

App The Rent | Web Application & Web Business Blog

Interview: Giacomo ‘Peldi’ Guilizzoni, Balsamiq Studios

Posted on April 27, 2009, 11:00 am, by Simon Graham, under [Interviews](#).



I [blogged recently](#) about [Balsamiq Studios](#). [Ryan Carson](#) mentioned Balsamiq at the [FOWA](#) (Future of Web Apps) Dublin conference I attended, so I thought I would check them out.

Balsamiq was until recently just one guy – Giacomo ‘Peldi’ Guilizzoni (*pictured right*).

Based in Bologna, Italy, Balsamiq supply a simple tool for creating UI wireframes for websites, apps and software. I have started to use it at [MWA](#) and it is awesome!

The thing that really hit me was how quickly Peldi got noticed and managed to make his business a profitable success ([it took just three weeks!](#)).

So, I thought I would see if Peldi would like to be interviewed for App The Rent as I figured there must be some interesting things to learn and hear about. To my delight, he said yes!



In this interview Peldi gives some great tips about what you should focus on, how to get noticed and pricing.

Read on to find out more...

1. What did you do before Balsamiq?

I spent most of my professional career inside Macromedia and Adobe, working on their online meeting offering ([Acrobat Connect](#)). Here's my [LinkedIn profile](#) for anyone who would like to know more.

2. You obviously have talents as a designer and developer. Did you study formally, learn at work or simply teach yourself?

Well I think saying that I have talents as a designer is a bit of a stretch... I think I know a thing or two about UX, but I'm not a good graphic designer, by any means. My background is in Computer Science. I've been programming since I was 12 and that's what I went to school for. Pretty much all that I know about how to make and sell software comes from my 6-year experience at Macromedia and Adobe. As for usability, it's a passion of mine and I devour books and blogs about it.

3. You mention that Balsamiq Mockups was something you needed personally and would use. Where did you first get the idea for your product?

I can't remember when the "a-ha!" moment happened, mostly because I think it's an idea that evolved in my mind over time. I knew for years that the process of going from software idea to implementation had lots of room for improvement... the tools were either too complex or too generic, and couldn't keep up with the speed of thought as well as pencil and paper could.

I think it all came together when I got infected with the "web office" bug: the idea that all you need to collaborate is a browser, that each document has its own URL which doesn't change even if the contents of the document do (and revision history is saved!), the read/write nature of the Web. Switching to a wiki for our Intranet at Adobe made us SO much more productive, I wanted to be part of this paradigm shift.

Balsamiq's company mantra is "to add flavor to your Web Office suite" by building plugins which make you more productive and are fun to use. Mockups is the first one.

4. Pricing and what currency to charge in is something I know businesses spend hours agonising over. I suspect that there is as much guess work involved as there is research for most people. How did you decide on your prices and currency?

The right currency has always been US dollars in my mind, I didn't even consider any other. I don't know the statistics exactly, but I remember seeing many pie charts during my career about worldwide distribution of sales and 50% or more always came from the US, it was always the biggest slice of the pie, by far.

As for pricing, I agree that it's an art, but being a plugin makes it easier: I follow the same pricing structure of the platform I plug into – for an easier buying experience – all I have to decide is what fraction of it I want to charge. [Mockups for Confluence](#), for instance, costs 1/2 of what [Confluence](#) does.

As for the Desktop version, someone suggested \$79 because they said "competitor xyz is \$79, and your tool is better", so I went with it!

The idea was never to make a lot of money with the Desktop version, focusing instead on the plugin versions, which have higher price points and margins. I didn't expect to sell many Desktop copies when I first started...how wrong I was: 96% of my customers buy the Desktop version, bringing in 77% of the revenue. I think those percentages will lower as more people get infected with the Web Office bug over time, but all told, I am happy with the \$79 figure.

I am learning that each software niche is segmented into 5 slices:

- there's free (a completely different model, which I'm not really interested in)
- low-cost (under \$100)
- mid-range (around \$500)
- departmental enterprise sale (around \$5000)
- big enterprise sale (\$20,000+).

