From A $28,000 Kickstarter Campaign For A Beer Bottle Opening iPhone Case, With Ashton Kutcher And Jamie Oliver Support, To A Multi-Million Dollar Company, This Is Chris Peter's Story

YARO: Hey there, this is Yaro and wow, do I have a great podcast interview coming up for you in a moment.

Chris Peters just gave me an amazing story about how he launched a multi-million dollar business starting with a Kickstarter campaign, what he and his partner, Rob, sell are iPhone cases.

Their very first one was a bottle opening iPhone case. You're going to hear their story on how they funded that on Kickstarter to the tune of about $28,000 which led to another Kickstarter campaign and then, an entire business selling these iPhone cases with people like Jamie Oliver and Ashton Kutcher sending out tweets and Instagrams to show how they were using these products.

However, before that interview begins in a moment, I just want to tell you about my exclusive EJ Insiders Interviews Club. This is a club for you if you like my free podcast like the one you're about to hear with Chris or any of the other ones you've listened to in the past, you will definitely love my EJ Insider Interviews Club.

It's more of the same, high quality interviews with successful bloggers, multi-millionaire information marketers, email marketing specialists, I grabbed them. I've done exclusive interviews. These are not available for free and I've put them inside this membership site.

You get, at minimum, two new interviews every single month. I also write an action plan which is where I take what I believe are the key leverage points behind these millionaire bloggers and expert information marketers, and I extract what they do differently, highlight it and put it into a 10 to 15 page report each month so that, you can go away and apply what they do and get some big results.

So, these are the leverage points which lead to the 100,000 or 200,000 or half a million, million dollar results that these guys and girls have achieved.

So, if you want access to those exclusive interviews as well as the action plans directly from me, you need to join my EJ Insiders Interviews Club. You can do that at **EJInsider.com/interviews** where you can join that club and immediately get access to the first interview or you can grab all the interviews at once if you want the upfront option.

All right, that's it from me. I hope you enjoy this interview. Here is Chris.

YARO: Hello, this is Yaro Starak and welcome to an Entrepreneur's Journey podcast interview. Today, I'm doing my first ever Melbourne interview coming to you live from Melbourne where I just recently moved to.

I'm interviewing one of the new friends I have met here in Melbourne. His name is Chris Peters, who is part of a two-man team behind Annex Products, which, to give you the simple explanation is an iPhone case

company and these guys has had some ridiculously rapid growth in just a couple of years, have gone on to a two to three million dollar business which all started, thanks to a Kickstarter campaign, for the Opena, which is a bottle opener iPhone case.

Chris, thank you for joining me.

CHRIS: Hey, good evening Yaro. Thanks for having us, or having me.

YARO: Well, Rob is here in spirit, as well.

CHRIS: Yes.

YARO: I'm glad you brought the Australian accent to the equation here, too just to make it authentic.

So, for me, there's a lot of things I'd like to talk about here. We've got a Kickstarter campaign that worked well which then kick started an entire multi-million dollar business now which is growing rapidly around a few different types of iPhone cases.

It's a physical product so, I'd like to talk a bit about design, fulfillment, shipping, all the things that go together with that kind of business. But, as is traditional in the Entrepreneur's Journey podcast, we just jump back in time first and maybe, since this is a partnership, I know I asked you guys last time we had lunch, how you met which is kind of interesting. But, for you personally, was there any entrepreneurial background or were you an employee before you started Annex?

CHRIS: I'd say there was definitely a bit of an entrepreneurial spirit, not a huge amount of background but I was definitely wanting to discover fairly early on that I wasn't comfortable, all that came on working for other people. I 'm not really one to like being told what to do or what I can't do.

I guess, from an early age, I was always, I had little businesses on the side or little projects, I guess you should call, where I was usually developing products or I'd do something physical because that's what I knew and, anything from printing t-shirts with a friend through to manufacturing

wakeskates through to importing cables to connect your Mac to HDiTV before display port and you know, HD model is standard on the Macbook.

YARO: Was that "wakeskateboard," is that what you said?

CHRIS: Yes, wakeskates. It's similar with wakeboarding.

YARO: Yes.

CHRIS: Wakeskating is kind of like crossing wakeboarding with skateboarding. So, you take a timbadeck (?) which looks very similar to a wakeboard but, you remove the bindings and you apply a pretty much skateboard grip.

YARO: Okay, so it's like a fat skateboard.

CHRIS: Kind of. It's like it takes, it's the most skillful sense of boarding because you don't have the attachment like you do in white boarding where you got the bindings.

But, having that disconnect from the board, you can do more skating stall of tricks so, kick-flip shove, these sorts of things. I guess, that is something I developed a brand and built a website and also I designed and manufactured the products out in the back shed at my parent's place and within from zero to six months, I had a pretty well recognized brand and really enjoyed the prizes of building it up and designing it and getting it out there and marketing these products.

But, when it got to the point where I was just taking orders and going out to the back shed and making these things and shipping them out, I lost interest in it fairly quickly [*chuckled*]. It became more of a job than I had hoped.

YARO: Yes, mass production as an individual. That can be a bit tricky, can't it?

CHRIS: Yes.

YARO: So, is your background engineering based because you're making physical stuff with your hands here. I wouldn't have a clue how to make a skateboard especially not one that I feel comfortable selling to people. So, what's your background with that?

CHRIS: Yes, well, my background is an industrial designer. I have always been pulling things apart as a kid and designing things. I studied Industrial Design at Swinburne apparently straight out of high school and from there, I've worked for various, I guess you can call them design consultancies in Melbourne, spent four years at a large firm in Melbourne that did a whole range of things but, mainly specializing in I guess, you'd call medical devices so, medical machines that process or automate a lot of the laboratory work so, I got involved kind of in the deep end there with working with a lot of engineers, industrial design work, prototyping, also working on graphic interfaces so, doing a lot of digital design as well.

So, that's really where I cut my teeth in a professional sense and then, from there, I took a year off hence, the wakeboarding interest, I went over to the States and spent six months with a friend working at a water skiing wake board school over in North Carolina in the deep south and had a bit of a break and then, came back and I was off at a position up in Sydney so, I spent another two years up there working for a much smaller design consultancy which I thought was great. That really gave me insight into I guess, the ins and outs of running a small business.

