

How a \$30,000 Domain Helped Voices.com Grow to \$15 Million in Revenue - With David Ciccerelli

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If you're a startup entrepreneur wondering how a category-defining domain name can help your business grow, you need to watch this show with David Ciccerelli, the co-founder and CEO of Voices.com. In it, he talks about how he purchased Voices.com for only \$5,000 upfront, and how it helped to build the \$15 million business that exists today. He also provides some fantastic candid advice for entrepreneurs. It's a must-watch show. Stay tuned.

I have three sponsor messages before we get into today's show.

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Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com, the website where you come to learn how to become a successful domain name entrepreneur and investor directly from the experts. Many entrepreneurs dream of working on a business they are passionate about because when you are passionate about something, it is not

work. And many domain name investors dream about building a multi-million-dollar business on a category killer domain name they may already own.

Today we are joined by an entrepreneur and business leader who has combined both of those aspects, which is a feat not often accomplished. We are joined by David Ciccarelli, Co-Founder and CEO of Voices.com, an online marketplace that connects businesses with voice talent. David, welcome to the show.

David Ciccarelli: Hey, thanks for the great intro. Thanks so much for having me here, Michael.

Michael: It is my honor. I provided a really simple overview just now of your business, Voices.com. When you meet someone for the first time, how do you describe Voices.com to them?

David: Well, in very much a similar manner. I say that Voices is really an online website. We connect creative producers, often video producers and art directors, with professional voiceover talent. You know, the people that you hear on radio commercials and maybe in a video game. Maybe you listen to audio books. Any time you hear the human voice, the fact is somebody still needs to go into a recording studio and read that script and bring that message to life. And so, we provide that platform, where these two parties can connect together.

On one hand, you do have all these creative producers that need to hire someone for their project. And then we have a community of 125 thousand freelance voice talent or voice actors who can kind of use those terms interchangeably, but they all have their own profiles. Many of them have their own home recording studios. They can get this kind of work done on, as I say, a freelance basis.

Michael: Yeah, and in preparation for this interview, I was amazed at how many opportunities there are for voice talent that I never realized. You know, radio, TV, animated movies. I bet you love when Disney puts out a new animated movie and they just need voice talent, right?

David: For sure. And I mean most people think of, as you said, the traditional radio and television commercials, but actually the broadcast work only accounts for about ten percent of the entire ecosystem. Most of it is, to be frank, more of the less glamorous. There are phone system recordings. There are corporate training videos. Maybe nowadays, with apps, a lot of apps have promotional videos, explainer videos, so I mean it really is a huge industry. We have 14 different categories that clients come and post a job, seeking this kind of work out for.

Michael: And I was just chatting on Skype right before I connected with you to record this show, and I was excited about having you on and I told one of my colleagues in the industry that I was going to interview you. And he was like: "Oh, that is fantastic. You know, when I first started working, I did voiceovers for video games." I was like: "Yeah, video games. Apps." It is just amazing how big it is.

So, many people may not have been exposed to the world of voice talent, and we just described it a little bit more. I was combing through your Twitter feed earlier and you wrote in one post a while ago that the US alone has 4.8 million commercials that air every day on 16 thousand radio stations.

David: Right.

Michael: That is enormous.

David: It is just huge. And all those commercials, certainly there is going to be repeats and campaigns and so forth, and that is terrestrial radio. Then you have Satellite radio is different. You have Internet only radio, where Pandora or Spotify are. Some of these are ad supported as well too. So, it really is. As an advertiser, there is certainly all kinds of options to get that message out there, and then, in turn, as a voice talent, who really uses their given skills to be able to speak well and articulate a message and tell a story, a variety of options.

I almost think of the difference between commercial work and longer form narration, like audio books and documentaries. The difference between

running a sprint, where it is 30 and 15 seconds is that little sprint for those commercials. Then there is a whole other skill set, where you do need to be a storyteller or you are reading for audio books or maybe a documentary. Everyone has kind of maybe heard of those, like James Earl Jones type voices, nature documentaries and so forth.

So, it is an exciting space and one where, due to, I guess, the emersion of different technologies and media platforms, that it is a growing space as well too. And so, that is what makes the industry so exciting and one equally I am so passionate about the space as well.

Michael: How big is the industry for voice talent right now?

David: From our research, it looks like there is about one million people globally that would call themselves a professional or a semi-pro voice talent. Currently we have probably 15 percent of that ecosystem. And then, similarly, on the buy side, when you try to figure out the total address of a market, how much is being spent on these services? The best of our research in tapping into some other providers out there, it is about 12 billion dollars per year spent on this, but the industry is so fragmented.

We have talked about all these different categories. It is not like there is the eMarketer report that says oh, here is how much was spent on social media ads this year or here is how many videos were being viewed. Maybe those reports are being commissioned. I am not sure how they do the research, but voiceover is extremely fragmented and, as such, it is a bit more difficult to kind of get that button down, but those are the best numbers that we have come up with to date.

Michael: Yeah, somewhere around 12 billion. Big market.

David: Right. Oh, it is a huge pie.

Michael: Yeah. So, before we get into the details of how you started your business and built it, I know the audience wants to know how successful you are. And it may not be the best metric, David, business revenue is a metric that a lot of people look at. What is the annual revenue at Voice.com?

David: Sure. Yeah, right now we are approaching on a run rate for 50 million dollars annually. Our three-year goal is to cross one hundred million dollars in gross revenue. We do feel like that is the trajectory that we are on right now, and we definitely feel that that is achievable. It is something that we have set out and talked about often enough internally here, and so the late Stephen Covey talks about starting with the end in mind. And so, having that kind of three to four-year target, and then literally working your way backwards, going: "Okay, well, that is just not going to happen. How many customers do we need? What are the price points? What industries are we focusing on?"

