Audio
Transcripts

Interview with Lynda Weinman

For more information, please write to:
PsychoTactics Ltd., PO Box 36461,
Northcote, Auckland, New Zealand
Phone: 64 9 449 0009
Email: sean@psychotactics.com

Sean	Hi this is Sean and today we're going to be talking with Lynda from Lynda.com. Now as this interview unfolded I pretty much had about 15 minutes notice to be able to speak to Lynda and that's because of emails going into the spam folder, and that kind of stuff.

So we were only able to do this recording over Skype and at very limited notice and as things go everything goes wrong at the last second, well what we wanted to do was make sure that you got the interview because the wealth of information – and the experience that Lynda has - is amazing. So you're in for a bit of a treat. The sound quality is not outstanding but it's more than bearable. So let's get on with today's interview with Lynda Weinman from Lynda.com. |
| Sean: | Hi this is Sean D'Souza from Psychotactics.com. Do you sometimes feel that you've sometimes run into a rock star – not just any rock star but one that really commands the respect of everyone around?

Well today we're going to speak with Linda Weinman. And she's the rock star of software training. Peach Pit Press – this is a book publisher that I ran into many years ago – they're very respected and they call Lynda the best known and most highly respected teacher of web design in the world.

And you might have seen her at her website – www.lynda.com. Now www.lynda.com is a very popular site with well over two hundred thousand page views per day. And the person behind all this amazing information is Lynda Weinman. So I'd like to give a warm welcome to Lynda. How are you doing? |
Lynda:	I'm doing great. Thank you for the nice introduction.
Sean:	Well, you certainly earned it. You've done a great job. I've been a member of your site for a while and there's no place I'd rather be.
Lynda:	Thank you.
Sean:	Tell us a little bit about your background Lynda, you were in film and graphics weren't you?
Lynda:	Yes I was. I started off in the film industry before really video had taken off. I'm going to be 55 next month so I'm a little bit more elderly than people in the digital age but when I started off in the film industry people weren't really embracing the idea of video.

There was no such thing as digital video at all. Video was analogue video.

But I worked on things like Tron and Empire Strikes Back and music videos – a lot of TV commercials. And everything was done on real 35mm film, or 17mm film. I know how to thread a movieola. I know how to look at it with a film loop. I know how to write an exposure sheet. I know a lot of antiquated skills that are no longer relevant in this day and age.

Sean: That would make a really good resume!

Lynda: It would if it stopped there. Fortunately I kept up with the rest of the world and I'm not doing that anymore. And no-one is doing that anymore. Almost all films today are edited in a digital manner shot with digital tools – if they are shooting film they're converting it. It was a period of time that really now is retired – things are not done the way they were done back when I was doing it.

Sean: We're going to be talking today about Membership sites. We're going to be talking about starting up and running Membership sites. That kind of thing. Tell us how did you decide what kind of site you wanted to go with when you started up Lynda.com.

Lynda: Well Lynda.com started when I was researching my first web design book. And I couldn't find a book publisher to accept my book publishing proposal and so I pitched to a magazine that I would like to create a series – a monthly column – on web design.

And when I was doing that I had someone email me. And she was Debbie at Debbie.com. And that gave me the idea to go to the Internet and go look up and see if Lynda.com was available – which was my name. When I saw it was available I grabbed it, and I really never knew that it would become the kind of site with the kind of views it gets today, or the name of my business. Or have any kind of notoriety whatsoever.

It was my own personal web site, and my own personal sandbox where I was trying a lot of web design techniques and teaching myself web design so that I could write the first book about web design.

Sean: At that point in time when that changed from Lynda.com that's

just you to this big site…did you ever feel OK, maybe we need to separate the two. Or were you quite happy to keep it as it is. I know it's a silly question, but…

Lynda: No it's actually not a silly question at all. And over and over again I've found it really strange that people wanted it to be Lynda.com because when we…first of all when I wrote my first book my publisher didn't have a we3b site for the book. Because I had Lynda.com and it was a book about web design I used that URL for the book and I was also at the time teaching at an Arts Centre College of Design, and they didn't have a website.