I was going from a family size of the company I worked for in Melbourne which was about probably 200 employees to a company in Sydney that had probably less than ten. I enjoyed that a lot more because you got to basically get your hands involved in every aspect of the business. So, you're dealing with customers, recording them, you're sourcing components, you're dealing with the suppliers, you're dealing with manufacturers, you see the good and also the bad customers and understand how to deal with both of them.

That was a really big interaction for me. But then, living in Sydney was tough being away from all family and friends so, eventually, I left that job and came back to Melbourne. Well, the ultimate goal was to start up my own design consultancy but, I felt I needed to get some experience in the

sales and well not so much marketing but more than the sales side of things.

So, I landed a job buying and selling CAD software using SolidWorks which was a package I used mainly through my six or seven years of that design experience. I did that for about a year. I got the ins and outs of the sales side of things. I didn't like a whole lot of it but, learned a lot about the processes and what's involved in doing so and that gave me, I guess, enough finesse (?) or enough experience or enough confidence to go out and set up my own design consultancy which I did, which I ran for about just only three years and towards the end of that was about when Rob and I got together and started chatting about business and ideas and companies and always coming up with the same idea of, "We should be doing something for ourselves other than building up other people's businesses."

I was at the point where I was running my own business but, I very quickly realized that a service business can be quite difficult especially when you reach a plateau where there's only 70 hours in the day and in a service setup, you're only earning money for those hours you work so, if you want more money, you work more hours or you charge more.

Unfortunately, designers can't charge like lawyers so, there's kind of a limit where you put a threshold on and I'll get to the point where I was like to go further, I'd have to start employing people which would then be more of a management role more so than being a hands on, independent design consultant.

That didn't really sit too well with me. But after Rob and I had many afternoon chats about this and that and decided that product businesses was definitely the way to go just because they could be scaled much more than just working, getting paid for your time,
I guess that ultimately how we ended up where we are.

YARO: So, what did Rob bring in terms of your collaboration? It's pretty clear you've got the industrial design background. Did Rob bring something that you didn't have so much or is it just a case of having someone who is committed like you are to move you forward?

CHRIS: I guess we got fairly similar backgrounds from a technical point of view but, his background, well, he is in tool making more so than in design. That kind of completed the manufacturing side of things but, that's really not much used these days because we have sourcing agents and tooling companies off shore in China who do a lot of that work for us. It's still good to have the eye of the site there too in case something gets a bit, I guess, if extra careful, we can work through it and he's got the experience and knowledge to sort through that.

But, his real I guess, role in what we're doing today is more in the sales and marketing side of things and that's something he builds up in his previous role before we got out on our own. That was hitting up sales and marketing for a large company in Melbourne with manufactured laser and plasma cutting machines.

YARO: You guys have certainly got some interesting backgrounds with the hands on nature of these roles, very different from me with being involved with information publishing.

I'm curious, this is where I am completely lost. You two are sitting down and you're thinking, "We want to have a product that we can sell so that, we're in charge of our own business and it can grow to whatever size we want to let it grow or work on it to grow. So, our income is not capped."

How did the idea generation lead eventually to basically a beer bottle opening iPhone case?

CHRIS: It's a bit of a roundabout story. We didn't just start with the idea of making iPhone cases. We toyed with a few businesses before we got into that so, we stuck our toes in the water before we jumped into the deep end.

We have known each other for a few years but we actually kind of live in parallel universes. We'd always been involved for the same friendship groups or activities but, there was just one group separation. So, when our girlfriends, now my wife, and Rob's fiancé, they're good mates from high school.

We ended up, myself and Chan (?) moved into a house not far down the road from where Rob was living and obviously, because Paine (?) was spending a lot of time with Rob and we ended up spending a bit more time with each other and chatting and just bouncing ideas off each other going, "There's got to be a better way to do this."

And, at that time, I was building my own website for my own business and Rob was building one for his own company and we started chatting about that saying, "Websites are easy but none really has a lot of idea about what to do with it. I'm sure someone had passed for doing some websites."

Just one Saturday afternoon, we set up a website building business. That was something we were doing in the weekends and then, the evenings and got a few clients and started hosting a few websites and set up a proper company and very quickly realized that, "What are we doing? This is a service business. This is crazy."

So, very quickly, we got out of that but, before we completely shut all down, we thought, "Well, let's have a crack a day, a product service thing."

Rob being involved in the laser and plasma cutting industry, sort of a bit of a gap for, I guess you'd call, small format laser cutters. So, we're talking not quite desktop machines but, nowhere near big industrial machines. Small, let's say, lasers that you could use for cutting thin materials such as timbers, papers, plastics things and those things.

We basically jumped on Alibaba few websites and found a few supplies of laser cutting machines over in China, found what we thought were too good machines, put some money together, bought some and imported them over here and then, got them up and running which was a bit of a journey in itself and very quickly, had set up another website of ring laser cutting services and machine sales and within about a month of having those machines, we'd bought two more which we'd sold pretty much before it even landed in Australia and that kind of spun into one thing.

That business has very quickly went from weekends and evening business into digging into my time because I was still running my design consultancy

time. So, I had a bit of ability to kind of dedicate a bit more time to it and Rob not so much.

But, it got to the point where we'd list a factory which is why we're still based in here today and it was taking me two to three days of my time and it got to the point where I'm like, "Rob, this is getting a bit serious now. If I'm putting a lot more time on it than you are, we need to sort something out here with your current employment status."

And he goes, "I'll sort that out. I'll just go work part-time," which I thought wouldn't happen because he was kind of their main sales guy and he came back the following day and he goes, "Yes, I'm working three days a week there two days a week here. Let's get on with it."

And, so he did not. I don't [*unclear*] to pull things off. I gave him the ultimatum to quit completely. (?) So, him, being their one sales guy didn't leave them a whole lot of option. So, he ended up working part-time and I was working part-time still, kind of winding back my design clients. I think we kind of had a bit of chat about it and said, "Look, if it's going well, by the end of the year which was about six months away, we'll go full time on it."