How many people internally do we need in terms of sales reps, account managers, customer service people to kind of build up to that scale as well?" And so, that has been part of that strategic planning process, is to cross that one hundred million dollars in annual revenue.

Michael: Wow, so I just want to clarify. It is 50 million, not 15 million. 50 million.

David: No, it is 15.

Michael: 15, okay.

David: Yeah.

Michael: So, you are at 15 million right now and your end goal is one hundred million, which I love. I love that visualization. I love the strategic type planning. So, then I have to ask you: what is the end goal once you hit one hundred million? Is it IPO? Is it acquisition?

David: What has really been fascinating - Stephanie, my wife and co-founder, and I have taken a bit of a different approach to how we have grown Voices. We do not have kind of the traditional venture capital by any means. In fact, when we started more than ten years ago, we took out a 15-thousand-dollar bank loan. Paid that off. Then we got a 30-thousand-dollar bank loan. Paid that off way early. And then just kind of kept ratcheting up until now it is

quite sizable in terms of the debt finance in that we have been able to secure, which many people have always advised to me that if you can get the debt, it is going to be cheaper in the long run than literally selling a piece of your company.

So, to date, Stephanie and I remain the two sole shareholders of Voices, and we have done that to have a bit more of a sense of our own kind of destiny, if you will, where this is not an outside investor that is really pushing us towards the sale of the company or an IPO; that we can kind of assess the opportunities as they come forth, but there are huge milestones that things get a lot more interesting. Obviously, as the company grows in terms of revenue and marketshare, where I think those opportunities will start to, as I say, present themselves.

Michael: Yeah, fantastic. And I love the fact that you are bootstrapped and you have done it all yourself. I am going to ask you a few more questions a little bit later about that financing and why you needed it when you were producing a profit, a cash flow. But before we get there, you mentioned your wife, Stephanie, who is your co-founder. You two started the business together. Can you tell me how you and Stephanie met?

David: Yeah. Yeah, it is a great story, if I may. Graduating from an audio recording technology school that looked like the bridge of the Starship Enterprise. I mean this thing had mixing consoles in several classrooms, theater classrooms setup that had that kind of look and feel to them. It was there where I learned to record, edit, and mix audio, and through that really had the desire to start my own business. So, I started a small recording studio here in London, Ontario, Canada, and got my name in the newspaper on my birthday of all days, and turns out that not only was that great publicity for me, but Stephanie, who I had yet to meet, her mom being quite the marketer herself actually cut out this newspaper article and left it on Stephanie's bed as a hint.

Because you see, her mom was, I think, carpooling her around to visit these weddings, funeral, special events, where Stephanie would sing. Stephanie was a classically trained singer. I think her mom was probably tired of doing that and saying there has got to be a better way for you to market yourself.

Why don't you go visit this guy, who opened up this recording studio, record a demo CD, and then you can hand that out to prospective clients? And so, Stephanie and her mom kindly chaperoned her, believe it or not, down to the studio. We hit it off. We ended up doing that recording together of these beautiful, classical, acapella songs that she performed.

And it was through that process really that we connected, but because of that same newspaper article, I was getting these inbound inquiries from other small businesses locally. There was a hair salon and somebody who wanted a small business phone system recording. They wanted a female voice. Well, I only knew one girl in the city, so I call up Stephanie and say, "Do you think you can come down to the studio, record this script," and the way I tell the story is that I said that we would split the money, but she never remembers that part, but I have got to get that in there because nowadays everything is obviously 50-50.

So, we ended up doing that and realized, "Well, hey, if we are doing this in London, Canada, and being modestly successful, surely there is a global market for voiceover. Why don't we put up a website that starts to kind of promote this?" And before you know it, we had guys and gals all over North America that would say, "Hey, if you want somebody who is in New York, I am your guy," or, "I speak French. Do you want somebody with a French accent? I can be your guy." I was like: "Okay, let's put this guy's name on our website." And people would do character voices and so forth, and before you know it, we had a few dozen people and that was the 'aha' moment that all entrepreneurs have, is well, the what if.

What if we could kind of transform this brochure website that we had at the time - it was really nothing flashy - into building more of a full marketplace, a platform where we could connect these two parties together? And one of the things that I often do not tell as part of the story is that we just got married around that time, thereafter and had a newborn on the way. And having a recording studio with a child screaming in the background was not going to be working very well, so this was kind of like all prompted us to build this platform where we could make these connections happen.

Michael: So, I was going to ask you which came first, the marriage or the business, and it sounds like the marriage and the baby, and then you started the business.

David: Yeah, because I had this recording studio going and we did certainly. We were married and had a young one, my son, and then we were trying to look for ways, like how do we basically pivot out of the recording studio into something more online. And the other question was going through my mind as well too is I am always thinking scale. How do we do what we are doing ten times bigger? And there is Grant Cardone writes a book called The 10X Rule, which I found was tremendously helpful. And in fact, in his honor, I put together a YouTube video on kind of how, about the 10X Rule.

Basically, when I go into pursue any opportunity, I think if I am going to build a system or pursue a new venture, what do I need to do, so if this worked out really well and it was ten times bigger, would this process, would this system still functional at that scale? So, then you are not having to reinvent it every little milestone along the way. Now, sometimes you overinvest in infrastructure or get more physical office space maybe than you need, whatever it may be, but at the end of the day, you have set yourself up for success in a much stronger way and you grow into it.

