later article reports that ConvertKit had 49,000 customers i

REPORTED

$625,000 MRR

The later article reports that ConvertKit reached $625,000 in MR

REPORTED

Where the numbers come from

Every figure in this document was checked against its original source. Here is how they break down:

Independently reported · 10   Self-reported · 15   Estimate or inference · 3

> 30% recurring commissions attracted creators and influencers.
>
> STARTUPGTM.SUBSTACK.COM · INDEPENDENTLY REPORTED

The path

JANUARY 1, 2013

ConvertKit was started.

DECEMBER 31, 2012

Nathan Barry began the public Web App Challenge, aiming to create a SaaS application and reach $5,000 in monthly recurring revenue within six months.

FIRST SIX MONTHS

ConvertKit reached approximately $2,100 in monthly recurring revenue.

FOLLOWING YEAR AND A HALF

ConvertKit remained flat at approximately $2,100 per month.

SEPTEMBER 2014

The material reports revenue declining to $1,330 per month.

OCTOBER 2014

After doubling down, direct sales increased monthly recurring revenue from $1,300 to $1,600 and then to $2,000.

MARCH 2015

Monthly revenue reached $5,000 in the interview and $5,020 in the later article.

MAY 2015

ConvertKit ran out of money while generating approximately $8,000 to $9,000 in monthly revenue.

2016

The later article reports monthly recurring revenue reaching $625,000 and more than 150 webinars being hosted.

0 1

The Project That Stayed Small

Nathan Barry did not begin with a breakthrough; he began with skills, an audience, and a software project that refused to grow.

Before ConvertKit, now Kit, Barry worked in user experience design and sold books and courses online. That business was already working. His move into software was not an escape from failure. It was a bet on recurring revenue and a different kind of challenge.

According to Barry's own account, he started ConvertKit on January 1, 2013. The initial positioning was narrow: email marketing for professional bloggers. He launched it publicly through the Web App Challenge and set a self-reported target of $5,000 in monthly recurring revenue within six months.

Six months later, ConvertKit had reached about $2,100 in MRR, according to Barry. Then growth stopped. Revenue eventually fell to $1,300 per month. The product existed. Customers paid for it. But Barry was still dividing his attention between ConvertKit and the books and courses that already supported him.

That is the real starting point of this story: not an idea on a blank page, but a half-proven product caught between continuation and closure.

> Dates and early revenue figures on this page are based on Nathan Barry's own account.

02

A Simple Model With a Difficult Requirement

The business model was subscription software, but the early constraint was more important than the category.

Customers paid each month to use ConvertKit. That recurring model appealed to Barry because revenue could continue without launching another book or course every few months.

He limited his initial personal investment to $5,000, according to his own account. Any additional development had to be funded through customer pre-sales. That rule forced him to ask for payment before polishing every part of the product.

The niche also mattered. ConvertKit was not presented as email software for everybody. It was built for bloggers, authors, and later a wider group of creators. A narrow audience made direct outreach possible and gave product decisions a clearer test: does this help a creator build and communicate with an audience?

The model looked scalable, but it started with work that did not scale: conversations, demonstrations, manual onboarding, and direct requests for the sale.

> ConvertKit's initial positioning as an email platform for professional bloggers is described in Barry's own account.

03

What He Actually Did First

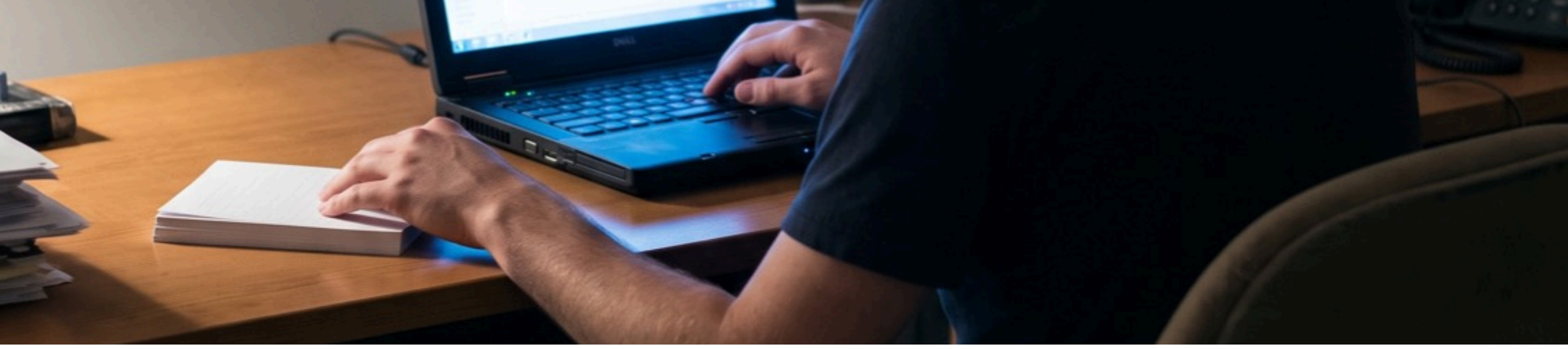
The first version was not carried into the market by content alone; Barry had to put it in front of individual people.