I went away for a holiday for about a week and when I got back, and caught up with Rob and he's like, "Yes, I quit. We'll go on this thing full time."

YARO: Right.

CHRIS: That was about the time when the whole Opena situation started. I've been watching Kickstarter pretty heavily. I was even being involved in the industrial side of it. I was loving seeing all these designers coming out with all these little cool product ideas and starting a video up on Kickstarter and then, raising, whatever it is, $10,000 or $20,000 or $100,000 for their product idea.

I always kept sending this one's to Rob, go and check this out. This guy just raised 200K for this, this guy raised 200K for this. This was back in mid-2011 when not many people have heard of Kickstarter.

So, I had a few ideas I was working on mainly, one was the [Quadlock](#) which is our main product now but, it wasn't quite ready. I was still defining it and refining it.

One afternoon, Rob called me up and he's like, "I've been looking at what goes well on Kickstarter and I think, I've got a few ideas of what might work." He's like, "iPhone cases seem to be fairly successfully funded or they get a fairly good hit right on Kickstarter," and iPhone cases is the largest thing and it kind of led to where the Quadlock was going as well but, we thought, "Let's do something astray and a bit quirky so let's just check the bottle opener on the case."

My initial reaction was like, to be tacky, I knew it had been done before because I had seen a few pretty average cases on the web and he's like, "Yes, but no one's really done it very well." I'm like, "Well yes, fair enough."

I jumped on…, we thought of a few ideas. I quickly designed something up, flipped it across to him and he's like, "Man, it looks pretty sleek." So, we went, "Yes, cool. Let's do it."

So, I sent off some photos over to China to get a prototype made. About a week or so later, I had two prototypes in our hands and we put them out, put them in our phone, they seem to work pretty well but, we'd made the blade, the actual opening blade too thin.

So, we did a few tests and ended up bending both the prototypes and went, "Oh, we need to go a bit thicker." We tried to keep it really thin so it wouldn't add too much bulk to the case.

But then, we realized the blade need to be thickened to actually be functional and thought we'll stiffen it up. We made another two prototypes, I think or we got some blades cut at different thicknesses of stainless to kind of weigh out how think we needed the actual steel blade to open a bottle without bending and set it on a good size which was readily available, got some more prototypes made and another week or so later, we had fully functioning prototypes which was kind of where the idea really caught legs. We had something physical. We'd be going showing people.

YARO: Just for people who are listening in, if you want to see it, it's at Openacase.com and you can see what Chris is talking about right now. But, keep going Chris. You're telling a good story.

CHRIS: That's the Opena Case which is our first Kickstarter project. We had that prototype. I was still toying with the idea. We weren't jumping Kickstarter campaigns or getting too involved in it. But, we had these prototypes which we thought were pretty cool so, I had one on my phone. Rob got one on his. Every time we'd go out to a friend's barbeque or party or a bar whatever, we'd have them with us and we'd pull them out and crack open the bears.

The reaction we got from our friends was incredible. It was just instant like, "Woah, what was that? Did you just open a beer with your phone? What is that thing?"

And, you know, we'd start to explain it's a little project we're working on and being the top of guys we are, or especially my background, we'd always be working on some little prototype or design and then, we'd be showing people and then, getting some feedback and then, some opinions on it.

But, this one was strange. It was the type of product you'd show people and they'd love it straight out no matter who they were. And then, you'd go to put the product away or put it back on your pocket and they'd be like, "I want to buy one." I'd be like, "It's just a prototype. It's not a real product yet."

They're like, "Well, I want to buy the prototype."

I'm like, "Well, prototype is not really for sale."

"Well, how much did it cost?"

And, you'd explain how much it'd cost and it's for … Prototypes aren't that cheap but, when you say, it's cost us a couple of $300 per prototype, they'd be like, "All right, I'll buy it off you." It's not for sale, guys. These are just prototypes. [*Laughs*] It just made its leap.

YARO: It's a good sign.

CHRIS: Yes, it's a huge sign. I was just like, "Wow, if guys are willing to pay a couple hundred dollars for a product that's just a prototype, this thing has really got some legs."

So, that guy gave us a lot of confidence to actually get that thing out in the market and kind of made us fast track it to get up on Kickstarter. That was the first product and the first project that we launched on Kickstarter. It was our first entry into the crowd funding scene. We had to jump through a lot of hoops to get on Kickstarter at that time because they don't…

Well, at that time, Kickstarter was only available to American citizens. You needed basically an American bank account, American credentials such as… phone number and if you are the bits and pieces to get certified for the Amazon payment system that they use.

So, we had to jump through a lot of hoops to do that but, in the end it was all worthwhile because it all paid off.

YARO: Okay, now I'd love to talk more about obviously, the Kickstarter campaign but, before we do that, just a little clarity on the actual manufacturing of something like an iPhone case.

You said you sent files to someone you found on Alibaba and a prototype get sent back. What files are those? I'm assuming there are CAD designs that you've created yourself, right?

CHRIS: Sure, yes.

As an industrial designer or an engineer, to produce a product, you need to design it in a sense that you can send files for manufacturing.

In the old school days, that would have been two-day drawings, the old style engineering drawings let's say, with the whole length of dimensions and layouts and different views. These days, everything is done in 3D CAD so, you model up your design in a 3-dimensional modeling platform. The main ones or the ones I use is SolidWorks so, it's a fairly well-known CAD

design package and you basically create a 3D model of all the details to very hard tolerance and specification which you can export as a 3D file that you send off to a manufacturer and they can then open that data and they'd see exactly what you want to produce.

So, from that data, you can get prototypes which is what we had done so, they machined all the plastic parts and they would have had laser cut all the machine, the actual stainless steel blade and then apply all the different finishes such as linishing the stainless steel or painting the machine and plastics.

That can be done relatively cheaply. There's hundreds and hundreds of prototyping companies that would just take your CAD data or machine up what you wanted and send it back to you. And… cases, they're usually cheaper and a lot faster than what you can get done locally in Australia.