And I found that to be a great way. So, when we were evaluating how do we get out of the recording studio work, not for lack of interest, but just we have realized everything was kind of billed on an hourly basis, and for us to kind of scale that up, we had to something that was virtual. Something that was online, where we could be, in effect, generating revenue 24/7 that did not necessarily need. At some day, necessarily need Stephanie and I to be kind of personally involved in every single interaction, and certainly it has grown into that to this day.

Michael: Yeah. Now, I remember pre-2000. It used to cost a lot of money to build a website and have it scalable, and you started your business in 2004, I believe. Is that correct?

David: Yeah, that is right. Yeah.

Michael: So, in 2004, it was a little bit cheaper, but it was still relatively expensive. How much did you and Stephanie set aside to invest to start your business?

David: I think it was that first 30 thousand. I mean the 15 I spent on the recording studio in effect. We ended up selling all that recording studio equipment off, and hiring a web developer because the very first website we built literally was with, and you will laugh at this, going to the library and getting those yellow and black For Dummies books. I think it was like Web Design for Dummies. And we did not even buy it. We had no resources. We went to the library and borrowed it like over and over. Just read everything you can. Just completely immersed ourselves in it. Built our own website on our own.

We had a shared server space of like - I do not know - 100GB. It was not a huge amount. Now, we are hosting audio files. It is not like text files or even photos, so they can get pretty sizeable. I just remember the server always filling up with safe and having to like buy another server or expand kind of what we had, but yeah, at least it was at the stage where we did not have to install servers on kind of our own premise.

Michael: Right.

David: It was a good time from that perspective. So, a lot of it was self-taught, and I am also a big believer in doing the low-tech solution first or, even better yet, no tech solution. So, let's say, to the entrepreneurs out there, you have got a great idea for a website. What is going to be a lot cheaper in the long run and probably end up with a better result is if you map it all out on paper, literally called paper prototyping. It is a thing. And so, you map it all out on paper. This is what the screen looks like. When I press this button, it goes to this other screen. And it is all basically a series of papers that represent the different pages on your site.

And we were really big into that, so I think when it came time to actually work with a firm to build this initial marketplace, we had a really good idea of what we wanted, and I think those kinds of projects could certainly balloon

into being huge expenditures, but I think we had a really good grasp on what we wanted, what our customers wanted that it was reasonable in the long run.

Michael: Yeah. In 1999, when I worked at Citi Group and we were launching an online bank, we called that sneaker wear. So, it was not even software.

David: Yeah.

Michael: Customers could see something on screen, but when they hit the button and they saw something was happening automatically, it was actually us running papers between different departments to get it processed, to make sure that you had your process down before you automated it with software.

David: Oh, absolutely. You go do the manual process, like probably paper-based process, and then you might build some kind of technology infrastructure, and then you automate it for scale, where this thing is just running on its own. If you do not follow those steps and you jump right to automation, goodness gracious, that is where all the problems occur, and then you are trying to back out of it and you do not ever really understand what it is doing. I would rather have for better or worse. I would rather do something myself first. Not forever, but I would rather do something myself first to understand what is going on, because at the end, I just do not want to be answering well, I do not know. I do not know how it works this way.

Well, I am responsible for knowing how it works, and somebody certainly should be held accountable for the systems and infrastructure. And so, I do not need to run it on a day-to-day basis now. There is obviously some great folks here that do so, but I do certainly take pride in understanding how it was built and how we got here.

Michael: So, when you launched in 2004, you launched with what domain name and why did you choose that domain name for your business?

David: Yeah, we launched as InteractiveVoices.com, so it was kind of a mouthful. The whole kind of concept of interactive and new media. This was when flash on the web was all the rage, and so everything was called interactive videos or flash videos. And so, I thought well, we were doing

voices for a lot of those flash videos, so let's call it Interactive Voices. We also encouraged everyone. Everyone, as a byproduct of signing up, would have their own profile, and it was on a subdomain. So, yours would be maybe Michael.InteractiveVoices.com.

So, it ended up getting pretty long. It worked really well for a while, but we did find ourselves that over time we were getting kind of pigeonholed into this new media, interactive media type of work, and even though the industry was much larger than that.

Michael: Yeah, so you might not get work from, say, television or radio because they did not view themselves as interactive.

David: Right. Exactly.

Michael: Got you.

David: I think the straw that broke the camel's back, so to speak, I think was having enough customers telling us that they were just literally tired of typing out our email address and typing out our web domain.

Michael: They really wrote in to you and said, "We are tired of this long domain."

David: Oh, yeah. Someone literally said their fingers got tired from typing out this. I was like: "You can create a bookmark. That is why they were invented." But I mean it does kind of, like the craziness of that comment does make you realize maybe this is a bit cumbersome. And there was another situation where we would get, like people did not know if it was InteractiveVoice, singular or plural, or is VoiceInteractive, so the words kind of mixed around the other way. And so, all that kind of confusion within the marketplace really prompted me to look for another name.

Michael: So, which came first: you looking for another name or the change in the business model from the original brochure to becoming a full party marketplace?

David: Yeah, we were definitely a two-sided marketplace as InteractiveVoices, and so it was more of the feedback from the customers during that time, where the voice talents ultimately want to be part of a platform they can market themselves. And to be honest, they were getting job opportunities. In order to do that, you have got to have a really easy-to-use service, where enough of those clients are posting those jobs for that variety of work. So, we did have the marketplace at the time.

Michael: Okay, so let me start with the marketplace questions first, and then we will get into the domain name.

