I Failed My First Startup — Here's How I Pivoted Without Losing Momentum

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Key Takeaways

- Build multiple options, so pivots create momentum instead of panic.
- Pivot gradually by refining systems and generating revenue at every stage.

I was watching a show about eBay one evening in 1999, and something bothered me. Who does business like this? In real business, you negotiate. You have a price, someone counters, and you find a middle ground where both parties are happy.

The next day, I started Marketcircle.

Originally, Marketcircle wasn't the CRM it is today. It was a dot-com with a simple premise: put up a product with an asking price, and buyers could counteroffer. We built it, got it working and had actual transactions happening. I even made it to the top VCs in Silicon Valley to raise funding.

The day I arrived, the dot-com bubble burst.

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When options create momentum

That failure could have been the end. Instead, it became a pivot point. We went back to consulting. We did this not because we wanted to, but because we needed to keep four people employed and bills paid.

Through all our pivots, one thing became clear: maintaining momentum depends on having options. When you're in a situation with no options, you get negative because there's nothing to look forward to. But if you take time to develop three or four options, suddenly you have something to work toward and to look forward to.

During our consulting phase, I faced a different problem. I was coding and selling simultaneously, constantly forgetting to follow up with prospects or losing track of where conversations left off. These weren't quick decisions – we're talking $50,000 to $200,000 contracts with 12-month sales cycles. Looking unprofessional meant losing deals.

I needed a tool to help me stay on track. There was nothing suitable on the Mac platform at the time. My naive self thought building a little tool couldn't be that hard.

That "little tool" became Daylite.

The 'refactoring' approach to business

In coding, there's a concept called refactoring. You have two ways to change a system: rewrite everything from scratch or refactor it bit by bit. The same principle applies to pivoting a bootstrapped business.

We didn't abandon consulting overnight. From 2001 to 2007, we ran both businesses simultaneously. I'd showcase Daylite

during consulting pitches as proof of our technical capabilities. People started asking if they could buy it as a product. Even though I hadn't built it as a product originally, we converted it.

By 2007, Daylite revenue finally exceeded our consulting income. Only then did we fully pivot.

This gradual approach meant sacrificing time for money. Without external funding, we couldn't just flip a switch. We had to slowly move pieces around, test what worked, and adjust. Some customers got features one way, others got them differently. We learned, adapted and kept moving forward.

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Building systems before you need them

Building systems saves you in the long run, though I'll admit I learned this lesson the hard way. I'm not naturally the operational type who documents everything. But the patterns and routines I developed — even unconsciously — became critical during our transitions.

During our shift from consulting to product, the workflows we had established (more through repetition than documentation) meant we could onboard our first employees without everything falling apart. For those more systematic than me, documenting these processes early will save you tremendous pain later. AI tools make this easier than it's ever been. You can record your process once and have it transcribed and organized. Takes minutes instead of hours. No excuse not to do it now.

You need these systems before you scale or pivot because you can't build them when you're drowning in the transition.

Why bootstrapped pivots actually work

When you don’t have venture capital, you can’t afford to be wrong for long. This constraint becomes your advantage. Every pivot has to generate revenue almost immediately, or you adjust again.

Our shift from marketplace to consulting happened within weeks. The consulting-to-product transition took six years, but we were profitable throughout—though I won’t pretend it was always smooth. There were risky months where I had to close deals in the last week just to make payroll. But at least I had deals in the pipeline, prospects trying out Daylite before buying, something to work with. Each stage funded the next through a combination of hustle and careful cash management. While we avoided dramatic “bet the company” moments, there were plenty of “make payroll by Friday” moments that kept me up at night.

The biggest mistake I see entrepreneurs make is thinking they need perfect clarity before pivoting. You don’t. You need options and the willingness to test them. Developing those options takes patience. In my journal, I’ll ask myself the same question for days with no good answer. Then on the third or fourth day, something strikes.

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The discipline of gradual change

Pivoting without losing momentum requires discipline, but not just the obvious kind. Sure, sometimes you’ll pull 20-hour days — I have, and there’s no shame in that when it’s needed. But the deeper discipline is in small, consistent changes that compound over time.

I learned this lesson early. When our family was expelled from the Congo when I was four, then my father passed away two weeks after arriving in Canada. My mother had to completely reinvent how our family survived. She got her first job in a new country while learning English and raising three kids alone. Then she made an even bigger gamble—returning to Congo to see if she could build something there.But even those big leaps were followed by periods of adjustment and smaller decisions. The same principle applies to business pivots — sometimes you need the courage for a major change, followed by the patience to refine and adjust once you've made that leap.

Even today, with Daylite serving thousands of businesses globally, we're still refactoring. The ground keeps shifting — technology changes, customer needs evolve. The vision I have isn't fully realized yet. It's partially there, and we keep adjusting to the landscape as we work toward it.

Business pivots aren't about grand gestures or complete reinventions. You recognize when something isn't working, develop options, and methodically move toward what will work — all while keeping the lights on and people employed.

That eBay-inspired marketplace failed. But it led to consulting, which led to Daylite, which now helps thousands of small businesses grow. Sometimes you need to fail at one thing to succeed at another.

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