YARO: So, you literally just go in your computer, put this thing together using your computer aid design software, send the files off to a manufacture you find on Alibaba.com and then, a couple of weeks later, you get sent back an actual physical product that you can use and it cost you a couple of hundred bucks to get that made. Is that about right?

CHRIS: Yes, that's pretty right. Alibaba is probably not the best place to find prototyping companies. It's great for sourcing existing components but, if you're looking for prototyping in China, just jump on Google and you'll find thousands of them.

There's a good company which is, it's owned by a gent from the UK but, he's now based in China called [Star Prototype](#). They're really a good one to checkout. They're probably one of the fastest growing prototyping companies in China that I know of.

YARO: Okay, so you got your prototype. You got some pretty obvious indications that it is a hit. You've jumped through the hoops to be able to actually do a Kickstarter campaign. What does it take to actually have a successful Kickstarter campaign for a bottle opening iPhone case?

CHRIS: Hell lot of people that want a bottle opening iPhone case.

YARO: So, how did you find them?

CHRIS: We did some pretty smart things before we jumped onto Kickstarter. As Kickstarter was fairly new, we knew we had to drive a lot of traffic or a lot of customers to our Kickstarter project to get people backing the project. What we originally did is we thought we'd build up a bit of a community before we would actually launch the project. So, if you've read the Seth Godin book on [Tribes](), it's all about building a community and getting them to be writing fans about your products.

So, we set up a Facebook page. Very simple. Just threw the idea up there, threw up a couple of renderings and a few photos and maybe a couple of videos and prototype testing and then, I think we actually, we got all our friends to jump on board and like it and share it around and I think we even set up a Facebook ad.

So, I ended up having about 1000 likes on the Facebook page which cost us maybe $100 or $200 worth of ads to get the numbers up. We got people's feedback.

We asked them about the product ID. So, we basically did a bit of research before we even jumped on Kickstarter. We got people's feedbacks, what they liked in design, what colors they're interested in, and things like that and we had a bunch of people who were just waiting for this thing to get produced even before it was in Kickstarter.

So, when we launched it on Kickstarter, we repaid the favor to these people for getting and helping us spread the word. So, we had an early bird backer rewards.

A standard award for an offer for Opena case was $30. And, we opened it up to early bird backers for a half price, almost $15. We had a very limited number of those rewards. I think it was about 150 rewards.

As soon as we launched on Kickstarter and it was accepted, we posted it on the Facebook page saying, "Yes, it's now on Kickstarter. You can

basically jump on board and put your money where your mouth is and help make this product a reality."

Those early bird backers sold out, for about half an hour. They just went like hotcakes and in doing so, everyone emailed that link to all their friends saying, "Check this out. If you get in early, you'll get a really good discount."

So, it got us a massive amount of traffic in the first few hours that it was launched. It really helped boost that campaign.

YARO: What happened next? I keep looking at everything to do with this thing and you've got a nice looking website. You've got Ashton Kutcher and Jamie Oliver doing testimonials. You've got some really professionally produced videos and a bunch of logos from, As seen on Macworld, Sydney Morning Herald, Tech Crunch, and I'm assuming a lot of this has all come about from the Kickstarter Campaign. Is that all part of it?

CHRIS: Not directly from the Kickstarter campaign but, that's when a lot of it happened. But, that wasn't purely just for the bay on Kickstarter. That went down I'd say, mostly to how, if it's in running the PR bandwagon and getting the message out to as many people as possible.

As soon as that thing launched, we spent pretty much every day trying to get in contact with someone at Tech Crunch, someone at Gizmodo, someone at the local paper. We tried to push it as hard as we could to get as much PR as we could.

The Ashton Kutcher one came along I think just after the Kickstarter project had finished which was probably the worst timing in the entire world. We just finished funding. We hadn't quite had the website set up. All we had was a blog and it was hosted on a very cheap Australian host that had very bad bandwidth and uptime. That Ashton Kutcher post at the site went up like 1000% in about five minutes to the point where we used up all that bandwidth and the site just went down.

So, we contacted our host who apparently said we were on an unlimited plan and they said, "You've used 200 gig of bandwidth. We'll double that to 400."

And, we said, "Well actually, can you get us more than that because this is meant to be unlimited and just used it up in about five minutes. Can you do something else for us?"

So they increased it to 500 and about an hour later it went down again. So, we rang them up again and increased it to about a terabyte which was something ridiculous and managed to kind of get through that. But, by that time, the huge flush of traffic, it just kind of died down and had been diluted. So, we missed that opportunity.

But, if we had an ecommerce start by that point in time, and we were taking pre-orders, we would have made a killing.

YARO: Yes, wow.

CHRIS: That's one of the biggest mistakes we made which is just not having a good solid website on a good host ready to go grab email addresses or to take pre-orders.

YARO: Why was Ashton even doing that?

CHRIS: It's just purely by coincidence. He's a fairly tech savvy guy. He watches out to see what's happening in the tech space. I'm assuming he would have been a fairly big fan of Kickstarter and seeing what was coming through and he just liked the product.

YARO: And tweeted it out there.

CHRIS: Yes, he put it on the Fancy and then, he tweeted about it saying, "You can't be mad at this," and the way it went, it was insane.

We tried to contact him. We tried to get him some product, thank him for it but, everything we tried just kind of bounced back. If he's actually listening, thanks Ashton. We owe you one.

YARO: [*Laughs*] What about Jamie Oliver?

CHRIS: Jamie Oliver tweeted and instagrammed about it.

YARO: Oh good.

CHRIS: He got one through a food editor that we knew, we gave a couple to and just by chance, she bumped in to Jamie Oliver and gave one to him and he just posted a pic up on Instagram. He loved it. It was like, "Sweet. Thanks, Jamie!"

That was probably about, not even a year ago. It's a more recent one. So, that was way after the initial rush and they're out of the way of the other crowd funding campaign in the big world.

YARO: So, most of the other coverage, Tech Crunch, Gizmodo, Macworld, 9to5 Mac, all these websites and publications, is that all just from you, basically everyday getting up and sending emails to journalists, getting on the phone, trying to get hold of all the people, sending them samples, is that what you were doing or I guess, you didn't have that many samples?