So as I was teaching my students how to do web design they were also using Lynda.com. When we moved and decided to start Lynda.com as a business we weren't planning it to call it, we had planned to call it the Online Digital Arts Centre. And we had the website – but over and over again people just knew me as Lynda, and they knew Lynda.com and as we started to hire employees I would say to them: "Do you want to be Chris at OHighDigitalArtsCentre.com or Chris@Lynda.com?"

And everyone seemed to really love the Lynda.com. And it was almost a force of nature that that resonated with others than any other kind of name. And it was not an intentional, pre-meditated plan on my part to build Lynda.com into some sort of widely known name at the time.

Sean: It certainly turned out that way, hasn't it? What we're going to cover today is three things. The first thing is, I'm going to ask you about starting up. Then we're going to talk about running the site. And then we're going to talk about consumption of content. You know, how customers can consume whatever it is that you're putting out.

Let's start with the first topic, which is starting up. What caused you to say: Let's put Lynda.com together? Now obviously it started out as just a resource, but at some point in time it's become a subscription site and that's the way we know it. So what caused you to say: Ok this is a serious business step.

Lynda: Well it was truly by accident. I would love to tell you that I had some sort of master plan in mind, but I really didn't. I was just practicing my teaching – I love to teach, I love to write the books that I wrote. When I stopped writing…when my books were as successful as they

ended up becoming we first got the idea to start up a school and we did, we had a physical school that we started in 1996 and we closed in 2002 after the Dot.Com crash. And 9/11.

It really started as just an extension of my passion. Which is to be a teacher and to share the art of using digital tip tools in the digital age. And my particular passion was around the web and web design, and what we learn even by opening our school was that people wanted more courses than I could physically teach.

And that was the first revelation – was that you could create something and that if people trusted what you were creating and that you had more and more demand. And it would always amaze us when people would come in and they would say: I loved your Photoshop book, but do you have one on Dreamweaver. Do you have one on Flash? Do you have one on Excel? Do you have one on Illustrator?

And it was just kind of surprising. It wasn't really by design. And I do get asked when I'm interviewed by different business analysts or sites such as yourself: How did you get your start? How did you market it? And how did it take off?

And it was a very pure, authentic result of just doing what I loved and then I got feedback from people – be they customers for a book, or customers at our school, or customers who might have seen me speak at a conference, something like that – and because what I did seemed to resonate with people…they liked the way I taught, they liked the way I explained things….they kept coming back and wanting more than I could personally provide.

And that was really when the realization happened that it could be bigger than just me as the talent. That I could start leveraging other trainers that I knew, and other experts that I knew. And people would trust that those experts were good, because they already trusted in my reputation. And that was a realization, that really wasn't planned on purpose.

Sean: Now when you were speaking to Nancy Duarte in one of the interviews you actually mention this concept that – or you asked Nancy – how easy was it to hand over something? Obviously when you were started out this is like your house, your baby. How easy is it to just say OK, let's get these other experts in and start working with

them?

Lynda: It's a very big shift in your mentality and it did not come naturally to me. I definitely had to test the waters and see how it felt and how people liked it too. And we first started testing these waters at our physical schools, so when the demand for classes than what I could physically satisfy then we would bring in other teachers…we could very easily gauge if the students liked that teacher's material as much as they liked the material that I was creating.

And I think partially because I already had good judgement in terms of my own abilities to teach, that I had good judgement in recognizing other good teachers. And I also had enough of an industry reputation and credibility to know who the other key people in the industry were, it was more than luck in bringing in other key people who the customers were going to like.

It was really leveraging information that I already had. And then it did take me a while to get used to the idea that his is called Lynda. com – why are people going to come to see a trainer that isn't Lynda? And that really surprised me. That they wanted to, and that they did.

But once I saw the results of that working, and that it was every bit as popular as what I was doing then it encouraged me to continue building on that idea.

Sean: What was the kind of stage when you were giving away most of the teaching to other people and you were actually moving to the sidelines as it were?