It might be a big mistake, but I plan to play in most of these (low to enterprise) and see how it goes. Each segment requires a different selling strategy, so we'll see...it will be fun to learn what works and what doesn't! 😊😊

5. You have a well followed blog of your own and have created a lot of buzz in the press, on Twitter and in the blogosphere – including the New York Times, ReadWriteWeb and Techcrunch France. You very quickly became profitable as well. Not bad considering you told me you “don't really like the idea of marketing in itself”. So, how did you manage to get customers and attention so quickly?

Good question! 😊 I have a long blog post on exactly what I did marketing-wise when starting up [here](#) - it's mostly following the advice of others who have been through it before me – I know, revolutionary huh?

What I am learning with time though is that if your product is good, everything else follows. You have to make a product people LOVE with a passion, something worth telling your friends about. It has to save people time and money of course, but it also needs to have super-high usability (luckily the bar is still pretty low) and also some "character": the hand-drawn look for the wireframes created with Balsamiq was my best idea yet: it serves a specific purpose, but it also makes Mockups more fun and informal (BTW, you know it's a good idea when someone new copies it every week and [even MS decides to use it!](#)).

I think another reason Balsamiq has been getting a lot of attention is because people like to hear success stories, especially in these gloomy economic times. I share everything about my journey as a first-time- entrepreneur on my blog, including revenue numbers and lesson learned from my mistakes. I write about topics I'd like to read about but can rarely find... it turns out lots of other people are looking for articles on those same topics as well!

Last but not least, I want Balsamiq to be known for its customer service: as the software industry matures, products in a niche will end up with more or less the same feature set, so I believe (and hope) that the battle-ground will shift to customer service. As a consumer, I can't wait for that to happen!

Have a kick ass product, be genuine, love your customers...everything else will follow.

6. You have a great board of advisors. How instrumental has this been to your success?

My [board of advisors](#) is comprised of people I have worked with in the past and have been learning from for years, so I'd say knowing them has been very instrumental in my success, even before Balsamiq was conceived. I am very lucky to have them 'on my side', and I cherish the hour-long monthly Skype meeting I have with each of them. I always learn something new, I am so thankful!

7. What would be your top tip for those looking to build their own app or online business?

Focus on a small problem and solve it better than anyone else. Fall in love with the problem, not your solution. Make yourself fall in love with every aspect of running the business, it's A LOT of hard work and not all of it is fun. I'd say the most important tip is to do your homework and read up a bunch of 'starting up' books on the subject before making the jump. [Here's what's on my bookshelf.](#)

8. What other businesses or apps do you admire and why?

- [Atlassian](#) – killer products, great company values, hungry as can be.
- [Zappos](#) for their maniacal focus on customer service.
- [DropBox](#), [Pivotal](#) and [Posterous](#) for their focus on usability.
- [37signals](#) for giving a voice to all the little bootstrapped software businesses like mine, though I hate their tone sometimes.
- Last but not least [Adobe](#), for being able to respond to market changes so quickly despite its massive size.
- There are many more...

9. I am a keen photographer and movie geek. What do you like to do when you are not working or is it all work, work and more work?

I have to admit I love what I do with a passion. Creating software and web apps has been my hobby for many years. My wife teases me that my ideal vacation is to be locked in a room coding 12-hours a day for 4 weeks...wouldn't that be dreamy?

I also love to read, and I love cooking while listening to [NPR podcasts](#) – I try to do a bit of both every day.

10. What next for Balsamiq?

Oh, man, I have SO MUCH stuff in the pipeline. Right now we're feverishly working on the hosted version. Then we'll get back to focusing on the client-side (linking mockups together, projects, custom components...), as well as integrating Mockups with other Web Office suites (I have half a dozen planned). I wish I could fast-forward to November-December of this year... I think that's when my 'vision' for Mockups will really start coming together. After that, we shall see. I have a list of other product ideas that I never look at (or my mind will start spinning in that direction... Mockups needs my full focus right now).

We'll also listen to what our customers ask for, of course.

Sales are booming, the company is growing, what's in the pipeline is incredibly exciting...life is good right now.

I wanted to thank you Simon for this opportunity, I am enjoying reading about your adventure, keep it up!

Peldi, many thanks for giving up your time to be interviewed for App The Rent.

- You can find out more about Balsamiq and Balsamiq Mockups here: www.balsamiq.com
- Read the Balsamiq Blog here: www.balsamiq.com/blog/
- Follow Peldi and Balsamiq on Twitter here: [@balsamiq](https://twitter.com/balsamiq)