David: Sure.

Michael: What was the 'aha' moment that you had when you realized that you could increase your business by changing the model, by becoming a marketplace rather than just a sort of brochure, where you connect voice talent on an individual basis?

David: Yeah, I think one of them was realizing that hey, for a small subscription fee - I think at the time it was 49 dollars per year. And we actually started not as a freemium model, which a lot of services are nowadays. It was like a pure play only. And so, for 49 dollars per day, they could subscribe to be part of this like membership community, where we would use those funds to market online, primarily through Google AdWords and to attract those clients. In effect, an extension of themselves as being their marketing department to get them new job opportunities.

And so, that was the original model, and then I actually had the opportunity to pitch on Dragon's Den in Canada, which would be similar to like Shark Tank, if you will.

Michael: I watch all the Dragon's Den episodes as well as Shark Tank.

David: Yeah, so it was the original pilot season of Dragon's Den in Canada, and long story short, I obviously did not get the investment, but they did teach me an important lesson, which was you are generating revenue from the sell side of the market, the people who are selling their services, and you

have got this kind of nice subscription model here, but it is the companies who have basically all the money that you are really delivering a tremendous service to. They are not having to book a recording studio, hire a casting director, have an engineer onsite. You are basically facilitating these virtual auditions, if you will, all online, and there is tremendous value.

And not only that. When it comes to the payment, where they hire the talent, how do you participate in that transaction that is happening? And so, that was kind of a takeaway from that Dragon's Den experience and that prompted me to kind of literally go back to those paper prototyping and map out what are all the steps necessary. We have the job posting and we have these auditions, and then basically we are, at the time, just telling people here is their email address. Go figure out how to close this deal. We realized well, all we needed to do was instead of saying connect, it was make payment. And so, people could literally be paid through this platform, where the credit card payment actually comes into a neutral bank account, known as an escrow account, so we pool all those payments together and hold them in trust until the work is done.

So, the talent has the piece of mind that Voices.com is holding this money for me, and then I am guaranteed to get paid, so I can go into my home studio, do the recording, deliver the files, and then the client says, "Yeah, sounds great to me," and then they release payment, and so then we disperse the funds to the voice talent. So, that whole model came out of the Dragon's Den experience that prompted it, but certainly we had to map that all out. And there is a patent for those who are interested in kind of researching that on Google patents that we have registered on that payment platform.

Michael: Did your business model change as well as your process? Did you go from charging the voice talent 49 dollars per year to charging the corporations, the companies that wanted the work as like a one-time fee or as a commission?

David: Yeah, we actually do both. So, there is still a subscription (Unclear 26:50.3) for those who choose to basically pay for the premium subscription, but there are also transaction fees as well too, which we charge to the client, to the buyer. And so, it is a ten percent transaction fee that is baked into these

quotes. So, many of you out there have probably used Elance or ODesk or Freelancer, so very similar in that sense, where the price that you see is the price that you are ultimately going to pay, and so there is a transactional model that is built as part of that payment platform, which does, if I may, Michael, incentivize us to ensure that these voice talent are getting work, because if they get work, that means we probably generate a transaction fee, but they are also, in turn, recognizing that this platform is working for them, that they are making money from it, so they are going to renew their subscriptions.

And so, it kind of has this built in feedback loop, if you will. So, we have realized, over the years, and not to kind of reveal the secret sauce, but one of the things that we have recognized is that if we can attract the clients and bring them to this site and keep them happy, it actually, in turn, keeps the talent happy to continue to stay engaged and the clients to keep coming and bringing their jobs back to Voices.com.

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Michael: Yeah, definitely. If you have a ton of corporations posting open opportunities all the time, the voice talent that shows up is going to say, "I have hit Nirvana. As long as I deliver good recordings to them, and the more I try out, the more chance I will have to win," but the hardest thing about two-sided marketplaces is that you need a lot of voice talent for the corporations, the companies to say "Okay, if I spend my time and post it and spend the money to post it, if that need be, then I am actually going to get enough inquiries coming in." And likewise, if voice talent is coming to the site, they want to see that there are a good number of postings that have already happened, because that will indicate that you have more coming in, in the future.

David: Yes.

Michael: And I do not want to spend a bulk of the interview talking about this, but I know a lot of entrepreneurs are trying to create these two-sided marketplaces and it is the chicken and egg. Which one do you do first and how? What advice you have for entrepreneurs that are trying to create a marketplace like that?

David: Yeah. We started with that initial group of a few dozen voice talents. So, it is not like we were trying to get ten thousand voice talent, and then figure out how to monetize this afterwards. It was literally the smallest groups on either side. And so, to get those first few dozen voice talent, that was pretty much inbound to be honest with you. I mean we are going back a decade here. Stephanie and I would go through the Yahoo directory, which I know was recently wound down by Yahoo, but literally they had a category for voice talent. We just visited every single website that was there and sent them an email. Literally picked up the phone and invited them to come to the website.

Then we went through all of the video producers and recording studios and marketing department, and same thing. Literally just did outbound prospecting to get them in and invite them to the site. And so, not that it is a

trick, but more a word of advice. If you are trying to kind of have a two-sided, you need to pay equal amount of attention to both sides, the buyers and sellers. And maybe because Stephanie and I both kind of favor one side or the other. It is not like we are both all about the talent.