First, he announced the Web App Challenge publicly. Then he chose ConvertKit as the product, set a six-month target, capped his own investment, and used pre-sales to test whether prospective customers would pay.

Once the product existed, he contacted potential customers directly. He held Skype demonstrations, asked about their existing email setup, and listened for the friction behind their answers. Barry later described sales and product research as the same activity.

When someone agreed to switch, the work did not end at checkout. ConvertKit offered hands-on migrations. Moving a creator's subscribers, forms, and sequences reduced the risk of changing platforms and exposed the team to the details customers cared about.

After the early plateau, Barry hired David Wheeler as founding engineer, according to Barry's account. That allowed product development to continue while Barry concentrated more seriously on conversations and sales.



04

What He Actually Did First (2)

- Publicly define the product and constraint.
- Ask for payment before expanding the build.
- Demonstrate the working product live.
- Handle migration friction instead of leaving it to the customer.
- Feed repeated objections back into product decisions.

> David Wheeler's role and Barry's description of sales as research are self-reported by Nathan Barry.

05

How the First Revenue Was Built

Subscriptions created the revenue, but direct selling created the first reliable path to it.

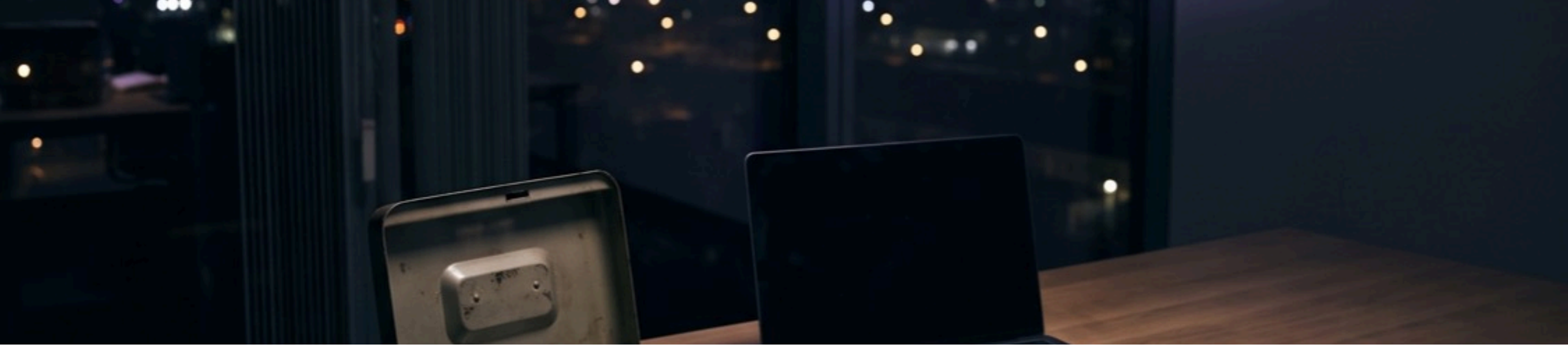
The core offer was a monthly ConvertKit subscription. Barry did not wait for a large audience campaign to make it work. He contacted creators, demonstrated the software, and helped them move from another provider.

After deciding to give ConvertKit his full effort, direct sales added $300 in MRR during the first month, according to Barry's own account. The number was small, but it showed that focused outreach could move a product that had been drifting.