Lynda: That probably happened about 4 or 5 years ago. Lynda.com just completed its 14th year. So in the beginning, yes I was the expert in web design. Today I'm no longer the expert, the world's expert on web design, because I have been on the sidelines running and driving and overseeing Lynda.com's growth and vision.

I think it just came very naturally; it was never anything that was forced. I was able to teach for as long as that made sense. And I was able to write books until that stopped making sense. For a long time I ran a Flash conference called Flash Forward – which was the first Flash conference in the world – and that lasted for about 5 years. And I was really involved in every single conference. So I've always been able to find projects that I really love and I really enjoy my work

and right now my day to day activities are totally different than they were when I was a teacher.

But I still absolutely love in what I'm doing and believe in it, and feel just as passionate as I ever did…I'm just really fortunate in that I discovered what I love, and what I love is sharing technology and techniques and inspiring people to want to learn these tools and communicate with these tools, and express themselves with these tools, and that really gives me a lot of pleasure.

So it's really always been about following my gut and my heart and it just so happens that I was extremely fortunate to find something that expands it in this way.

Sean: We find that the people who put in the most amount of effort end up really lucky.

Lynda: I've definitely worked harder…people who are close to me will tell you that they know very few people who work as hard as I do and sometimes they worry about me. "You're always working, you've got to stop and do other things and have a balanced life…and all that." But I love my work, so I feel very fortunate to get to do what I love and I don't ever resent that I can't do other things because I feel so lucky that I get to do this.

Sean: Going back in time 14 years – that's a long time – when you started up what were the technology issues? What were the technology challenges that you had?

Lynda: Well everyone had dial up! (Laughs). When we started the online training library – which is the subscription business – we started that in 2002 the majority of our potential members were limited by their bandwidth.

And it wasn't until a few years into it – maybe 2004/2005 – that more and more people got broadband. And that was a limiter because you couldn't watch the video at a decent speed if you had dialup. And so as the adoption of broadband got bigger, our membership grew and we were very much affected by that technology curve in the beginning and I'm sure that it affected the speed that we were able to grow that business.

When we first started the business in 2002 it wasn't anywhere near

an important revenue source for us. It was probably 3 to 5 % of our revenue coming from that part of our business – if that. And today it's totally flipped – it's about 97% of our revenue comes from that. So there was an evolution where the online subscription business wasn't pulling much weight at all, and had we not had other income streams we could never have stuck with it. We actually weren't even aware that it was become something important to us until maybe 2 or 3 years into it.

And then it started to grow at an exponential rate and we realised that we had kind of a freight train on our hands. But we didn't see that right away.

Sean: OK. So we're looking at 2002 to 2005 – not a lot is happening. Are you grateful for the quiet during that period? Or would you go back to 2002 and say I wish we had bandwidth right from the start?

Lynda: Well it wasn't quiet because we were writing books, and producing seminars and a conference and I don't think I've ever really been quiet…I'm just one of these super hard working busy people. So I don't regret any of it – when people ask me how to get something like this to start up on their own I don't know the way of going out and finding VC money and getting start up money, and hiring a CEO.

I didn't do it that way so I don't even know how to begin to tell people to do it that way. I did it in this completely authentic, natural, organic way where I was doing what I loved and there was an audience for it and that audience grew and I was able to keep up with what the audience wanted.

And I think it was really that simple. It was maybe quiet in the subscription space but it wasn't quiet at all in the Lynda.com universe.

Sean: In terms of conversion…when we first started up our Membership site the first year was….we converted a whole bunch of people but then they quickly dropped off. What were your challenges when you first started in terms of conversion?

Lynda: We had the same problem…I remember sitting around the office and everyone made a bet and put a number in a jar – I think we had 9 employees – and we all put the number of members that

we thought we would get in our first month in a jar. And no0one guessed low enough.

Everyone had this expectation that it was going to be hundreds, thousands….I think maybe our first month we might have had under a hundred people signing up. I'm sure we had under a hundred people sign up.

So it was kind of disappointing and surprising, and I think at first we felt very dejected. And we kept contributing courses to the library as we were building them – because for us it was leveraging what we were already doing and it was another publishing avenue. It wasn't our sole source of revenue.