She is kind of the talent girl, and everyone knows that, even in our company now and the whole community at large invites her to the conferences, and she is running the workshops, and she is the one blogging and on the podcast, and so forth, whereas I have always been more focused on being at Time Warner or going into the big companies and making the presentations to bring and attract their jobs to the website. So, the fact that we have been partners and actually each of us have kind of been able to focus on one side of the market I think has been tremendously helpful, but even if you are a solo entrepreneur, you do need to be of two minds in a sense to spend an equal amount of time on both.

And so, now, with the site of being one quarter million users, literally 250 thousand of them are the talent and 250 thousand of them are the clients. So, that tells you how consistent we have been over time to make sure there is an equal balance there.

Michael: Yeah, and it is funny that you should mention that because we talked just before I hit the record button that I started a media company in 2000. My wife was my partner.

David: Right.

Michael: We have totally different, but complimentary skills sets. And so, when I was booking your interview and doing research on your before, I thought about asking you to have Stephanie join on the interview as well because I thought that would have been a whole different level of the interview, to have you say something and then have Stephanie look at you.

David: Oh yeah. No, we often end up doing panels together and it is just great, or training sessions here as well too. I think we have figured out how to kind of work off of each other that it looks like really rehearsed, but we are just winging it.

Michael: So, let me ask you. When did the opportunity to purchase Voices.com occur?

David: Yeah. Well, this this came up in 2007 because I was really on a quest to change the name. It seemed like it just was not working. There were some other sites that kind of started up around the same time. It seemed to always get kind of the airplay and we were not. And as such, I started doing those WhoIS lookups and just typing in things into the browser. And I looked at Voxy and Voxio. Vox being Latin for voice. I looked at Vox.com. In fact, Vox.com was being auctioned off at the time, and I put in a bit of one hundred thousand dollars for Vox.com, which I totally did not have the money for and I would figure that part out afterwards. How do I actually pay for this thing? I ended up losing it in the wee hours.

And so, I realized at that point okay, maybe rather than this whole like rebranding, maybe more of a name simplification was better. We are interactive voices. Why don't we just chop up the interactive part? Well, who owns Voices.com? So, I go to it and, lo and behold, I find out it is this medical journal called Silencing the Critical Voices in Your Head. It is basically a psychology paper by a doctor that had maintained this since 1998. Originally registered in 1998. The last entry was in the year 2000, so for seven years there was nothing happening with it at all.

I do the WhoIS lookups, so the reverse lookup to find out who owns this domain. Fortunately, in this time, it might have even predated the privacy stuff that most occurs nowadays. So, I found out the fellow and I realized - this is another kind of great tip. I realized well, if I contact this fellow as David@InteractiveVoices.com, he is probably going to go click through my email address and visit the website, and see that there is a full size business here. We had about ten thousand users. Still some names of some recognizable brands on the site, and it was a well put together site. That he would probably increase the price consequently, realizing that there is a real company here.

So, I decided to work through a lawyer who literally moved into the hall across the office from me that week.

Michael: So, instead of borrowing sugar for the coffee, you are asking him to send an email?

David: Exactly. I was like: "Do you think you could send this email for me?" What are you trying to achieve? Well, I basically want to protect my identity and ask him would he sell this domain name, which clearly had not been used in seven years. If so, what price? And fortunately, it was not like owned by AT&T, Cell and Telecommunications, Voices Telecommunication or like Voices, the movie, like some scary movie or something. It was pretty much not being used. And so, our lawyer, Phil, sends off this email, and he comes back with a price.

Fortunately, (A) he wanted to sell the name and was willing to, which was a huge win in and of itself, and then actually coming back with a price. And he came back with 50 thousand dollars. And my first thought, I remember, was like: "Well, if I almost spent one hundred thousand dollars on Vox.com, this is as good of a name and it is half the price, so we are a step in the right direction." And then the next thought was immediately I still do not have 50 thousand dollars. How am I going to pay for this thing?

And so, I do what a lot of entrepreneurs do. You go out, fundraising, and you basically ask the three F's: friends, family, and fools. Basically anybody that is going to give you money, and everybody said no. They were like: "What are you, crazy? Why would you spend 50 thousand dollars on a domain name? You have got this business. It is running." I think it was literally Stephanie, myself, and one other employee at the time. That was it.

Michael: Do you remember what the revenue of the business was back in 2007?

David: It was under one hundred thousand dollars.

Michael: Under 100K, okay.

David: Yeah.

Michael: So, the profits were pretty thin at the time then. Just three of you working on it.

David: We were paying ourselves, so we always took a salary out of the company as opposed to like being managers and having it just taking profits. We always paid ourselves out of the company, but we were marginally profitable. We did not have additional resources to burn through in terms of running and losses.

Michael: Was one hundred thousand dollars the total revenue of the company at the time or was it the profit of the company of the time?

David: No, it was the total revenue.

Michael: Total revenue.

David: Out of that, we were paying three people probably, I think. Basically it was like 30 thousand dollars each, and then basically like ten grand for operating. We had basically a small two-person office out of the corner of the University incubation tech center. It was very, very bootstrapped, as you said. And so, he comes back with 50 thousand. I realize okay, well, let me. After everyone that I knew said no, let me go out to the banks. And I just remember writing this amazing business plan, having the pitch deck, and they were like: "Well, don't you already have a business? Are you building a new website that is going to be all eCommerce driven?"

I was like: "No, no, no, I have got all that. I am rebranding as this new, shorter name," and they were like. I do not know if the Super Bowl was happening at the time, but they were like: "Can't you go to GoDaddy and get the names for \$9.95?" I was like: "No, this is like a one-word domain. You cannot just go buy another one, like they do not exist anymore." And I am trying to make these analogies and it is like virtual real estate, and it is a great location on the web. They were not having any of it at all.