CHRIS: No, we didn't have samples. What we did have is we had a good story. We're Aussies on Kickstarter and Kickstarter was relatively new. The iPhone was still a fairly big news than any other 4S or the 4 have just come out and the 4S wasn't far off. And, it was a quirky product. It had a bit of interest. It had a wild factor. Some people loved it. Some people hated it so, it got a bit of controversy there.

It just was a good story, too young, going against the grain and really trying to have a crack. It just seemed to resonate with a lot of people. We had a woman ring up from, who heard this news in Singapore and just wanted to confirm if the story was true.

I said, "Yes, it is true. You're talking to the guys that did it." And, she's like, "Look, I might run a story. I'll call you back in 15 minutes." So, she called me back and she said, "Yes, I'm going to run a little snippet in, they called it…(?)." And, being such a huge resource for news, that just syndicated like crazy. We had the articles popping up all over the world.

A friend of Rob's called us from Bali saying that we're in the local Bali Times. He was reading his breakfast and he read a little article about us.

He was like, "What the hell?! What's going on? What are these guys doing? How did they end up in the… doing some part times whatever it was."

So, yes. News can travel fast if you get in the right place.

YARO: All of that coverage lead to backers of this Kickstarter campaign.

CHRIS: Yes, we drove over, I'd say 80% - 90% of the traffic to our Kickstarter page. I think it's like 90% of backers of our project with first time Kickstarter customers and first time backers.

So, the actual being on Kickstarter didn't really help us that much mainly because I guess, Kickstarter wasn't that well known but, we had to drive the traffic there. We had to get them funding in getting behind the projects so, the actual Kickstarter itself just provided a platform in essence and a small amount of backers that may have been browsing through.

At that time, Kickstarter wasn't that popular so, it was quite easy for us to be up on the popular projects page. I think we stayed there for about three weeks just because we had a big influx of backers on certain days. It just helped us push us up the ranks.

YARO: What did you offer to the backers? What were the level of rewards?

CHRIS: Of course, the early bird backer was $15 for an Opena case. Standard backer was $30. We had mate's rates which gave you two cases for $50 and then, it jumped up. We also had a limited edition Kickstarter edition.

So, that came in a choice of the standard black white or Kickstarter grain and we actually laser-engraved the Kickstarter logo, your backing number onto the actual blade as a limited edition. Now, we're going for around $80 off at the top of my head.

Now, we're quite popular, one of our, I guess, the biggest revenue, have generated most revenue because it was a high cost product, but we did also quite a few limited edition ones.

And, we still bump into people that have gotten a limited edition Kickstarter Opena case from mid-2011 and they love it. They're like, "I'm not ever taking this thing off. I'm never going to change it for a new one or anything else. This is a bit of a history."

And, that's pretty awesome when you'd say that.

YARO: Yes.

CHRIS: You got dedicated fans there. That's pretty cool.

YARO: How did you know the numbers in terms of… Like you said, the prototype was potentially a couple of hundred. How did you figure out that you'd be okay selling it for $30 or whatever the price was for the standard Opena.

CHRIS: Yes, cool. So, that's where you've got to do your research. So, if you are launching a physical product on any kind of… or just in general, just making a physical product, you need to know what your cost is associated with that.

Majority of those costs will come out of your tooling so, you need to make an injection molding tool to produce the plastic parts. In our case, we needed a stamping tool to actually stamp at the middle Opena blade.

That, again, we went to websites like Alibaba or just Google searches to find good supplies of injection molding services in Asia. We found about 50 companies, narrowed it down to probably five good ones, and then, just started chatting backwards and forwards.

And, the ones that looked like they did similar products and had really good communications were the ones that we actually started sending data to. And, once they got the CAD data, send off for a prototype, they can send you back tooling quotations, unit costs and things like that.

Once we had that, we had a bit of a feel and all three companies that we got we actually asked for quotes from, were all pretty close to one another.

So, we knew either they're kind of being honest because they are all about the same ball park and barely they had the right, well, actually the right rate because they all come back with similar costings and unit pricing so we knew it was all that right.

So, we had that before we set our funding goal on Kickstarter because we need to know how much money we need for the tool, how much unit is going to cost, and that gave us a bit of a feel for the other funding goal we need to raise.

All tooling was going to cost around ten or thereabouts. So, we just estimated packaging and shipping would be around five. So, we aimed for a funding goal of 15000. As luck would be, we may have just smashed it. We just got under thirty which was more than enough to cover the tooling and the initial production run and also the shipping which is one thing you don't really know until you get into it.

That's one thing you'd probably want to make sure that you do work out the full cost of actually sending products from China to warehouses and then, from warehouses to your backers because shipping makes up a huge cost of what we do today, just moving things around the world, a rapid place.

YARO: Just a couple more questions in the Kickstarter campaign and then, we can talk about what happened afterwards. You mentioned the rewards, what else did you do? Was it like, I'm assuming a video but, you showed the prototypes in the video? Anything else in the Kickstarter campaign?

CHRIS: Yes, we sure did. The video is key to all Kickstarter campaigns. That's kind of like your pitch. Specially with the physical product, you want to be showing it whether it's in a prototype form or whatever, showing it how it works, in use, give them some lifestyle scenarios of how it might work and be handled.

That video was basically just our story like we're two guys from Melbourne. We came up with this idea. We've prototyped it. We have tested it and it works and here's what it does.

We showed people what it was and then, the rewards were quite simple like we went through before. You're basically pre-ordering when you're trying to back a product.

Then, we said, "We need money to make this and if you give us X amount of money and we have reached our target, we will go and make it and we'll ship you one of these units."

So, that's pretty straightforward and simple. We didn't go too far left of field and like providing or taking people out for dinner or organizing concerts or things like that especially when a lot of our backers were based in the US. It would have been extremely difficult and expensive for us to do that.

But, we had a full backer option which not a lot do on Kickstarter anymore. We had retail pack options. So then, if you'd see a new product on Kickstarter and you wanted to back it and you had a stall you want to sell them in, we had like bulk discounts.