So if we were creating a new course we might create a video. We might put the video on the online training library. We might create a class and we might do a seminar series. And we might put it in a conference as a session.

So we were just leveraging…if we would work up a curriculum or some material or some training we would just leverage it in whatever way that we could. So the actual conversion wasn't what was driving us. It was more finding different revenue channels to support what we wanted to do.

Eventually when…I'll be really honest with you. This is an accidental success story. I'm a lot more savvy now, and I have marketing people on the team and they look at metrics and we've only been doing paid search words for less than a year. We're so unsophisticated – we're getting more sophisticated, we're hiring the right people, we've realized there's a lot of untapped importance that we're….you know to attract, conversion, and look at your metrics, look at your web statistics, look at your heat maps. We're doing all of that now – but we're pretty new at it. And we're not a success because we're doing those things – we were a success first. And then we started doing those things.

So again, our story is maybe a little backwards but it completely worked for us.

Sean: And that's usually what happens when you're trying to create something that's going to find its own space rather than you forcing it to. But what were the mistakes that you learned when you were

starting up? What were the mistakes that you would say…well, that was a mistake!

Lynda: I think my Husband and I are partners and neither of us have MBAs; we didn't come from the business world. We came from the creative arts world. And so I think one of our biggest regrets is that we just didn't know enough about business to make some changes, make some hires more quickly than we did and to understand how to grow the business. Like what kind of marketing person do you need? What kind of sales person do you need? What kind of finance person do you need?

When you don't have that kind of background you're really out of your element. And you can learn though the school of hard knocks but it's really great if you can bring some people in who have more seniority and more experience.

And so today we're a professionally managed company. We have a CEO and A President. A CTO. A CFO and VPs. And Directors. And Managers. And there's a whole hierarchy to it – I didn't even have that vocabulary when we first started. If I could say anything that I wished, I wished I had that business background before we started the business.

But on the other hand I would have been maybe missing the creative instincts to understand what this audience would want. And by entering as an expert – instead of entering as a business expert – I think there's a flavour of authenticity to Lynda.com that really works for a lot of out membership. I think they can tell the difference between a company that was started as a business idea to flip it, or to get investors, or to sell it, or whatever it might be. Versus something that's truly authentic, where there's truly a love of sharing, a passion for communicating and a desire for excellence, to really produce excellent material. And helpful material.

So I don't know if it's truly a mistake. I think a lot of times your mistakes are the things that teach you, and you need to learn from your mistakes. But you also need to make mistakes. So I don't know that I fully regret any of that, it was just an evolution, a learning experience and we're at a different place now.

Sean: So you're going through this phase where you started up, and then you go through the phase…you're kind of breathing a sigh of relief

because now you're starting to earn some money, you're starting to get people through. But when you envisioned it, did you have any criteria in place, did you have any benchmarks that you had in place? Right at the start?

Lynda: No I just really have never operated that way. Again I think it's my lack of business orientation. To me the metric that was important was did people like it – or didn't they? Was the majority of feedback positive or negative? And it was always in our case very very encouraging, and very very positive.

And that was how we judged whether it was working or not. It was a lot less about how much money where we making, and a lot more about: Are people happy with what we're creating? And do they want it? IS there a demand? Are they telling their friends? Are they pleased with what they got? Or are we getting criticism? Are they saying do it differently?

You really have to put your customer first and I think we have always done that.

Sean: Let's move on from starting up to running the membership site. People often ask you I'm sure how much content did you need to put in on a consistent basis? And what is the frequency of content? And how do you decide that?

Lynda: Again we do it in a rather uninformed way. We're getting better and better at learning how to really understand the ratio if you have more content you get this many more members….to be honest it's not science. IT could be, but we actually tend to run the company a lot more intuitively than we do run it scientifically. Although the science is good too.

I think we don't look at it and say: to get this kind of conversion we need to create this many course. And we need to beef it up in this area. And that's what's going to make us successful. What we really do is we listen to the Membership, what are they requesting? Where do we see we need to be stronger internally? What new things are we hearing about that we're not covering?