So, being turned down again also taught me an important lesson, which is to never take no for an answer. And Phil suggested: "Why don't we go back and give him a counter offer at least?" And he was like: "What can you come up

with?" I did not want to be, frankly, too cheap, so I was like: "Well, more than half, so we will offer him 30 thousand dollars." I was like: "Phil, I do not have 30 thousand dollars," and he was like: "Well, what have you got?" I was like: "Well, I can probably come up with five thousand bucks."

I go and I thought: "Well, why don't I give him five thousand dollars per quarter for the next six quarters, so five times six is 30 thousand dollars. So, in 18 months, I will have paid this thing off entirely." And you know what. He went for the deal.

Michael: Wow.

David: So, five thousand bucks, which I would totally not advise, but I am pretty sure I just did a cash advance against a credit card or something extremely foolish, got the cash, like wired him the money, and he transferred the use of the domain name over right away. So, literally, over a week, we copied all of the files on one server to another server and literally just like pointed the traffic, and like ta-dah, we are now Voices.com and sent out this announcement to everyone. And they were like: "Wow, this is amazing," like people were really enthusiastic that we were able to pull this off.

Michael: Okay, so I am going to ask you about.

David: Michael, you like that story.

Michael: I love that story, so let me ask you a little bit more about that. Before I go there, which is a better name, David: Voice.com or Voices.com, and how did you choose?

David: Yeah, I think Voices, as a plural, because we do have a marketplace of so many voices. And so, that kind of goes back to the idea of like we are, in a sense, representing the talent and giving them a place to showcase. And often, the talent have many voices that they can perform. Characters and celebrity impersonations, all those different applications we talked about. And so, we found that Voices, plural, was a better fit for us.

Michael: Yeah, so often times, entrepreneurs wrestle with the fact: should I get the singular or the plural, and in your case, you are building a marketplace of multiple voices, so the plural made perfect sense.

David: Yes.

Michael: If, instead, you were maybe a consulting firm and you wanted to brand for your consulting firm, maybe Voice.com would be better in that case.

David: Exactly. Exactly.

Michael: Perfect. So, now, you have got Voices.com. You took our your cash advance of five thousand bucks. You know you own another five thousand bucks every quarter coming up. It sounds like you are pretty tight on cash flow. Were you worried that you would not be able to pay for the next five-thousand-dollar payment or even to pay off your credit card five-thousand-dollar?

David: Totally. Well, one of the first things we did was we were advertising on Google AdWords at the time. Now, again, nowadays a minimum is like one dollar to two dollars per click. At that time, it was like five cents per click. So, we were buying as much traffic as we could possibly get.

Michael: Yeah.

David: And so what I did not realize that Google, in terms of the organic search results and one of the factors that they weigh in their organic, which is they have like two hundred different factors nowadays, which are pretty well documented. But one of them, at the time seemed to be overweighed, was the age of the domain name. And if you think about it, everyone is trying to get to the top of the search engines by taking these tactics on their website. Well, age of the domain name is one of these factors that is really out of the webmaster's control and Google can check a third party registry to know how old is this domain and so forth.

So, it was an overweighed criteria that actually really worked in our favor. And so, as I mentioned, Voices.com was registered in 1998, literally the same year as Google itself. And so, having all this domain age as momentum behind us literally our organic traffic tripled, like pretty much over that weekend.

Michael: Wow.

David: It was completely crazy. So, not that it went from like one million to two to three million. Probably more like ten thousand per month to 30 thousand per month, but it was a ton of extra traffic. More certainly than we were paying for. So, my thought was, well, Google has just given us this great gift of all this free traffic. Why don't we temporarily pause the advertising campaigns that we have and basically reallocate those resources and pretty much bank them for this upcoming quarterly payment.

So, it was a matter of shifting resources.

Michael: Wow. So, you could say you got lucky that you suddenly got more search traffic, so you do not need to buy the adds.

David: Exactly. Do not get me wrong. We feel very fortunate and very blessed that this all worked out the way it did, but in some senses, it is almost like we got this name for free because we just paused our ads and paid off this name, and at the end of the day, we still own and maintain ownership over this domain name.

Michael: Now, if you started this business three years ago, David, as InteractiveVoices.com, and then today you wanted to buy Voices.com, do you think you would still have that sort of benefit from that great domain name that you received back in 2007, or is that something that entrepreneurs should not count on today?

David: If you can get a great domain name, I would absolutely go for it. It obviously comes down to resources. I think my story demonstrates I did not have the resources. You can be creative with it. There are all kinds of ways to structure those kinds of deals. Maybe working with a lawyer. It is a

transaction at the end of the day, so maybe the lawyer can bring some ideas to the table as well. For instance, you could say hey, for the next year, I will pay out of the increased revenue that I get from this name. If I really believe it is going to be a game changer, I will give you ten percent commissions on all the increased revenue above this threshold.

So, there are lots of ways that you can structure deals that does not require to be (Unclear 45:03.1) any cash upfront as well too, because if someone is just sitting on a name and they can put it to use. With a good entrepreneur who has an idea that already has some revenue going for it and this can be part of a bigger branding exercise, then that would be good. The phrase that kind of, and it is really a proverb that went through my mind at the time. I remember reading that a good name is better than great riches, meaning you really do need to have a great name because it is what everybody sees who you are. You entire identity online comes down to your domain name because your domain name drives your Twitter handle and then it drives your email address, and like that is who you are.