ConvertKit also tested ConvertKit Academy: customers could pay $300 annually and receive training alongside the software. That combined the recurring product with Barry's existing experience in education.

Affiliate partnerships and referrals came later. They expanded distribution, but they were not substitutes for the early sales work. The sequence matters: first learn why an individual customer changes tools; then give other people a reason and a mechanism to recommend the product.

> The $300 annual Academy offer and $300 MRR from the first month after doubling down are based on Barry's own account.



06

Growth Began With Unscalable Work

ConvertKit found growth when the team stopped searching for distance from the customer.

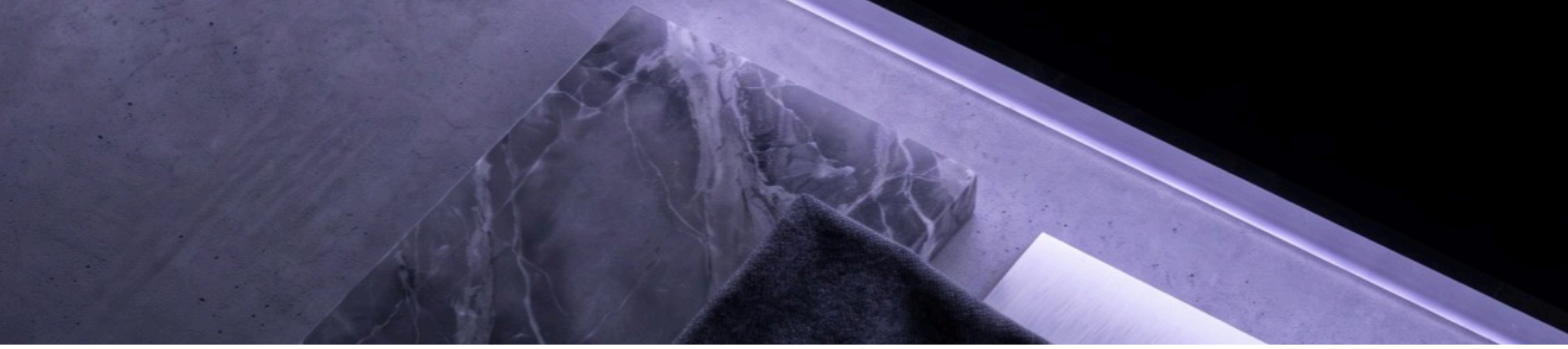
Barry had looked for scalable acquisition methods while the company was still small. The more useful move was direct sales: identify a creator, start a conversation, show the product, answer objections, and help with the migration.

According to Barry's own account, ConvertKit reached $5,000 in monthly revenue by March 2015. Later reporting estimates that direct sales remained the main engine until roughly $15,000 MRR.

Only then did the channel mix widen. ConvertKit worked with creator affiliates, used referrals, and ran educational webinars. Later reporting records more than 150 webinars and a 30% recurring affiliate commission.

The company continued to grow into a larger creator platform. Later material reports $625,000 MRR in 2016, $25 million ARR in 2020, $33.5 million in revenue by 2022, and $36.4 million in revenue from 49,000 customers in 2023. Those figures show where the model went. They do not explain the first turn. That came from choosing a niche and speaking to customers one at a time.

> The approximately $15,000 MRR direct-sales threshold is an estimate. The 2016, 2020, 2022, and 2023 figures come from later reporting.



07

The Dangerous Middle

ConvertKit's central mistake was not a bad launch; it was remaining alive without receiving full commitment.

Barry underestimated how difficult it would be to reach $5,000 in MRR within six months. When ConvertKit stalled near $2,100 MRR and later declined to $1,300, he did not close it. He also did not give it his full attention.

The reason was understandable. His books and courses were still producing substantial revenue, estimated at about $250,000 per year at the time. The proven work kept winning calendar space from the uncertain product.

A friend eventually framed the decision plainly: shut ConvertKit down or give it the time, money, and attention required to discover whether it could work. Barry chose the second option. According to his own account, he committed $50,000 of his savings and hired an engineer.

That choice increased the risk. Estimated monthly expenses rose from roughly $10,000 to $13,000, and Barry says the company ran out of money in May 2015. Doubling down did not remove the danger. It made the test real.