So, I think for about one and a half thousand dollars, got you 80 or 50 Openas or it would have been 50 or 100 Openas. So, those were the retail pack.

We figured that if it was getting towards the end of it and we hadn't quite reached our goal, we could just get some mates to jump on and back those retail packs which goes a little against Kickstarter's rules and fortunately enough, we didn't have to do that but fairly enough, for a few retailers to jump on and grab some of those packs which really helped kick up the funding going and have big leaps and bounds.

YARO: I'm just curious about the video. Did you just sit in front of the camera or did you guys sit in a couple of chairs and tell your story or was it a bit more professionally produced?

CHRIS: Pretty much.

YARO: Because I'm seeing a lot better videos now on your pages and things.

CHRIS: Yes, we've stepped it up a lot from those days. We borrowed our mate's digital SLR. Like you said, we sat in front of the camera, we got a bit of a script together and then, we took about 100 takes to try and get one good one.

It's probably the hardest part of a Kickstarter campaign, it's actually doing your video. We've got a lot better at it now. But, yes, that was it. Just film a story, talk a little bit about the product and then, show the product in use.

That was fun in itself. We had to film this thing opening a lot of beers. We got smarter though. We're not going to buy a heap of slabs because that's crazy. We'll have to drink them all.

We contacted an Aussie company Brew Beer and another one up in Sydney, Vale Ale and showed them the product, showed them what we were going to do with it on Kickstarter. They went, "Yes, that's great." And, we just asked them for a few slabs.

A week later… (?) with a bunch of slabs and we had a heap of test materials.

YARO: [*Laughs*] Did anyone drink more beer?

CHRIS: Yes, we drank as much as we could but, we got to a point where we had a really weird awkward situation at one point where we were trying to get a really good shot of a close up of the Opena cracking open a beer. So, I had rubbling across the table about four Bunnings spotlights that we'd got on the cheek and me on the camera kind of down low trying to get real close to the bottle to get a really good shot of it opening at about 9AM with beers open everywhere like it just looked like a party had been on before.

A carrier walked up to drop something off. He's kind of like walked in and dropped the package going, "Here you go, boys." He's looked up and then, had a kind of look around, had a real strange look on his face, kind of going to ask a question but then, decided not to and then, just casually decides to step out of the door and left because it looked extremely strange.

YARO: Okay well, so Kickstarter campaign goes well. You do almost 30,000 so, almost double your goals. How does that become a multi-million dollar business?

CHRIS: Well, Kickstarter is just a way to kick start your idea and your business. We didn't say this is the "be all and end all." We thought this is an avenue to take a good idea and say, "We can go from here."

And, like I say, we had we had this screw up when Ashton Kutcher tweeted about it, we didn't have anything in place. We really should have and in hindsight, that was the one thing we screwed up on. We didn't have an e-commerce site ready to take orders as soon as the crowd funding campaign had finished.

In our last week of funding, we had a massive media wave like everything would be in China establishing those four weeks of just harassing everybody trying to get a payout out there. It kind of all come to play in that last week and things really started ramping up there and conveniently, our Kickstarter campaign finished and we still had this mass amount of press coming through and people going to our website.

I'm like, let's not waste this. Let's set up a site and start taking pre-orders. So, we jumped on [Shopify](#) platform and set up a store and literally like an hour or two and set it up, got ourselves a credit card gateway and started processing orders or taking pre-orders.

Obviously, when you finish your Kickstarter project, you've raised all your money, walk up to you guys, they'll release the money to you and then, you've got to go out and you actually got to order tools, all the production parts, sort out your packaging, logistics, and all that. That takes time.

From that, into the Kickstarter campaign to when we actually have products, we had about two to three months of just taking pre-orders. And in those two or three months of taking pre-orders, we raised a hell lot more money than we did on Kickstarter just because it had really taken off. People saw what was going to be a real product, we're very clear on it, we know the estimated delivery time frame was and then, it just flowed on from there.

YARO: Okay. Now, this led to another product obviously. We haven't mentioned, or we briefly mentioned Quad Lock that you are working on before Opena, the beer opening one came about. What's the time frame here?

This happened in 2011, the Kickstarter campaign. It's 2013 now. You said you got all these interests coming and you've taken pre-orders so that means you were actually getting cash through your system so you can go and order more products and start setting up proper websites, Shopify is what you mentioned as your e-commerce platform.

I can only imagine this is like an incredible busy time because like your websites look amazing now. They look really good. You've got professionally produced videos. You've got professionally produced photography of all the products. You look like quite a large company and I know it's only four of you guys, right now too. So, I'm assuming, two years ago, when all these was coming together, it was mostly just you two. Can you sort of walk me through the last two years in a highlight reel, Chris, if you could? [*Laughs*]

CHRIS: Yes, I guess when the Opena went well on Kickstarter, that's about the time I think we started going full time with everything. So, we still had the laser business on the side and a few other things that started taking off.

And I guess, when we saw the potential with the opener and even the Quad Lock on Kickstarter, that's when we started to take it a bit more seriously and we ended up employing someone to run the laser business for us because that freed up a lot of our time and ultimately, after I think we've been running it for about 12 months, we ended up selling it to get it off our plate completely which was just allowed us to have a bit more clarity in the direction on where we want to take it.

So, the Opena really gave us a bit of funding to finish off the development of the Quad Lock and that gave us, well, that was our second project so, we launched that at the end of 2012, or sorry, 2011 and it finished funding in January 2012. We ran that one over at Christmas for a few other reasons but, that turned out to be not a great idea.

There's two weeks over Christmas. Everyone is on holiday and no one is on the Internet. No one is trolling (?) around and looking for cool things and our funding graph just went dead.

So, we couldn't leave like a good wake at the start and a good wake at the end and that went over six weeks so, about three or four weeks in the middle where it just plateaued. That's pretty standard for a lot of crowd funding campaigns but, ours was a whole lot about the fact that it was running over Christmas.

So, if you are going to run a Kickstarter campaign or any crowd funding, don't do it over Christmas holidays.

YARO: Can you give us a quick rundown of what Quad Lock is for people listening?