We really go a little bit more by our gut than we do by the science of comparing it to the monetary reward of it. That said, we're getting more mature, we're getting more sophisticated, we are starting

to look – because we pay royalties, it's one of the things that's not apparent because we don't really mention it, it's not that we're hiding it, it's not anything we've ever really marketed to members, but we pay all of the instructors at Lynda.com some royalties.

So we do have to be a little concerned if we add content too quickly and we don't add members as quickly as we add content, then their royalties could conceivably go down rather than go up. So we do need to be concerned about it. But to be perfectly honest it's not something that we have all metrics in place to understand. And I think as we mature that's going to be an area where we need to put more of our focus.

Sean: So just from a perspective of someone who's listening and thinking: Hey I could set up a site that's not exactly your site, but something that's based on your royalties system. Are they really looking at something where you're paying royalties for every time someone clicks on it, or a fixed royalty? What kind of system do you run?

Lynda: We run a system where they are rewarded by how popular the material is. And there is a fixed pool of royalty money and it gets divided among all the authors, and it gets divided based on how popular their materials are with the Membership.

And so conceivably – and I don't think we've hit this point, because generally everybody's royalties have gone up over time – but you could hit the point where you are aggregating material quicker than you are growing your membership, in that scenario their royalties could conceivably go down.

And we really don't want that to happen, because we consider if we make it a win-win - if people are rewarded by contributing material to our library then we see that as a benefit ultimately to everyone. Not just to us. Not just to them.

Let's say you had a book publishing business and people aren't making any money writing books for you, they're not going to want to write them anymore. And I think because we were book authors ourselves and we kind of came from that world we believe it's very important to make sure it's a win-win for the participants.

Sean: You've got an absence of forums, which is quite unusual for a Membership site. Obviously this has been based on the fact that

you were writing books, and then you put out the hands on training material – did you take a conscious decision that you were not going to have Forums on Lynda.com? OR was it just something that happened?

Lynda: We did have Forums early on at Lynda.com, but we didn't have the staff to really monitor the forums. And they just ended up feeling like they were dead ends, you'd get customers or members or visitors – however you want to identify the people who were using the forums – and they would be asking a question.

And maybe someone else would answer it. But it really wasn't a high quality operation. And I think it's really hard to make a forum good if you have no business model for it. If you have no way to reward an expert to be on there all the time and answer the questions then it's better left up to the actual software forums, if you have let's say Adobe and they have a very big investment in their Forums because it's their software, it's their reputation and they have experts that they hire and pay to monitor those forums.

So we've thought about adding them in and maybe having a different tier membership where we could monetize something like that. But I think probably something that is unusual about us is that we've been very practical from a business perspective. We haven't just worked hard for the love of working hard, we've also figured out how to make money doing it and how to stay in business.

Staying in Business for 14 years is only possible if you're profitable, it's not possible if you're losing money or if you're not making money. So I think part of it is just figuring out the monetary…we don't want to do a bad Forum. If we want to offer something we want it to be fantastic. We want our reputation to stay golden. We want people to love the forum as much as they love our training.

And so until we can figure something out that would work like that, we just figure that we don't need to do it because other people do it very well.

Sean: But you've also taken some non-monetary decisions. Like Close Captioning. Is that what it's called?

Lynda: Yes. That's what it's called. And to some degree that's true and there

are great benefits to …it is the right thing to do, on top of it being the politically correct thing to do it does have some monetary benefits to it.

We have a very large part of our business is selling into educational institutions. Lynda.com is used at Yale, at Duke University, at Artsner College of Design, all over and in all kinds of college settings.

And they have rules about accessible content, where they're not really allowed to offer something to the students that doesn't work for all students. It has to be accessible. So that's one benefit. That's a monetary benefit.

Another benefit is that you get a text transcript when you do close captioning and the text transcript can be used for SEO purposes, it can be used for search purposes. And it's great if you're in an environment where you can't have the sound on but you still want to be studying a class.

So I believe that there is a strong return on that investment – even though it might not be an obvious ROI, it's there.