And I realize it is not just a name. A domain is also your address. So, this whole idea of like location, location, location. It sounds like a snappy name. It is the destination of where you want people to end up as well. So, for all those reasons, I think there is tremendous value in owning a great domain name.

Michael: Yeah. And so, you talked about a lot of different things here. A couple of things that I have heard from other entrepreneurs that have purchased great domain names is that it gives them authority value with their customers. You, being the sales and operations guy, you told me earlier that you are going to meet with large corporations. How has that impacted your relationship with customers who are paying you money, who are signing up for your service now that you are Voices.com rather than InteractiveVoices.com?

David: Oh, absolutely. I have got two quick stories. One. I mean they are doing their own research, and I believe I heard that it is like 70 percent in business-to-business transactions. 70 percent of the buying decision is already made before that company even contacts the business. Like they have

done so much research ahead of time, so you want to kind of be demonstrating that sense of authority and thought leadership as well, and so we certainly have been able to win business over that way because it does sound like we have just always been there.

Most people do not understand. They think the only way that you could have possibly gotten the name, Voices.com, is if you were around 25 years ago when the World Wide Web was just kind of coming to be. And so, there is certainly a credibility factor. And that actually lends itself to, well, how do you achieve thought leadership and positioning in the minds of prospects? And one of the ways is through media relations or public relations. So, my thought and thesis, if you will, was well, if we had a great domain name, we can position ourselves as the expert within the field.

And this is way before like contact marketing and all that rage nowadays, but we would literally get inbound queries. My favorite was from CNN, from a fellow who was doing a story on the Amazon Kindle. The very first version that had text to speech, where you could like play this kind of automated text version of the book, and they wanted an opinion from an expert on if we felt that this was going to replace audiobook narrators. And so, he reached out for a comment because he looked up in the search results.

I said, "How do you get our name?" He goes: "Oh, I just Googled around," and it was like Voices.com and these other names that had numbers and hyphens and .BIZ. I mean it was no question. We just sounded like the go-to place, which gave him the confidence to reach out to us. The New York Times. We have got a story in the New York Times that was very similar, kind of how it worked. So, there is this whole media relations aspect and has been tremendously positive. You cannot buy that kind of thing, but you can enable it by having a great domain, which is the path that we have taken.

Michael: David, I realize that it is coming close to the end of the time that we had allotted for this interview. I have a few more questions. Do you have an extra five or ten minutes?

David: Yeah, you go for it.

Michael: Oh, phenomenal. Okay, so a lot of times I will hear search engines, like Google, recommending the companies to go make up a word and then build a fantastic company behind it. So, I think they are encouraging entrepreneurs who cannot find a domain like Voices.com to come up with a brandable, like Talky.com, where it might be a marketplace for voice talent. If you had to do it again, would you select a brandable like that, that is just shorter that gives sort of an inclination of what it is behind there, but people really have to discover what it is, like a Google, or would you go with Voices.com again, which is much clearer to understand what you might find if you visit that website?

David: Yeah. I mean I am on the ladder. I just like the intuitive nature of it kind of does say what we do in a single word and there is not a lot of questioning about that. If there has been any confusion, it has been around people thinking that we are like a political action group sometimes, but I mean you visit the homepage. You kind of get it within five seconds.

So, the challenge though with having a one word and then .COM has actually been more recently on the social media fronts because a lot of those words are taken up, and so for many of the platforms we have resorted to VoicesDOTCOM, which I see quite a bit. If I were to "regret" anything, it is that we did not press harder just to try to get @Voices.

Now, recently, we actually were able to speak with the representatives at Twitter and nobody was using the @Voices handle and they were able to transfer like shockingly fast actually our entire Twitter profile over to @Voices. Like literally in like an hour, I was like. We were still kind of talking about if we wanted to do it internally, and it was already done, and then we were: "Oh, goodness, now we have to update like all of these links where we are pointing to you, but I mean that was already happening.

People were doing just @Voices, so now that is a bit of process for us to go through. Who do you even talk to at YouTube or Facebook to try to like get the @Voices username on all those? So, that is where we are at now. So, that is just kind of a bit of a caveat I guess, if you will, for those who are trying to go for that single-word domain. Think of well, what is the byproduct? What

other kind of intellectual property, if you will, do I need to protect or secure ahead of time that might make that case?

Michael: Yeah, great point. Anyone can own a two-word domain name, such as interactiveVoices.com, OnlineVoices.com, NewVoices.com, for example. There are a million options for an adjective and a noun like that, but only one person can own Voices.com. If an entrepreneur is watching this right now, David, and they are of sort of the mindset that your banker was back in 2007, that can't you just go to GoDaddy and get it for ten dollars, what is your advice to them on the value of a good single-word domain name? What should they look to spend on it?

David: Yeah. So, I actually was, if I may, pretty mathematical about the whole thing. I figured what is the price of a visitor, right? Like how much am I paying for a visitor on Google? And if I get this domain name, hey, is there already traffic coming to this domain name? How much type-in traffic is there? How much, if there is Google keyword searches? Do I think I am going to get better organic ranking? And at the end of the day, you are figuring out what is the increase in traffic I think I am going to get on a monthly basis. And if it is ten thousand and you are paying ten dollars per click, then you can pay one hundred grand for the domain name, and you figure out if that is a year or a month or what have you.

Justify it. Do not just be emotional about it and go: "Oh, it is going to change the world," because there is a lot of hard work in kind of getting a deal like that together and pulling it off, but it is absolutely worth it in the long run for all the reasons given. I mean it is very subjective. The shorter, the better. No misspellings. That is sometimes where some people get kind of tripped up. Voices. There is only one way to spell that. Sometimes there are words that can be spelled two or three different ways and maybe people are kind of putting the wrong word in or they are spelling it wrong.