CHRIS: Yes. So, Quad Lock was our second product. Funny enough was that the original idea I had, I wanted to produce on Kickstarter. When the first iPhone came out 2005, I think it was I got one over from the States because that weren't released in Australia for quite a while and it was awesome. It blew my mind having that kind of pair in your phone when your pocket was awesome.

I was doing a fair bit of riding at that time and I really wanted to use the phone on my bike so I could see my maps. I just moved to Sydney at that time and it would make a lot easier for me to navigate around instead of having to stop every half an hour and pull it out of my phone, and pull it out of my pocket to see where I was.

So, I started looking around for really good mounting systems and there was just nothing on the market for it. There was a lot of big bulky cases or really flimsy things that could kind of half do it but, just didn't do the whole process justice.

So, I started working on this idea of instead of having just a big cradle, why don't we integrate half the mount into the back of the case and then, it would enable us to make the physical map on the bike to be a lot smaller.

So, when you're not using it, you don't have this big heavy thing hanging off your bike.

In doing so, I had to come up with a really ingenious way of allowing it to attach on but, it's locked on in a way that if you crush your bike in the back of a truck, your phone wasn't going to fly off or come out because your phone is not a cheap piece of cake. You don't want that flying off your handle bars.

That was the idea. Once we refined it to a point we were happy with, again we did the same thing, we prototyped it, we showed people, we built a Facebook page, we pretty much mimicked what we do with the Opena. We checked it up on Kickstarter. We needed to raise a bit more money this time because there was a little bit more tooling involved. We had a funding goal of $20,000 and ended up raising just $140,000 I think, so again, we just doubled our goal and it went from there on.

So, did the same thing, built an e-commerce website for it which we had up and running straight after when the Kickstarter project finished this time which was great, took pre-orders again for the last two or three months while producing it when the production came through, we shipped them all out and then, continued on taking orders from there.

It didn't have the same hype and the same rush that we got out of the Opena. It had that quirky story going for it but, it's definitely more of a solution product that it's something that people are out there are looking for which allows us to advertise and market to the musing channels like Facebook or Google ads.

Whereas the Opena was a little bit difficult because don't go looking for an iPhone bottle opener case because not many people know one exists. That's something you had to put in front of people and then, they would buy it. Whereas the Quad Lock, it's a solution product so, it's really a lot easier for us to market that and get it places.

So, from that iPhone bike mount, we have expanded the Quad Lock range into a whole different realm of different things. We've got not only the bike mount, we've got a wall mount. We've just released a car mount which

we're partnering with a company in Germany to produce which is probably one of the best car mounts on the market. We're about to release the belt clip, walking and jogging sports arm band and an S4 case, it's our first foray (?) into the Android world. So, it's just this eco-system and it's evolved and expanding to all different types of things. It's not like you have a mount on your bike that you can put your phone in but, it's a different mount for your car.

With the Quad Lock, you can have the one case that works with a lot of mounts. So, you can take your phone from your bike, you can then snap it into your car, you can go home, you can snap it into your wall while you're cooking dinner, or beside your bed or you're charging it. You can just do so much with it like it's one case with multiple mounting solutions.

YARO: For people listening, if you want to check it out, it's at QuadLockCase.com. There's a video there you can watch too to see it in action.

So, Chris, how does all these stuff sell? Where are your customers coming from? I'm assuming Kickstarter campaigns died down and you said, the press coverage wasn't quite as dramatic for this product. For both products though with Opena and Quad Lock, you must have had to do some sort of ongoing marketing now to keep getting customers. How do people find out about it?

CHRIS: Yes, sure. Especially with the Quad Lock because people are looking for a solution we can get through them through advertising. I'd say 90% of our business still comes from online sales. We advertise pretty heavily on Facebook and Google ads and that works well for us.

We've tried many times to get into retail and we've tried a few different approaches and it's hard. It's been our biggest challenge for our business to try and get products into retail. I guess, we are making traction in it finally but, it just takes a lot longer than what we're used to where we're used to doing things online where we've got no limitations and as soon as you can produce, you can start selling it. That's kind of how we've grown the business so quickly.

But, when you're dealing with retails and distributors and stores that have buying seasons and cycles they go through products, it's a very different business model and it can be a lot riskier. We've been burnt. We've partnered with a few people that just haven't come through with the goods and they've cost us a lot of money.

YARO: Okay, I've got a lot of questions with everything here in terms of how it all works now. We've already gone quite a long time so, I don't want to drag this on too much but, you've got a great website. You've got great videos. You've got great product imagery. You're buying Google ad words. You're buying Facebook ads and you're selling obviously, tens of thousands if not hundreds of thousands of product now in order to have a two or three or four million dollar company.

There's not many of you in this company still, too. So, how does all of that get done? Who does all these things? Who builds your websites? Who runs the ad campaigns? Who handles customer service fulfillment, telephone orders, all those sorts of things? How does that come together?

CHRIS: It may sound surprising but we do just about everything in house except for order fulfillment and a lot of cost production. So, like I still am the main designer that designs all the products. Rob handles pretty much all the sales and marketing. Our two guys on the team, so we got Joe and you've got Doug, they look after most everything else for us. So, they do the customer service. They do chasing up of orders and things like that.

So, we're still a fairly small company but, we're being very smart in how we've done it. So, instead of employing a whole bunch of people to do different aspects for us, we will keep using external systems that can do things and scale up as we need them.

One of our biggest assets is using a **3PL system** which we use in the States, what UK and US call "Shipwire." So, 3PL is a third party logistics provider. So, how Shipwire works is we pay for storage of our stock in their, whichever warehouses we choose to use and then, we can allocate orders to those warehouse and they will basically pick, pack the product and send it to our in customers.

Shopify and [Shipwire](#) have a really good integration. So, if you got one of that websites looking in one of their products, when you go to checkout, it will ask you to enter in your address and when it's got your address information, it knows the closest way it has to send it from and what shipping options are available from that warehouse. So, it will calculate your shipping cost based on that warehouse and where you want to send it and we'll give you options to choose from.

Once you choose that and you go through and place the order, it will get processed by a backend. It will get spit out to that warehouse and someone will physically take that product off the shelf, put it in a box and send it to you and it will end up on your doorstep.