Sean: In terms of running the site how much time do you physically involve yourself in running the site? Has this changed over the years?

Lynda: Well, my personal aspect is in every aspect of our company. I don't really run anything because we have teams of people who run things. But I look at every new feature we're going to add. I'm very involved in all the processes where we're writing out stacks and coming up with our features – I'm very very involved.

That said, we have large teams of people who are creating the website, developing it. It's a fairly sizable group of people who are running it. It's not to say that there aren't a lot of people putting in hundreds of hours creating it…it's just I'm only one person. So I look at it at a very high level.

Sean: Personally do you find yourself more involved than ever? Or less involved than ever? Why I'm asking this question is that people will think that at some point in time something is bound to run itself…. at least that's the notion they have.

Lynda: (Laughs). Oh no, no, no, no, no. It does not run itself by any stretch of the imagination. I think there are probably in any given week, 50 to 75 people working on our web site in different capacities. So no it does not run itself – it's a very complicated type of website to run. And it's been a big learning curve to run a website that gets this kind of traffic, that requires this kind of band width, and this type of distribution when you're distributing video – you're really involved in some very high stakes operations.

And you need to be up 24/7. There are people who are subscribing – paying a monthly fee – so there's no down time allowed. So there's a tremendous amount of effort that goes into running our site.

I am probably less involved than ever, because as our company grows bigger and it becomes more complex we have more and more people that we're distributing all of the different responsibilities to. SO my time is spent very differently – whereas 5 years ago it might have been my job to monitor customer complaints and figure out what the action item would be around them liking or not liking something and now we have people in place and it's their job to read through all the customer emails, and bump them up to whoever can make an action on an issue or a change – a request for a change by the customers – or whatever it might be.

So in many ways I feel like I work a lot smarter nor. I still work really hard. I still put in a lot of hours by choice – because I love what I do – but I definitely have a lot more people who have…the responsibilities are far more distributed than they ever were before.

Sean: So would you say, that in a way, you've planned for a legacy. Something that will go on despite you being around or not and all this kind of business?

Lynda: Repeat that question?

Sean: Would you say that you've actually created a legacy, so the website will go on whether you'd left the building or not?

Lynda: Definitely. I definitely believe that we've created that.

Sean: OK. Let's move to the third part. We've just finished starting up, and we've finished running membership sites. Let's just look at

consumption. How do you manage client's expectations?

Lynda: I think you…treat everybody…I'm having a little bit of trouble answering that question because I think what we've done is that we've listened to what their expectations are. By really listening to what the requests are.

And our goal is to exceed their expectations – not just to meet them. And I think when you look at what we've created, this vast knowledge library that has literally 1000s of hours of video training, and for the price…it's $25 month as the starting price…you really couldn't even buy a single course for that price. Let along buy several hundred courses for that price.

And I think that when we look at a Membership – and if you were a member in 2008 and we had 500 courses online, and then if you were a member in 2009 and we had 700 courses online…the same dollar amount that you're paying, the actual value of it is growing and growing and so we really love to make Lynda.com of indisputable value to people.

There's no reason to question that you're spending that money as wisely as you could possibly spend those dollars for what you're getting in return.

Sean: Do you find a difference between a monthly customer and a yearly customer in terms of the way that they consume the content?

Lynda: Possibly. But I don't know if we really have the metrics to really analyze this kind of metrics. I think we've started to do some life time value, explorations of is lifetime value of a member higher if they're an annual member versus a monthly member. And I think the answer to that is yes, it is higher.

But I also think it's really important to be flexible. Part of what I love about our company is that we're not telling anybody how you have to learn. It's not like eLearning of the past where if you went along in a course and you didn't get an answer right you couldn't go onto the next part of the course.

You can really view it and consume it in any way that you want. If you want to use it three times a year and it's worth $250 a year to you to get answers three times a year, then that works for that member.

We have other members who are going to be on there 10 hours a week. Or feel like they are not getting their money's worth.

So we really have a lot of other types of consumption other than material, and I think the fact that we've offered this flexible plan is something that regardless of whether one makes us more money or not is something that I'd like to believe we'll always do, just because it offers the best flexibility.