08

The Dangerous Middle (2)

Barry later said his main lesson was to double down sooner. The sharper lesson is not that every struggling project deserves more money. It is that a project cannot be judged cleanly while it remains permanently second priority.

> The investment, revenue decline, May 2015 cash position, and lesson to double down sooner are self-reported. Income and expense figures identified above are estimates.

09

Five Lessons From the Build

The useful lessons are decision rules, not slogans.

1. Separate weak demand from weak attention. ConvertKit had paying customers, but Barry had not yet given sales sustained focus. Before calling a project a failure, identify which part was actually tested.

2. Let sales do two jobs. A direct conversation can produce revenue and reveal objections, switching costs, missing features, and the language customers use to describe the problem.

3. Narrow the first audience. Professional bloggers gave ConvertKit a specific group to contact and a specific workflow to improve. Precision made both product development and outreach easier.

4. Remove the cost of changing. Hands-on migrations addressed a practical reason customers might stay with an inferior or less suitable tool: moving was painful.

5. Earn scalability after contact. Affiliates, referrals, webinars, and network effects became useful after direct sales had shown what customers valued. Scale amplified a learned message; it did not create one.

> Barry recommended asking two questions: Do I still want to do this, and have I given it every possible chance to succeed? Both are based on his own account.

10

How to Start This Model Today

Do not begin by building an email platform; begin by finding a narrow recurring problem you can observe up close.

Choose a defined group you can reach without advertising. Not small businesses. Not creators. Pick a tighter starting point, such as independent course operators managing renewals or newsletter teams handling sponsor inventory.

Interview people already doing the work. Ask them to show the current process on screen. Look for repeated manual steps, costly errors, awkward handoffs, or data copied between tools. A complaint is interesting. A recurring workaround is stronger evidence.

Create the smallest paid version that resolves one repeated problem. It may begin as a service supported by software rather than a complete self-serve application. Price a pilot, state what is included, and ask for a real commitment before building the surrounding platform.

Recruit the first customers through direct outreach. Run live demos. Onboard them yourself. Record the questions they ask before buying and the points where setup stops. Those moments become the early product roadmap and sales language.

11

How to Start This Model Today (2)

Set a review point before starting. Decide what evidence would justify continuing: active use, renewals, successful outcomes, or a clear pattern in customer demand. Also define what would make you stop. The goal is not blind persistence. It is a fair test.

- Week 1: define one audience and one recurring workflow.
- Week 2: conduct problem interviews with screen sharing.
- Week 3: write a paid pilot offer and contact likely users.
- Week 4: deliver manually, observe usage, and document friction.
- After the pilot: improve the repeated core before adding acquisition channels.

> This is a modern application of the model, not a prediction of results. Privacy, security, tax, and software compliance requirements depend on the product and market.

12

Tools and Resources

The early tool stack should shorten the distance between a customer problem and your next decision.

Use a simple customer relationship tracker for names, outreach dates, objections, next steps, and outcomes. A spreadsheet is sufficient until the process itself becomes difficult to manage.

Use video calls with screen sharing for interviews and demos. Ask customers to operate their current tools rather than only describing them. With permission, record sessions or take structured notes immediately afterward.

Build the first workflow with the lightest suitable approach: a no-code prototype, a basic web application, or a manual service behind a simple interface. Choose based on the problem, data sensitivity, and your ability to maintain it.

Use product analytics to observe activation and repeated use, not just sign-ups. Add a support inbox and a basic issue tracker so customer friction reaches the build queue without being filtered through memory.

Keep one decision document. Record the audience, problem, offer, price, assumptions, review date, and stop conditions. Update it when evidence changes. This prevents a side project from drifting for months without a clear test.

1 3

Tools and Resources (2)

- Research: customer interviews, screen sharing, and structured notes.
- Sales: targeted prospect list, short outreach messages, and live demos.
- Delivery: a narrow prototype plus hands-on onboarding.
- Measurement: activation, continued use, renewals, and reasons for cancellation.
- Review: a fixed decision date with written continuation and stop criteria.

> No affiliate products are included. Select tools according to cost, security, privacy, integration needs, and the technical skills available to the project.

Sources & transparency

Every figure in this document comes with its source. Anything the person only stated about themselves is marked as self-reported.

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