The scary thing is we never see any of this. 90% of the product we manufacture goes to our warehouses in the US, the UK, and soon China as well. We don't touch it. We basically only see it when any of the customers gets it and sends a photo and posts it up on Instagram.

A lot of it is done remotely. We're at a point where we could virtually run this business from any way if we didn't have to look after the Australian orders locally.

YARO: It must have been quite a surreal feeling knowing that someone came to your virtual website, gave some money to you, a product got sent and they got it without you ever touching any of that process.

CHRIS: Yes, it's awesome when it works.

YARO: Yes, amazing stuff.

Okay Chris, there's so much to this that I'd love to break down but, we've only got one hour-ish here to talk so, I don't want to talk to you long.

CHRIS: Yes, we've been rambling for a while [*laughs*].

YARO: So, I think, I'd like us to wrapping it up here, first question, for anyone who is interested on I guess, following your footsteps with this, perhaps the Kickstarter campaign but, also just the production of the

physical product, what do you give them as advice to get started, especially if they're still working a day job and they've got an idea for a product and they'd love to follow on your footsteps.

CHRIS: Yes, sure. The easiest thing is to get a working a prototype. There's nothing that really explains your idea more than actually having it physically in your hands to show people and you can do that so cheaply. You don't have to use same season as over in China. You can get them three-day printed from local mobs or you can also use online service Shapeways.com which is an awesome way to get stuff 3D printed at a very low cost and the turnaround time is pretty quick as well.

Prototyping your idea is the first step and the next step would be to, I guess, validate the idea and one of the best ways of doing that is with something like Kickstarter. Not only does it validate your idea, which is probably one of the most valuable things of being in kind of crowdsourcing or crowd funding sites. It proves that there's a market for it in people willing to put money down for it and it also gives you the initial capital to get the idea off the ground.

With these systems out there, there's nothing really stopping you from doing it. Before crowd funding and Kickstarter exist, you had to put up your own money for tooling and production. You'd have to get investment from someone and there's so much risk without knowing if the product is going to sell.

Whereas now, you can eliminate 90% of that risk by going out there and checking that people like it, they will pay for it. You know how much it's going to cost. You know where you can produce it and the rest is just trivial. It is so much easier than it was five years ago at that time. There should be nothing stopping in doing it these days.

YARO: Where do you guys want to take it next?

CHRIS: We're really pushing the Quad Lock system at the moment. We really see that in all, not just as an iPhone case or a mounting system but, more as an eco-system of integrating digital technology into your fitness activities.

You hear a lot of people talking about digital fitness for things coming out like the [Fitbit](#) or the [Jawbone](#) or there's a few other bits and pieces that all track your movements and activities and more and more people are doing that and they're starting to get data on in their activities and their day to day life that they do and so much of that is driven by your iPhone.

So, where one that will enable people to attach and mount their iPhone in places where you could necessarily use your iPhone or smartphone before such as riding a bike, going for a jog, and fishing in your boat, even the playing around of golf so, that's what we're really seeing. We're expanding that eco-system of cases and mounts and we want to make that the number one mounting system in the world for mounting a smartphone.

YARO: Very, very cool. And so, websites, Chris. What do you want to show people who've listened all the way to the end of this interview?

CHRIS: Sure. Well, the two sites for, the main two sites for our products. You've mentioned both of them. Openacase.com for the world's coolest iPhone bottle opening case and the Quadlockcase.com. We're actually working on an overhaul of that site which we hope to have about by the end of the year so, that's going to look pretty sweet coming up.

YARO: I think it looks pretty sweet still now.

CHRIS: Well, it works, yes. We got to have a site that converts.

YARO: Okay, thank you Chris for taking the time to tell that whole story, really compelling stuff there and amazingly fast results, too. It sounds like you put the work in throughout the whole process so, I hope it keeps growing for you.

CHRIS: Yes. Yaro, thanks for having us on.

YARO: Thanks for joining me. And, for people listening in, if you want more interviews like this with Chris, you can head to my blog, Entrepreneurs-Jouney.com or Google my name, Yaro and you'll find my podcast there with all the previous interviews. I also encourage you to sign up via iTunes

to subscribe and we'd really appreciate a review if you could give me the full five stars, that would make this podcast even better and I'd really appreciate it.

Thanks again for listening in and I'll talk to you on the next interview. Bye!

Well, there you have it. The interview with Chris. I hope you loved it as much as I love listening in and doing the interview. There was so much to learn. These guys have created an amazing company. I hope you took lots of notes. If not, or if you need to get any of the links, you can go to my blog and find the show notes to go along with this entry with all the links that we mentioned.

Before I wrap this up, I just want to invite you again to take part in my interviews club if you have not yet joined, if you love this podcast and you want more of the same, you can join my EJ Insider's Exclusive Interview club and I'll send you at minimum two new interviews every month, sometimes some surprise extra bonus interviews as well.

You'll also get access to my podcast vault which includes all the other interviews I've ever done and some bonus interviews which are interviews I did for previous training courses that were only available in those training programs.

So, you're basically getting every single interview I have ever done for products as well as publicly all in this one club. I also have action plans in this membership site which highlight the key leverage points from the brand new exclusive interviews that I conduct each month. These are interviews with people like Alborz Fallah and Terry Dean and Jeff Walker and Rich Schefren and Eben Pagan, lots of people there who make money from email marketing with blogs from doing product launches, everything you'd like to know about essentially making a living from selling information products and using a blog as a platform for online income generation.

If that sounds exciting to you, please go to EJInsider.com/interviews where you'll find all the information about the program as well as some sample

interviews you can listen to from some of the people in the program and sign up there.

I know you'll love the interviews. If you love this interview with Chris, there's plenty more in there for you all featuring me as the person conducting the interviews. That's EJInsider.com/interviews.

Thanks again and I'll talk to you very soon.

Relevant Links Mentioned in this Interview

- Kickstarter
- Annex Products
- Alibaba
- Quadlock
- Opena case
- Star Prototype
- Tribes: We Need You to Lead Us
- Fancy
- Shopify
- Shipwire
- Shapeways

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