Sean: What kind of technology have you seen that actually increases consumption?

Lynda: SEO. Which we only started doing about 6 months ago. We definitely saw a bump in our…between paid search SEO and we've just started an affiliates program which has a lot of good SEO benefits to it. I would definitely say that those activities have caused a bump in membership.

Whether I think you could run an entire business just with that kind of bump…really our most significant business is through referrals and repeat customers. I think the business that we get through marketing efforts is probably conservatively a tenth – if not lower.

Sean: A lot of people would just have this idea that if you do some kind of …pretty much like you do at the supermarkets, where the bread is cheaper this week, or we've got a special offer…and that kind of creates a bump. Is that sustainable? Have you found it to be sustainable?

Lynda: We've never been really big on discounts and sales. We might have a sale like once a year on something….I think if you do it too often people are always just looking for a deal. And we already think that the cost of what we're doing for what you're getting for it is a really amazing value proposition.

So we've been very reluctantly to discount it further and to try to grab sales through discounting.

Sean: That's precisely why I got into Lynda.com. I was watching your business and I noticed that you didn't discount, and I made a tweet on that and then someone started following me from you guys.

What I'm asking: do you have any ideas that have come from

customers that have helped in better consumption of the information that you put out there?

Lynda: Yes we have. We actually had a customer help us develop our enterprise offering. We had a customer who was purchasing training from a competitor and really preferred our training, but needed to have it run in a school setting.

And we worked with her directly to help build our academic product offering and over the years we've refined it a lot, and we always listen to customers…like a recent change was that the teachers who were offering our courses in academia, they wanted to be able to customize an email invitation to all of their students. So we had given them an email widget in the software application where they could invite people in and give them their usernames and passwords.

It had a little bit of customization – but they were requesting more customization. So it's things like that, that you really don't know are going to be needed until people work with the software and they write back to you and tell you what they need and why.

So we listen quite diligently our membership.

Sean: In your opinion what are the techniques that you've used that help you retain customers and get them to consume better?

Lynda: Really keep your focus on quality. If customers don't like something, listen to them and figure out why. Then change it.

Constantly raise the bar. Constantly look at ways that you can improve things and make it better. Reinvest in yourself. And just be great. Don't just be good, be great.

Sean: The concept that when you get into a website, like we have a website at 5000bc, and constantly people will say that they get into the website and there is so much content that they're instantly intimidated. How do you manage that? How do you prevent the customer from getting intimidated? So that they start to consume the information better?

Lynda: I think we could be more sophisticated at that, and we're working on a lit of different initiatives to improve search, and to improve

findability. We're about to launch a book-marking feature where you can save favourites, and you can go back and look at those.

It's definitely a big challenge when you have a lot of content. We have over 40,000 individual movie tutorials. So how they get organized, how they get presented. How you manage the findability of that content is becoming a bigger and bigger problem to us.

I don't think it's really impaired our growth, because typically once people figure out how to find things on Lynda.com they're not overwhelmed. We have a couple of videos that explain how to use the website. We have customer service that can answer questions.

But I really think that the interface to the website is barely approachable, and I do agree though that as we grow the amount of content…today we have 40,000 movies, let's say that becomes 200,00 movies – it just becomes a bigger and bigger problem. How to organize it and find it and present it.

I think just like a regular library, if you're looking for something you feel confident going in that you'll be able to find what you're looking for going in, even if you're going to the Library of Congress. It's huge, you know there is a system and there is a way to find it.

So I think it still is a benefit to grow the library as big as it can possibly grow. The bigger we make it the more valuable it is to people, but this is definitely going to be one of our biggest challenges: how to mitigate the growing amount of material.

And we are working on it in organizational approaches and search approaches that are yet to be launched, but will start to be visible to the membership over the next year.

Sean: There's also a psychological aspect to this, I mean you and I can go to a course and we can spend $600 and not really necessarily implement a lot of the course, maybe little bits of the course. Or we may buy a book for $30/40…and we don't feel like that was such a waste of money, and yet from the website and we haven't used a certain portion of it well it's almost like going to a buffet and eating two things. You want to somehow stack your place.