Color as an example. In Canada, we often put Us in things. Is that going to be confusing for somebody in the US, which is arguably the biggest market on the web in terms of eCommerce that is? They are not going to know put in U. Americans are not going to know to put in U in the world color. If you are selling paint as an example. So, you have to kind of make those

considerations. I think if you are going to start a business, I think it is reasonable to ten to 20 percent of your initial launch budget was dedicated towards a domain. So, if you can secure a loan of 50 to one hundred thousand dollars, and maybe you are spending ten to 20 thousand dollars on a domain name, you can probably get a pretty good domain name for that.

And then a lot of people start well, maybe it is not the perfect domain, but it is good or good enough. I can start there. And as I grow the company, then maybe I am willing to pay one hundred grand on the bigger domain name, once I have proven I have got some revenues in place as well. There is no right or wrong way. The bottom line is do something. Right? You have got to take that first step.

Michael: I agree, and I think that it is great advice to get a good domain name to start, and then build a real business on it. Now, I want to add a little concrete example to this. Let's say that I know there are a lot of companies in the world that make a million dollars. It is not a big company, but it is not like a small company making one hundred thousand dollars. One million dollars. Let's say it's an online business, making 20 percent profit margin and they want to upgrade from their good domain name, maybe it was a two-word domain name and they want to upgrade to a single-word, like you have done with Voices, but the price tag on the domain name they want is, let's say, one hundred thousand dollars. Is that a worthwhile time to upgrade their brand?

David: Well, you are trying to go from one million dollars to five million and ten million. Those are the typical kind of big thresholds. Getting to one hundred thousand. A lot of companies can get to one hundred thousand dollars in sales over a number of years. Getting to one million is a huge jump. I mean, again, we talk about the 10X jump, and then one to ten million. So, in order to do that, you are probably going to need to do something fundamentally different and a rebranding like that would be a great catalyst to be able to pull that off.

Personally, I certainly would. We were way earlier on, but if we were at the million-dollar mark, I could absolutely see, and we have the resources. Those are the kind of big risk, big reward type things, and domain names,

fortunately, are something that do have resale value. To be honest with you, if you were willing to pay for it, and the web is full of entrepreneurs that are looking for single words to rebrand their companies. So, maybe you tried it, and I do not see it having a negative impact. I see it only having a positive. It is more on the financing and kind of coming to terms with that, and that goes back to that exercise, how much more traffic do I think I can get through this better domain name.

Even trying to quantify things like hey, if we got five more or six more public relations stories from major media that sent us ten thousand visitors each, there are 60 thousand visitors we would not have had that are highly credible, highly qualified, interested in what we are doing. I mean there is value there. So, I think it does come down to doing that type of value analysis.

Michael: Yeah, I think you are right on the money, David, and I think a lot of entrepreneurs do not think of a domain name like that. If you were building your recording studio back in 2004, let's say, you might spend one hundred thousand dollars on the equipment. If the business goes belly up, you could actually sell that equipment less than what you paid for it, but it has a value that you can sell it for.

David: Exactly.

Michael: And that is exactly the same point that you just made with the domain name. If you spend one hundred thousand dollars on it, there is a resale, an aftermarket for domain names.

David: For sure.

Michael: And a lot of entrepreneurs.

David: And again, that truly is an asset. It is not like you are buying a sign that you are going to hang out front of your building, where it can only be used for you.

Michael: Right.

David: And in that particular geography, this is something where there are literally millions of people that are going to be maybe not necessarily all interested in that, but there is obviously a whole subculture and industry around domaining that there is certainly going to be somebody interested in it afterwards. That is a great point. I appreciate that.

Michael: So, here is the final question for you, David, and this is likely the most important question on the entire show and it has to do with voiceover talent.

David: Sure.

Michael: Do you know Susan Bennet, the voice of Siri on the Apple iOS products?

David: That is really funny. There was a great article on CNN about the kinds of efforts that she had to go through to both land that gig. I do not believe she actually knew she was going to be the voice of Siri until he got into it either. She is a lifelong voice talent. At last check, she was not self-subscribed or joined Voices.com yet, but we are working on it. We are working on it.

Michael: And there is a perfect example, like there is the most ubiquitous voice that is in the news, that jokes are made, that news stories are made about, and I did not even realize it was a real person. I thought it was like a computer-generated voice.

David: Oh, yeah. I mean we have done GPS systems like that and like medical text to speech programs, literally where the actor or the talent was like reading literally the dictionary. All of these terms to piece together that kind of artificial intelligence application.

Michael: All right. If you have a follow up question, please post it in the comments below this video and I will ask David to come back and answer as many as he can. If you want to follow David on Twitter, go check out @DavidCiccarelli. I recently just discovered your Twitter feed, David, and it has got some fantastic information. I love your visual images, and then a lot on the business. It fits exactly what I am looking for.

David: Cool. Thanks.

Michael: And this is also the part of the show where I ask you, the audience. Take 30 seconds to reach out to David. Just say thank you. You can post a comment below. You can send him a message on Twitter. Just take the time to connect with David and thank him for his time. David, I want to be the first to thank you. Thanks for coming on the Domain Sherpa Show, helping others to understand your path to success so they can make their own path someday, and thanks for being a Domain Sherpa for others.

David: You got it. Thanks for having me.

Michael: Thank you all for watching. We'll see you next time.

Watch the full video at:

<http://www.domainsherpa.com/david-ciccerelli-voices-interview/>