Do you find that to be a problem with members, where they think that there's so much stuff and they get so little time to play with it or

use it?

Lynda: Yes we have people who leave our service for that reason, and that's the reason that they cite/. That they just don't have time right now. And I think that's a valid reason. I really have a lot of respect for people…for our membership.

And we're not trying to trick them or sell them on something that they don't need or want. It has to work for them; it has to be of value for them. And I just don't see any way around that. It's the reality – people don't always have time to learn things, they don't always have time to spend on a website.

And that's why I really like that we have monthly memberships that people can unsubscribe, resubscribe. We get that all the time. People go off for three months, then come back. We have lots and lots of people who go in and out, and I have a lot of respect for that.

And I think it's great that we can accommodate people like that.

Sean: So we've finished starting up, we've finished running membership sites and we looked at consumption. We're just going to wind our way down to the end of this presentation. You've chosen this form of pricing – which is $25 and $250 – and then of course there is a premium.

Is there any logic to it? Or is it something else that's intuitive here?

Lynda: It's intuitive. There's no logic to it. It's just when we first started up we had a part time employee who was also a full time student. And when we were throwing around different prices he just kept insisting that as a student he would never be able to consider anything that was over $25.

And we just listened to him and we decided to pick that number. It literally was…there was no market research, no financial modelling. That's how really innocent and ignorant we were about building this to be honest.

And it's really stuck. I think it's a great price point. Because it's worked – and because we've hit critical mass with it – we have enough income to be growing our content, growing our company, able to keep re-investing and keep growing. It's worked for us. To

me it's like if it isn't broken don't fix it.

Sean: If you were going forward and someone were to come to you and say: Hey, Lynda, can you give us some advice about starting up and running…what kind of advice would you give Membership site owners?

Lynda: Don't rely on the income right away. It takes a while to get them to go. You really have to be very patient. It doesn't grow overnight. You really have to be able to reinvest and be solvent enough to continue to nurture it and grow it and build it. Because it's not like you create it once and it just lives forever with no attention.

           There are big price tags to be a highly ranked website and a popular website. And so your business model really has to work. And I guess I see the majority of people who are starting businesses, and they don't figure out if their idea works before they get so invested that they lose their shirts.

           It's really important that you are actually offering something that people need, that's a better alternative to other ways than they can find it, so you're not just a 'me too' kind of an idea. You really find an idea and you're the right person to fill that need.

           That's some of my advice.

Sean: You're in a position right now to say: I can see a mistake coming a mile off. What would those mistakes be that a lot of people tend to make?

Lynda: Getting…figuring out what to focus on. We had this problem early on where we were just trying to be so many things with just so few employees and hands to share it amongst.   I think because our ideas were very big and our ambitions were very high, we did not temper it with practicality and reality to really kind of pick the right things to focus on, and focus on them.

           And so I think for us one of our big mistakes is that we were too diverse. ON the other hand because we were diverse we were able to weather the early stages of the membership service. So I think you constantly have to re-evaluate what you're doing and what your priorities are, and where you're putting your attention. And never just sit on your laurels and think: OK now I can sail by without

thinking about it or working on it. I'm not of that kind of mindset. One thing that we really love to do – it's just part of our DNA – is constantly re-evaluating ourselves, constantly trying to figure out what we can do better. And always aiming to do better.

Sean: I just want you to know that I've been a member of Lynda.com, I've been a member before like Lynda mentioned. I've been out and in. It's an absolutely stunning site to be in. I'm one of those people who need to go there three times a year and if I can just go there three times a year and get what I'm looking for then I'm more than happy.

Lynda.com can be found at www.lynda.com - that's easy enough to remember as long as you remember the 'Y' – and thanks very much Lynda for being on today's call. You've had a back problem and other issues that prevented you from being here, and I'm so glad that I can finally speak to you.

Lynda: Thank you. It was a pleasure Sean. And I really enjoy your website too. I think you've got a fantastic asset there

Sean: Thank you. We'll speak soon.